WASHINGTON.

Guy C. Crow to be postmaster at White Salmon, Wash. Office became presidential April 1, 1909.

Leonard S. Pendleton to be postmaster at Port Orchard, Wash. Office became presidential April 1, 1909.

WISCONSIN.

Frank L. Davis to be postmaster at Camp Douglas, Wis. Office became presidential April 1, 1908.

Jonathan Wiggins to be postmaster at North Freedom, Wis. Office became presidential January 1, 1909.

CONFIRMATIONS.

Executive nominations confirmed by the Senate April 1, 1909.

AMBASSADOR.

John G. A. Leishman to be ambassador extraordinary and plenipotentiary to Italy.

MINISTERS.

Henry Clay Ide to be envoy extraordinary and minister plenipotentiary to Spain.

Charles H. Sherrill to be envoy extraordinary and minister plenipotentiary to the Argentine Republic.

SOLICITOR-GENERAL OF THE UNITED STATES.

Lloyd W. Bowers to be Solicitor-General of the United States.

UNITED STATES ATTORNEYS.

Edward E. Wagner to be United States attorney for the district of South Dakota.

Charles W. Miller to be United States attorney for the district of Indiana.

George B. Curtiss to be United States attorney for the northern district of New York.

Henry A. Wise to be United States attorney for the southern district of New York.

APPOINTMENT IN THE ARMY.

J. Randolph Peyton to be second lieutenant.

PROMOTIONS IN THE NAVY.

Commander Richard T. Mulligan to be a captain.

Lieut. Commander William H. G. Bullard to be a commander.

Ensign Darrell P. Wickersham to be a lieutenant (junior grade).

Lieut. (Junior Grade) Darrell P. Wickersham to be a lieutenant.

POSTMASTERS.

ALABAMA.

Newman H. Freeman, at Haleyville, Ala.

HAWAII.

George Desha, at Hilo, Hawaii.

John N. S. Williams, at Kahului, Hawaii.

IOWA.

J. W. Jarnagin, at Cedar Falls, Iowa.

KANSAS.

Robert H. Montgomery, at Oswego, Kans.

MARYLAND.

William P. Miller, at Forest Glen, Md.

MISSISSIPPI.

Henry L. Rhodes, at Ackerman, Miss.

MISSOURI.

Alexander T. Boothe, at Pierce City, Mo.

Robert A. Booth, at Buffalo, Mo.

NEBRASKA.

Lon Cone, at McCook, Nebr.

NEW YORK.

Herbert B. Eaton, at Youngstown, N. Y.

Archibald K. Fowler, at Caledonia, N. Y.

Frederick S. Welch, at Allegany, N. Y.

PENNSYLVANIA.

James E. Johnston, at Barnesboro, Pa.

Joseph A. McClaran, at Saltsburg, Pa.

VIRGINIA.

Albert A. Evans, at Mount Jackson, Va.

HOUSE OF REPRESENTATIVES.

THURSDAY, *April 1, 1909.*

The House was called to order at 10 o'clock by W. J. Browning, Chief Clerk of the House, who read the following communication:

SPEAKER'S ROOM,
HOUSE OF REPRESENTATIVES,
April 1, 1909.

I hereby designate the Hon. JOHN DALZELL as Speaker pro tempore.
J. G. CANNON.

Mr. DALZELL assumed the chair as Speaker pro tempore.

Prayer was offered 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 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 Committee of the Whole House on the state of the Union, with Mr. OLMSTED in the chair.

Mr. CANTRILL. Mr. Chairman, as a new Member of this House I am loath to participate in this debate. The great injustice perpetrated upon my district and upon my State under this bill demands that I should at least enter my solemn protest against its passage, in justice to the people whom I shall endeavor to represent; therefore I ask the indulgence of the committee for a few minutes.

Kentucky produces one-half of the tobacco grown in the United States, and I think I can safely say more than three-fourths of the hemp. My district, the seventh Kentucky, is the largest producer of white Burley tobacco in the world and the largest producer of hemp in the United States, with one possible exception, and that in Kentucky. The law to-day, so far as white Burley tobacco is concerned, has a tendency to decrease the price of leaf tobacco and the further effect of forcing the growers of tobacco under the domination of one of the most heartless trusts of this country.

As to hemp, this bill offers no protection, as it permits the greatest competitor of hemp—India jute—into this country duty free.

The tobacco growers of Kentucky and of the Nation need protection, if any class of producers need it, because they are the prey of a great trust.

The hemp growers need protection if any industry needs protection, because what was once a great industry has been demoralized and almost annihilated by the importation of a competing fiber grown by oriental labor.

The tariff of $20 per ton on hemp is not protection; it is but a blind, for the simple reason that but little hemp is imported. A revenue tariff on jute, the cheap substitute for hemp, is the only hope for a revival of an industry now completely paralyzed, if price is to be made by legislation. The fairly profitable quotation on hemp is due to the fact that production is practically nothing, compared with the possibilities of production in the blue-grass region of Kentucky. There can be no development of the hemp industry in this country without a tariff is levied upon jute or some new avenue opened for its consumption. In the face of these facts, in spite of the fact that I am the largest hemp producer in my county, being an active farmer and considering farming the noblest avocation in the Nation, I do not ask for a duty on jute, except a very reasonable duty for revenue only. [Applause on the Democratic side.]

As a Democrat, I have professed to follow the doctrine of the greatest good to the greatest number. If the cotton growers of the South, the farmers of the great West, the manufacturers of the North and East must have cheap burlap and cordage, then, upon the doctrine as set out above, there can be no demand for a tax that prohibitively protects the hemp industry in my district in Kentucky. Yet I have heard great discussion in this House upon the zinc schedule, which, judging from the discussion, only affects one district in Missouri.

Coming from a district that sent Clay, Beck, Blackburn, the Breckinridges, and Settle to the National Congress, I can only hope as a young man that no action of mine shall bring discredit upon my people. I can never hope to measure up to their achievements, but I can try to be loyal to their teachings. Equal taxation of all the people, with favoritism toward none; a loyal support of the Union and a faithful adherence to the principle that the citizen should be proud of the opportunity

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to contribute to the support of our country, rather than for the Government to be paternal protector of the citizen. [Applause.]

Mr. Chairman, as a farmer and grower of hemp I am of the opinion that by organizing the hemp growers of Kentucky for the purpose of demanding a better price for their product, and for the intelligent study of new methods of cultivation and handling, that much more can be accomplished for the hemp producer than by protective taxation of a competing product.

A few years ago the Department of Agriculture sent experts into my district to report upon hemp soils and hemp culture. Some experiments were made in my immediate neighborhood in which I was greatly interested. So far as I have been able to learn, no report of this work has ever been made by the Agricultural Department; yet I indulge the hope that this information will be given out to our farmers in the near future. In my own judgment the possibilities of the industry are immense, and, backed by scientific knowledge of culture and handling, new and profitable channels of commerce will be at hand.

Kentucky has been sorely afflicted by legislation, both state and national. This bill affords no relief to our tobacco and hemp industries. If there be merit in the idea of protection, and I do not believe there is, this bill denies to eastern Kentucky, one of the richest timber and coal sections in the world, that protection.

Denying help to the great agricultural products of the State, yet it imposes heavy taxation upon nearly all things entering into that production.

I submit to this committee that such a plan is unjust and unfair. In addition to national legislation that is oppressive to Kentucky, I call attention to state legislation in different parts of the Union that severely cripples our leading industries. Kentucky has over $200,000,000 invested in distilling and brewing interests. The tendency of state legislation is to wipe out this great value, and at the same time decrease the revenue of the National Government by millions of dollars each year.

Kentucky had millions of dollars invested in thoroughbred horses, and yet state legislation has practically wiped out this great value, and I assert what I believe to be true, that in no State have the morals of the people improved on account of such legislation, but the direct result in Kentucky has been the loss of millions of money to the horse breeders and farmers of Kentucky. Under these conditions I respectfully submit to this committee that this bill only adds to the burdens of Kentucky—already sorely oppressed. [Applause on the Democratic side.]

Our only hope in Kentucky for the farmer has been organization and cooperation in the selling of our products. Bankruptcy would have been our portion but for this principle, promulgated into our State by the American Society of Equity, an organization principally teaching and educating our farmers to take advantage of their own power in securing profitable prices for the products of the farm.

Organization and cooperation are the leading ideas of the twentieth century, and no hope can exist for any branch of business which does not adhere to this idea.

Organization is the first great step in any battle in industry, politics, and all other lines of human activity. As has been said by a great philosopher, "Self-activity is the indispensable condition of improvement," and no industry and no party can hope for permanent success without thorough organization as a starting point.

The success of the Republican party in the Nation is due to its resourcefulness in organizing its members.

The victory scored by Speaker CANNON in this Congress was due in large measure to his ability as an organizer.

As a member of the minority side, of course I do not rejoice in his victory, but I do take my hat off to him as the chief exemplar of the power of organization.

As a matter of sincere conviction opposed to the political policies of the Speaker of this House, yet, as a Democrat, I do not indorse the campaign of personal abuse and criticism against him. Personal abuse of a political opponent never makes friends for the person indulging in it, and, in my humble opinion, the Democratic party must to win success—which I know it deserves and believe it will win—must upon a high plane go before the American people upon the merits of their policies and not upon the platform of abuse for their political opponents. [Applause.]

Some years ago the people of California had a foolish notion that they possessed the greatest race mare in the world, by the name of Molly McCarty. This idea was spurned by the people of Kentucky. In my district lived old Adam Harper, who was the proud owner of the greatest race horse in history—the noble Ten Broeck. So a 4-mile race was arranged, as Adam Harper expressed it, a race from "eend to eend." Of course, the Kentucky horse won in a race that was one of the great historical events of the last century. As a performer, "a stayer," and a thoroughbred, "Uncle Joe" is the Ten Broeck of American politics. [Laughter and applause.] When by organization and thorough preparation the track is made in a little better condition than at present, by the Democrats of the South in this Congress standing side by side and dividing honors with the great States like Indiana and Ohio, and other States North and West that made such Democratic gains in the last election, we can land the Hon. CHAMP CLARK in the Speaker's chair next time and the White House after that. [Applause on the Democratic side.]

The kindly expression on his face is good for a million votes when he faces all of the people, and his brain and ability are good for the other millions necessary to give him the victory. [Applause on the Democratic side.] There are two States which are now close politically which he would take from the doubtful list—Kentucky and Missouri—one the State of his birth, the other his adopted State. His power as an organizer in this Congress will be such as to lead us to battle prepared, organized; fortified by the justice of our cause militant, for the defense of the masses. The Democracy will control the Government and use it for the welfare of all the people.

No victories can be won in the next Congress by brooding over our Democratic misfortunes in this Congress.

The actual knowledge of conditions, the burial of petty differences, the equal distribution of honors to all sections, and other matters necessary to success, which can only be accomplished by organization, will change us from a minority to a majority party in the Nation.

This tariff bill itself is a wonderful exposition of the power of organization.

Every item protected has behind it some powerful organized interest—the great masses of the people not having organization must under this bill pay the penalty for their want of organization. [Applause on the Democratic side.]

The greatest objection to this bill is its sectional distribution of the benefits it produces.

The spirit of the Nation is to be done with all sectional ideas. Our new President in the recent campaign laid great stress upon this principle, and I do not doubt his sincerity. And to accord to his teachings and the spirit of all citizens everywhere I ask a bill at the hands of the majority for all sections of our great country.

The chairman of the Ways and Means Committee in his opening remarks made a statement which impressed me forcibly. The effect of it was that there was too much demagogism in the discussion of public questions with the farmers of our country. I heartily agree with him. It is an accepted fact that the true prosperity of this country rests upon agriculture as the foundation stone of our national structure. For a truly prosperous nation our farmers must secure profitable prices for their products.

The farmer is under no legal or moral obligation to feed the world at an unprofitable price, and I state here, as I stated in my district when seeking a seat upon the floor of this House, that low prices for farm products are due in nearly all instances to the failure of the farmers to use their own power and intelligence in the sale and distribution of their products. Intelligent distribution is a prime factor of price, and without organization there can be no intelligent distribution. The organization of the farmers of this Nation means more for their prosperity and the Nation's welfare than all of the tariff bills that can be devised. Tariff legislation upon a protective theory means exorbitant prices to the consumer. Prices based upon sound reasons of organization means an equitable price to the producer and to the consumer, and every man ought to be willing to pay an equitable price for what he consumes, and every man, in justice to himself and his family, should demand an equitable price for what he produces—no matter what be the product. [Applause on the Democratic side.]

In the past it has been a common expression that the farmer could not be organized. In Kentucky this statement has been disproved. To the chief crop of Kentucky—tobacco—the principle of organizing the producers has been applied, and directly due to this effort nearly $100,000,000 have been distributed to our farmers upon this one product in the last three years. The grower of tobacco in Kenutcky during the last three years has received double the price for his tobacco which he received prior to organization.

What is true of tobacco can be true of all other farm products.

The farmers of this Nation should, in my humble opinion, undertake to better their condition, first, by effective organiza-

tion to secure equitable prices for their products and, secondly, by directing their power against legislation which hinders them from securing articles which they consume at an equitable price.

"The gods help those that help themselves."

Speaking for the farmers of my district—comprising a great part of the blue-grass region of Kentucky—I ask no special privilege at the hands of the Government, but I earnestly protest against an imposition of taxes against us for the interest of one of the greatest trusts in this country.

Under the present law the tobacco grower is largely restricted in his sale of tobacco in the hand by the imposition of a tax amounting to 6 cents per pound. I ask, as a matter of justice, the removal of this tax on tobacco in the hand.

The failure to do justice can not be excused with the answer that the Government needs the revenue. The payment in taxes by the citizen to the support of his country should be cheerfully made, but under our form of government no tax should be levied where one portion of it goes to the National Treasury and the other portion to the treasuries of protected interests.

It should be a matter of national pride with the American citizen to contribute to the needs of his Government, but a protective-tariff system breeds the idea that the citizen should get all from the Government. One motive is patriotic, the other selfish; one strengthens the Republic, and the other weakens it.

As for myself, though I would have preferred to have seen developed inland waterways, constructed a system of interstate roads, and other internal improvements, rather than the outlay of almost countless millions in the Panama Canal, still, since our country has begun the work, I will cheerfully vote whatever is needed to finish the work, because there must be no such word as failure where Uncle Sam is boss. Patriotism must not be measured by dollars and cents, and Columbia must show the world that no obstacle can challenge her title as the Queen of all the Nations.

But in the collection of revenues to complete this great work, to maintain the other needs of the Nation, I submit that it is fair to lay the burden of taxation equally upon the shoulders of all the people of all sections. I listened with great pleasure the other day to a tribute paid his native State by the gentleman from Ohio. As I pointed out in the beginning of my remarks, Kentucky suffers more from adverse legislation than any State in the Union. Although in the last year or two much has been written to detract from the fair name of Kentucky, yet I assert here that much exaggeration and misrepresentation has gone before the Nation. In our tobacco war in Kentucky many things have occurred which our people do not indorse; but in Kentucky there is in the minds of our people no difference in principle between the "night rider" and the trust which robs men and women and makes slaves of children in the tobacco patch. The negro in bondage was never more of a slave than the grower of tobacco under the old régime, when the trust set the price. In principle there is no difference between the trust which plunders and the "night rider" who plunders. Both are criminals and should suffer the fullest penalty of the law. [Applause on the Democratic side.] Child labor means child slavery, and I am forever and eternally against the damnable practice of child labor, whether it be in the tobacco patch of Kentucky or the sweat shops of our cities. As does organized labor in the city, so does the organized farmer in the country transfer the child from shop and field to home and school—the hope in the future for our glorious Republic.

Kentucky in the past has contributed her full quota to the glorious history of our country.

Could the members of the Ways and Means Committee have been in Kentucky on Lincoln Day and had they seen the confederate soldiers who wore the gray join the throng who wore the blue, in honor of the great emancipator, and grasped the idea of a united country wherein sectionalism is a dead issue, such a tariff bill as this would have been impossible. As Kentucky gave Abraham Lincoln to the North, so she also gave Jefferson Davis to the South. The Nation has justly built a memorial upon Kentucky soil to one, and I hope that it will be generous enough to build a memorial to the other. As Kentucky furnished the Presidents for both North and South in the great civil war, since that strife is ended and all sections support with true American loyalty the Stars and Stripes, I ask this Congress, representing all sections of our great Nation—North, South, East, and West—to grant a square deal to Kentucky and to her people and her products.

I am profoundly grateful to the Chairman for this opportunity to address the committee. [Loud applause.]

Mr. GAINES. Mr. Chairman, the gentleman from Missouri, the distinguished leader of the minority on this floor [Mr. CLARK], did me the courtesy the other day to refer to me as being next to the gentleman from Michigan [Mr. FORDNEY], the highest protectionist on the Ways and Means Committee. Without challenging any comparison in that or any other respect, I wish to avow my unshaken devotion to the policy of protection, and I do it because some of our friends on the other side of this Chamber have assumed to see in this revision of the tariff some abandonment by the Republican party of its protective policy.

It is, Mr. Chairman, no such thing. Even if the Dingley law had been perfect in all respects when it was framed—a thing that no tariff law can by any possibility be—even if no new conditions at home had required its amendment, yet there were conditions outside the country, conditions not existing in America, which would have required us to enter upon a revision of the tariff at this time.

Our Democratic friends take great pleasure in referring to the fact that even under the Republican party and under a high-protective law the country has witnessed a panic. However, every member of the Ways and Means Committee discovered very soon after we had begun our hearings last fall that the depression, which was world-wide, was less severe in this country than anywhere else in the commercial world, and that the conditions which precipitated it not only did not originate in America, and not only were not in any sense due to the Dingley tariff act, but that, originating elsewhere, the Dingley tariff law delayed the beginning of the depression in America and mitigated the severity of its operation in this country.

The work of the Ways and Means Committee did not begin last fall. Under the leadership of the chairman of that committee, the leader of the majority side in this House [Mr. PAYNE], the experts of the Government and the clerks of the committee had for a long period been at work procuring data from which the committee might prepare a draft of a bill, and to assist the committee in examining the evidence of interested witnesses. After all, the best witness for a Ways and Means Committee in framing a tariff bill is the book of statistics. The record of the importations into this country for fifteen years, including and prior to the fiscal year 1907, disclosed the fact that unbroken and unrivaled prosperity had attended the business of this country for ten years, and until our home market was unduly invaded by foreign importations. For the convenience of the committee a record of the importations for the year 1907 has been appended to each schedule in a large volume prepared for our use, and with which the Members of the House are familiar, called "Notes on Tariff Revision."

We soon found that the year 1907 would not serve our purpose as a guide to the amounts of importations which a given rate permitted, but that the importations for that year were largely in excess of normal importations under the Dingley law. While the importations for the twelve months preceding October, 1906, were the largest which had ever been made up to that time, they were exceeded by the importations of foreign merchandise for the twelve months preceding October, 1907, the panic month, by over $225,000,000. The fact was too plain to be overlooked by any person except those who for any reason hold a brief against the Dingley law that the depression had begun in Europe more than a year before its effects were felt in the United States; that the manufacturers of other countries, finding their usual markets less capable of taking their products, were dumping the surplus thus left on their hands on the American market. Whether, if we could have known these conditions in time, and whether, if knowing them, we could have conserved more of our capital at home, the panic might not have been averted from this country, offers an interesting field of speculation. I repeat that while our importations for 1906 were much larger than they had ever before been, those for the twelve months immediately preceding the panic exceeded them by the tremendous sum of over two hundred and twenty-five millions.

But the doctrine of protection is not so much a doctrine, after all, as the application of sound common sense and business principles to existing conditions. New conditions require to be met. One of these conditions was domestic and the other foreign. Given unrestricted competition and the American rule of protection is absolutely correct. With free competition, whenever we can produce in this country any article in sufficient quantities to supply our demand, home competition will in every instance reduce the price of products to the purchaser to what the price ought to be, namely, the normal American price, paying to labor the American standard of wages, and giving to capital the inducement of those rewards which are natural and normal in a country with our resources and population.

But a new condition has arisen, which compels the attention of public men. With the growth of rapid and cheap transporta-

tion, and particularly with the growth of still more rapid and still cheaper communication, it has become possible for a single man or a single company, with sufficient capital and sufficient ability, to transact business more expeditiously and more safely, from every commercial standpoint, over a radius of a thousand miles to-day than it was possible to do a quarter of a century ago over a radius of a hundred miles. The inevitable result has been the tendency of a limited number of large concerns to acquire control of a large proportion of certain lines of business in many sections of the country, and in some instances throughout the whole country. The temptation is coequal with the opportunity for these concerns to attempt, by selling arrangements, price agreements, and other devices, to eliminate the operation of the law of competition.

This is the new domestic condition which the protectionist must meet. The protectionist must meet it for the sake of his own argument. He must meet it for the sake of the country, because there is no one else who can meet it; because if the economic conditions were to be abandoned to the gentlemen on the other side of this Chamber, the representatives of the Democratic party, the people of the country, in their distress, would at once be so anxious for relief that consideration of the problem we are now endeavoring to solve would be postponed for at least another decade. The effort of the Ways and Means Committee, therefore, has been so to adjust the tariff law as to preserve the American market for the American producer and the American workingman; but, at the same time, so that when there seems to be insufficient competition at home, if any persons undertake by combination unduly to advance prices, they will be subjected to foreign competition. We have not, however, sought to avail ourselves of foreign competition as a remedy, but rather of a fear of it as a preventive.

This apprehension that undue prices might be charged in combinations has finally found expression in the demand for relief to the consumer. The demand, however, has not come from those persons whom the gentleman from Illinois [Mr. BOUTELL] has denominated "the ultimate consumer;" it has rather been made in the name of the ultimate consumer by the manufacturing consumer in his own interest. During the hearings before the Ways and Means Committee I several times complained that the manufacturing consumer should seek his relief in his own name. This was not because I had any lack of sympathy for the manufacturing consumer in any case where he was entitled to it, nor because I had the slightest objection when the manufacturer stated his own case from his own point of view. I merely took the position that every man who appears before the Ways and Means Committee should disclose the interest which he represents; and that if he represents himself he should not put himself on record as representing a fictitious client whom he deems to be more popular.

A single example will illustrate the apprehension of many of the manufacturing consumers of the country. The United States Steel Corporation is supposed to be the producer of so large a proportion of the steel of the country as to dominate the price of steel at many stages of its manufacture. That corporation does not confine itself to the primary process of steel manufacture, but in many instances goes on to the finished product. For instance, the Steel Corporation not only manufactures steel billets, but from some of those billets it manufactures wire, and it also manufactures wire fencing. The independent manufacturer of wire fencing finds himself therefore buying his raw material in a market which he at least thinks is controlled by his competitor. He is therefore constantly in apprehension that that competitor may charge so much for billets that there will be no profit left for either the Steel Corporation or the independent wire-fence man in the manufacture of wire fences, but that the Steel Corporation will absorb it all in the price of billets. Up to the present time this would seem to be merely a misapprehension rather than a realization, for there never were so many independent manufacturers of steel and iron products; there never were so many specialties in metal manufactures and persons engaged in them, and profitably engaged in them, as there are to-day. However, these independent manufacturers fear their elimination, and the American public to a large degree shares their apprehension.

In making this bill the committee has had no desire to transfer the manufacture of steel billets to the capital and labor of Europe; but we have desire to quiet the apprehension of the American manufacturer whose raw material is the billet, and assure him, if possible, that it shall not be in the power of anybody to eliminate him from the business world.

Your committee, therefore, was confronted with what I conceive to be the most difficult problem that ever confronted a Republican Ways and Means Committee in a revision of the tariff. We are required to raise more revenue, we are required to preserve the protective principle, but the most difficult part of our duty is this: That the sentiment of the country and the sentiment of the Republican party requires us to make a nicer adjustment of the schedules in this bill than has ever been before made. The country requires that if there be in any of our schedules, either because a mistake was made in their original adjustment or because changed conditions by lapse of time produced it, more than enough to protect; if there be in any schedule, in addition to protection, any additional amount of duty behind which persons may combine unduly to enhance prices, then that the Republican party lop off that excess; and that we have undertaken to do in this bill. It is required of us by the country that an attempt be made to make an exceedingly nice adjustment, not so that foreign competition might come into the country, but so that the fear of foreign competition might prevent any attempt even unduly to enhance prices.

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

Mr. GAINES. Certainly.

Mr. HARDWICK. Does the gentleman from West Virginia think we have lopped off enough of the duty on refined sugar to affect the sugar trust?

Mr. GAINES. "The gentleman from West Virginia" thinks that we have lopped off all the excess duty on refined sugar that could safely be taken off without threatening the American beet-sugar industry, which the Republican party determines to foster in this country, if it can. [Applause on the Republican side.] The difference between the gentleman from Georgia [Mr. HARDWICK] and "the gentleman from West Virginia" is this: The gentleman from Georgia looks always with suspicion upon the effort to develop any great American industry here by the policy of protection, and "the gentleman from West Virginia" looks without suspicion upon that attempt.

Mr. HARDWICK. If the gentleman will pardon me, does the gentleman regard a duty on refined sugar as a revenue producer, or as anything else except a purely prohibitive duty, when it raises only $84,000 a year, and when behind it a great combination is formed that charges the people of this country an excessive price for refined sugar? Does the gentleman think that a reduction of 5 cents on a hundred pounds in that duty is a compliance with the pledge of the Republican party in the last national campaign platform to lop off the excess to which the gentleman has just referred?

Mr. GAINES. I will answer the gentleman with great frankness. When a committee meets to consider such a question there are divergent views as to the methods of reaching a desired result. I have not the time this morning, or at least it does not suit my purpose now, to attempt to go into all the mathematical intricacies necessary to be entered into to determine what a just differential would be to cover the difference between the protection to the beet-sugar and the refined-sugar industry of this country. In fact, I could not do it without special preparation, and, while there were divergent views, I will tell the gentleman from Georgia that the effort of the committee was to do precisely the thing he refers to, but we did not propose in doing it to go so far as to transfer the refining of sugar for this market to other countries, nor did we intend to go so far as to cripple the beet-sugar industries of the country. I have no doubt the gentleman from Georgia would have gone the entire distance. I have no doubt the gentleman from Georgia would have willingly seen the great beet-sugar industry of this country sacrificed, but not so the Republican party to which I belong. [Applause on the Republican side.] If the other gentlemen about to interrupt me will pardon me, in further answer I will remind the gentleman of this, that when his revenue duty—the duty under the Wilson bill—on sugar in this country was in force, sugar cost the consumers of the country more than it costs them to-day under the arrangement of the Republican party that fosters this great beet-sugar industry of the country.

Mr. MARTIN of South Dakota. Mr. Chairman, I would like to ask the gentleman whether his investigations upon this general subject lead him to think that the beet-sugar industry in this country is actually getting the benefit of this protection, or have those investigations led him to conclude that the beet-sugar industries may not be operating independently of the so-called "sugar trust."

Mr. GAINES. My investigations, and I think any other person who investigates it will arrive at the same conclusion, lead me to this result, that the beet-sugar industry is largely independent, and that in any event, if you were to remove the fostering care of protection the beet-sugar industry of this country

would go to pieces at once. It undoubtedly is true that the beet-sugar people can not continue to manufacture sugar in this country unless the policy of the Republican party is continued with reference to that product.

Mr. MARTIN of South Dakota. Mr. Chairman, I may say that I agree entirely with the gentleman as to the necessity of a measure of protection in building up the beet-sugar industry, and that that is a very important public question. At the same time I wanted the opinion of the gentleman—and I think he has in part expressed it—as to whether in fact in working out the problem up to date the so-called "sugar trust" has not in large part dictated the price and policy of our beet-sugar producers. I was led to believe that from information received incidently from one of our Members from the State of Michigan, who ought to be pretty well posted on this subject.

Mr. GAINES. Mr. Chairman, my answer to the gentleman is twofold. In the first place, I do not think that the so-called "sugar trust" dominates the beet-sugar industry of the country. But I will say further to the gentleman that his question suggests a very interesting and difficult problem. Suppose it did. The question would then come up to the people of this country whether, in order to punish the business methods of persons engaged in the production of sugar, they will abandon the effort to make sugar in this country as far as possible. I do not hesitate to say that, so far as I am concerned, being as hostile to what are known as "trusts" in all their unlawful operations as any other gentleman on this floor, I yet would not send the business of the country out of the country, even if it were under the control of a trust; and it might just as well be repeated here, that it may be known to as many persons as possible, that this country is the least trust-ridden country in the world. The other countries of the world have trusts more than we have. They may not have such big ones; they can not have anything of any kind as big in a small country as in a country the size of this; but it ought to be known—and our Republican speakers have made very little of this fact in the great debates they have held with our Democratic friends—it ought to be known that, whereas our Government does whatever it can to destroy trusts or prevent their formation, almost all the other commercial countries of the world foster and aid the formation of manufacturing and selling combinations, and I shall now——

Mr. NORRIS. Will the gentleman yield?

Mr. GAINES. In a moment I will yield with pleasure to the gentleman from Nebraska. I shall insert in my speech, with the permission of the committee, an extract from one of the Belgian Government documents in which their officer in charge of that sort of thing—his title I do not now remember; it is in a foreign language, anyway—but the officer in charge of such matters reported that he regretted that the arrangement to maintain the selling price in pottery had by the selfishness of some parties to the agreement been terminated, but it had two or three years before been restored, and he trusted it would be now perpetual. Governmental documents in foreign countries show that those countries foster selling agreements and things known as "trusts" that we are so hostile to in this country. So that if the Republican party could drive out of existence the trusts—for instance, the sugar-refining trust—when such combinations attempt to control the American price; if we could so arrange our bill as to drive the sugar-producing business out of America, we would not drive it out of a trust. We would drive out a trust, which we may to some extent regulate by our law, into the hands of a foreign trust over which we will have no control whatever. [Applause on the Republican side.] Now, I yield with pleasure to the gentleman from Nebraska.

Mr. NORRIS. The gentleman has already answered one suggestion that I wanted to make. I wanted to add this one: It seems to me that the proposition is not so much who owns the beet-sugar factories, as whether they could exist and thus supply a market for the farmers' beets and employment for their employees if the tariff did not exist.

Mr. GAINES. I think the gentleman from Nebraska is exactly right. Whatever may be said about any relations between the beet-sugar people and the great sugar trust, this much is very certain: The people who do the work in America at American wages for the beet-sugar factories belong to no trust. The farmers in Michigan, Colorado, in the State of Nebraska, and in California, and in many other sections of the United States are not engaged in any trust and are entitled to the protection of the Republican party, and they will receive it. [Applause on the Republican side.]

Mr. MARTIN of South Dakota. Will the gentleman yield for a moment?

Mr. GAINES. I will.

Mr. MARTIN of South Dakota. I do not want to be misunderstood. I agree entirely with the views of the gentleman that we must not as Republicans abandon the protective principle on any important industry we may have, because unlawful combinations may take advantage of independent producers in those lines; but I think, in this connection, it ought to be suggested that important questions for Congress and for the Republican party, growing out of such combinations and methods, will require our attention later on.

Mr. GAINES. I agree entirely with the gentleman, and I will say to him and to the Members of the House that your committee was at every point constantly on the alert. I speak now of the subcommittee of the Ways and Means Committee, composed of all the Republican members of the committee, and composed of nobody else.

We were watching that point at every stage and in every instance with reference to all the business of the country. In every stage and in every instance, with reference to all the business of the country, we took the greatest care, first, to lop off any excess protection if we found it, and, second, to be very sure that we did not destroy the protection to the industry and drive it to a foreign country.

Mr. HARDWICK. I suppose the gentleman means to imply that the subcommittee of the Ways and Means Committee, composed entirely of Republican members of that committee, found, as a matter of fact, that there was only 5 cents on a hundred pounds of this excess duty on refined sugar? Does the gentleman mean to state that?

Mr. GAINES. The gentleman from Georgia will understand this. Perhaps no person can say whether there is or not. I should be personally inclined to think that there is a little more than that of differential. But the gentleman will understand that we can not put the tariff down on one kind of sugar and up on another. We might, of course, enact that sugar made from cane should come in at one rate of duty, and sugar made from beets at another; but anybody could see, of course, the absurdity of such a proposition.

Mr. HARDWICK. One more proposition, and I will not bother the gentleman further. The duty on raw sugar protects the beet sugar, of which the gentleman is so solicitous, and the duty on refined sugar protects the trust.

Mr. GAINES. The gentleman makes a mistake in this way: It is not as easy as he evidently thinks to calculate the amount of the differential. There is a waste on the amount of raw sugar brought in. There are a number of these things, and it is one of the most complicated questions possible. The gentleman may satisfy himself by a cursory examination sufficiently to make a stump speech in the campaign and call the Republican party the friend of the trusts, but after all it is very difficult to determine just what the amount is.

Mr. LOUD. Does not the gentleman from Georgia forget that every beet-sugar factory is a refiner of sugar?

Mr. NORRIS. That is what I wanted to suggest.

Mr. GAINES. Our friends on the other side forget everything except that they want to make a point against the Republican party. [Applause on the Republican side.] I may say that as long as the position which our friends take has so familiar a sound to us, and has in actual practice during former political contests been fraught with so little danger to us, we welcome the old line of Democratic argument and hope that it will be continued. I have heard the argument before, and I think the gentleman from Kentucky [Mr. CANTRILL], who spoke this morning, placed Mr. Bryan again in nomination for the Presidency. There is nothing new, we are told, under the sun, and Democratic arguments and Democratic candidates are about the stalest things we are acquainted with even in that arrangement of the universe. [Applause on the Republican side.]

Mr. BOOHER. Will the gentleman permit me to ask him a question?

Mr. GAINES. Yes.

Mr. BOOHER. Mr. Bryan has proved a very expensive candidate for the Republicans when it came to raising campaign funds, has he not?

Mr. GAINES. Now, my answer to that, Mr. Chairman, will be this: If the gentleman and his associates upon that side think Mr. Bryan has cost us any more than he has cost them, they are certainly entitled to their belief, and we will welcome a renewal of the contest. [Applause on the Republican side.]

Mr. HARDWICK. Then, Mr. Bryan has been a costly proposition all around.

Mr. GAINES. If I understood the gentleman from Georgia, I thoroughly agree with him.

However, even if no such alarm had been felt, even if changed modern conditions had not admonished protectionists that a nicer adjustment of schedules than ever was now demanded, even if the Dingley law had been what no human law can be, perfect in every respect, so far as our domestic situation is concerned, conditions outside of our own country would have compelled a revision of the tariff. It has been a settled policy of this country to treat all nations alike. Under the leadership of the Republican party the American Government has deemed that its first duty was to its own people. Protectionists think that the peace and security which our comparatively isolated position gives, that the extent and fertility of our soil, the unrivaled richness and diversity of our resources, our free government, and the average superiority of our people make it possible for the people of this country to enjoy a greater degree of average prosperity than the people of any other country can possibly have.

The English, the Germans, the French, to institute no odious comparison, have not our land; the Russians do not enjoy our institutions, our Constitution, and our laws. The Chinese, unsurpassed in energy and commercial honor, have not our western conception of progress. And the protectionist has believed that it was the first duty of the American Government to preserve these advantages for the people of America. We have known that this could not be done under modern conditions of cheap transportation if our own people were subjected to the competition of all the less fortunate people of the earth. The American laboring man can not compete in a free market with the Englishman, receiving one-half his wages; with the French and Germans, receiving one-third his wages; with the Belgians, receiving one-fourth his wages; or with the Asiatics, receiving a still lesser fraction of the American wage. For the American laboring man to compete with the foreigner he must do three things: He must accept the foreigner's reduced wages, he must adopt the foreigner's low standard of living, and, in the main, longer hours of labor. He and the Republican party are not willing that he should do any of these things. The gentleman from Alabama [Mr. UNDERWOOD] repeated the old and specious argument that because of immigration American labor is subjected to the competition of foreigners. If the gentleman from Alabama thinks that the American laboring man suffers from the competition of a limited number of foreigners who come to this country to labor at American wages and spend their earnings in this country, how can he continue to advocate the theory which would subject the American laboring man to the competition of the hundreds of millions of Europeans and Asiatics who work at smaller wages and spend their earnings in foreign countries?

But while the Republican party has not hesitated to secure in the largest possible manner the natural advantages of America for the people in America, it has never undertaken to discriminate for any country but our own. Of late years, however, foreign countries, with the exception of England, have undertaken to secure for their people not only their home markets by a protective tariff, but to use a discriminative right in their markets as a club to compel other nations to give their people special privileges. The device they have adopted is that known under the name of a "dual tariff." Under the operations of these dual tariffs this remarkable and intolerable situation has resulted: The American market is the most valuable to these nations of any market except their own. Yet under the operation of these tariffs we find the products of other nations admitted under more advantageous rates than our own. If the Republicans believed, as our opponents profess to believe, that the tariff is a tax which the consumer pays, nothing would be necessary but to let the foreign consumer continue to pay it. But the Republican party has observed in such cases that the tariff is a tax which the importer must pay or stay out of the market. Germany has a general and conventional tariff. This means that she has a second tariff, so to speak, which can be substituted for the general tariff in cases where nations will permit Germany by convention or treaty to enter its markets upon terms which Germany deems especially advantageous to her citizens. And the rates, as I understand it, of this conventional tariff are determined by the treaty. France has a general and a minimum tariff. The rates are fixed by law, but which shall be applied is also to be determined by negotiation. We can not adopt these devices exactly as they have been adopted by European countries. The fact that it would amount to transferring the power of levying duties from Congress to the treaty-making power is sufficient to show that we can not, even if we wished, adopt any foreign plan in its entirety. Obviously, we can not sit silent and see every other nation favored before our own in the markets of other countries.

The American position with reference to customs duties and foreign markets is unique. The manufacturers of every other country looking to America for trade see a market in which wages are higher than in their own and the purchasing power of the people for that reason correspondingly great. The American manufacturer looking abroad for trade sees the situation exactly reversed. The manufacturer in this country, where wages are higher, sees wherever he looks a market where wages are less than in his own country and where the purchasing power is correspondingly smaller. We must be, therefore, at a disadvantage, except in so far as the American manufacturer, by superior ingenuity and science and by a greater outlay of capital than his foreign competitor, can so reduce his cost as to have some chance in a market where labor costs his competitor less than he has to pay, and where the purchasing power of the people for that very reason renders the market less promising.

But this situation does give us one point of advantage. As long as we are fair ourselves, as long as we treat all other nations without any discrimination, the value of our market renders it wholly unnecessary that we should permit any other nation on earth to discriminate against us.

Because of these conditions it was necessary to have a revision of the tariff law at this time in order to put into force a maximum and minimum tariff. Our maximum and minimum tariff is not a conventional tariff. It does not depend upon the treaty-making power, though we may yet determine to make it depend on executive proclamation of the fact. Whenever any nation treats the people of the United States the same as it treats the people of other countries, by that very fact, under the provisions of the Payne bill, it is entitled to the minimum tariff; and, on the other hand, when any other nation does not treat the people of the United States in the matter of importations of our products into their country as well as it treats the people of any other nation on earth, it will by its own act of discrimination induce and receive the punishment of our maximum tariff. The French maximum tariff is, with exceptions, of course, generally 50 per cent higher than the minimum. We have not made the provisions of our maximum tariff as drastic as the proposed new French tariff. As a general proposition our maximum tariff is 20 per cent higher than our minimum or general tariff, except in the earthenware schedule, where it is 25 per cent higher, and in the wine and spirit schedule, where it is 40 per cent higher.

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

Mr. GAINES. Certainly.

Mr. GARRETT. It was suggested the other night in the course of discussion of this very interesting matter by the gentleman from Illinois [Mr. LOWDEN] that this bill was defective in reaching the exact condition desired, because of the fact that it does make no provision for executive action; that because of certain sanitary regulations of foreign governments as to products coming from this country into their own it would be necessary. For instance, in the matter of meats——

Mr. GAINES. I understand the point that the gentleman refers to. I can understand how they can discriminate against us without any unfriendly tariff arrangement. They may say that our meat is defective, deleterious, and injurious to the health of their people, and require the exclusion of American meat products. I agree with the gentleman in that. I think, however, that the language of the bill is sufficient to cover that. Of course we all recognize that all countries have a right to make their own police regulations on such matters, and we would have no right to complain of that. But I think the language of the law will reach the case where, under a mere pretext of taking care of the public health, they do actually discriminate in order to let in the products of some other country instead of our own. But I say also to the gentleman from Tennessee that I have no doubt that there will be discovered in the course of time a great many points where this proposition of a minimum and maximum tariff should be further extended. I am even inclined to think sometimes that the international game of tariffs is one in which the replies will have to be swifter and more frequent in the future than has been necessary heretofore.

It is a new proposition. Your committee has not sought to do everything that possibly can be done. Your committee has sought to meet the conditions as they are seen to-day, and I believe that the proposition of dual tariffs will continue in this country; that our minimum and maximum proposition, or some modification of it, similar to it, will exist in this country and be strengthened until we drive foreign countries out of their habit of discriminating against the people of America; and then we shall no longer need such devices.

It has been said that the Dingley law had to be revised be-

cause there was need of more revenue. That reason for revision has been very much exaggerated. I wish to call the attention of the committee to the actual state of the Treasury of the United States. What we have heard asserted time and again on the floor of this House is a mistake. What the newspapers of the country have said about it for months was not accurate; and while I know that figures of this sort are inclined to be tedious, I ask the attention of the committee while I address myself to what the actual state of the Treasury is to-day.

On the 30th of March, which was day before yesterday, there was an available cash balance in the Treasury of $133,000,000. That statement is correct. It needs, however, to be understood. We find another item on that page of $69,000,000—practically $70,000,000—disbursing officers' balances. Disbursing officers' balances are subtracted from the general amount of money in the Treasury in order to arrive at the available cash balance.

But while that is proper bookkeeping, the fact is that those disbursing officers' balances are sums of money put to the credit of the disbursing officers throughout the country—as, for instance, United States marshals—for the purpose of meeting current government bills. There is always something over $10,000,000 of that balance unexpended. It is an impossibility to tell what the unexpended amount of the balance in the Treasury is; but whatever the amount is, the available cash balance in the Treasury is to be increased by that sum.

Now, I wrote to the Panama Canal Commission the other day and asked for a statement of the amount which has already been expended on account of the Panama Canal and the amount to which the Treasury of the United States has been reimbursed by the sale of bonds on account of the Panama Canal. Up to the end of last year—December 31—the canal has cost, in round numbers, $149,000,000. It was a little more, but about that, in round numbers. This includes the $40,000,000 paid to the New Panama Canal Company and $10,000,000 paid to the Republic of Panama for its canal rights. The amount of bonds sold on account of the canal is $84,000,000. The amount expended up to the first of the year was $149,000,000. The commission estimates the average expenditures since that time as $2,750,000 per month. Adding, for January, February, and March, $8,250,000 to $149,000,000 plus will give $157,500,000. But the Treasury has been reimbursed to the extent of $84,000,000 on account of that. Subtracting that, we have a balance of $72,965,000 which the Panama Canal expenditure owes the Treasury. Adding that to the $133,000,000, we had an available cash balance in the Treasury, over and above anything still left in the disbursing officers' balances, of $206,195,000 on day before yesterday.

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

Mr. GAINES. Certainly.

Mr. JAMES. In view of your statement as to the condition of the Treasury, how do you account for the statement of the President in his message to Congress that by the 1st of July there will be a deficit in the Treasury of $100,000,000?

Mr. GAINES. I will say to the gentleman from Kentucky that I do not know that the President made just that statement, but my information is that he did, and I am inclined to think that the question of the gentleman from Kentucky is based on a correct understanding of the President's statement. But no matter where that statement came from, it is based upon a mistake, and the only reason why I challenge the attention of the committee to these dry figures to-day is because it is absolutely demonstrable, in my opinion, that the whole country has been mistaken about the state of the Treasury.

Mr. McCALL. Will my colleague yield?

Mr. GAINES. With pleasure.

Mr. McCALL. I think the statement of the President was that there would be that deficit in this year's expenditures. He did not say that there would be a $100,000,000 deficit in the Treasury.

Mr. GAINES. If the gentleman from Kentucky will give his attention, the gentleman from Massachusetts is, of course, right in saying that the President did not say there would be any deficit in the Treasury. But what I understood the gentleman from Kentucky to be addressing himself to was that the President had said there would be an excess of expenditures over receipts for the fiscal year of $100,000,000 at the rate we were going.

I understood that to be what he had said the President had stated. I am glad that the gentleman from Massachusetts has called attention to that, because the opinion of the country has been wrong. The country has been misinformed and misled because of the loose use of the word "deficit." Most people think that a "deficit," when spoken of in connection with the Treasury, means that the Government owes amounts which there is not money in the Treasury to pay. That is not the condition. We are $206,000,000 away from that condition.

Even before we have reimbursed the Treasury Department for expenditures on account of the Panama Canal we are $133,000,000 away from any such condition, and, in addition to that, we have whatever the remainder of the disbursing officers' balances happens to be. And, of course, everybody must understand that I mean this sum in the Treasury over and above one hundred and fifty millions of gold reserve in the Division of Redemption.

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

Mr. GAINES. Certainly.

Mr. JAMES. I desire to read the language of the President in his message to Congress. It is as follows:

> More than this, the present tariff act, with the other sources of government revenue, does not furnish income enough to pay the authorized expenditures. By July 1 next the excess of expenses over receipts for the current fiscal year will equal $100,000,000.

Mr. GAINES. If the gentleman from Kentucky will permit me, there is no deficit. But I want, if we can, to get on some basis that we can understand. I want to make the frankest assertion that the very reason for making this part of my speech is because I insist that almost everybody has made a mistake as to the condition of the Treasury.

Mr. JAMES. I thought the gentleman was contending that the Dingley Act was producing revenue enough to run the Government, and I want to call his attention to this statement, showing that it could not be borne out.

Mr. GAINES. And I am attempting to maintain that proposition, and I propose to demonstrate it. And if the gentleman from Kentucky will rely on his own judgment, and take the trouble to inform that most excellent judgment, and not content himself by falling back on what the President or anybody else thinks but go to the bottom of the matter, he will see that I am right, and the general conception of other people happens once to be wrong.

Mr. CLAYTON. Will the gentleman from West Virginia yield to me for a question?

Mr. GAINES. Certainly.

Mr. CLAYTON. I understand the gentleman to say that at the end of the current fiscal year the Treasury will not be face to face with a deficit, but that there will be a surplus in the Treasury. I would ask the gentleman how he can reconcile his statement with the statement made very recently by the chairman of the Committee on Appropriations [Mr. TAWNEY], who said that the Treasury at the end of the fiscal year would face a deficit—I believe he said of $150,000,000. I desire to interpose the statement and judgment of the chairman of the great Appropriations Committee against the statement and argument of my distinguished friend from West Virginia.

Mr. GAINES. Mr. Chairman, the gentleman from Kentucky thought to embarrass me by asking whether the President of the United States did not say so and so.

Mr. JAMES. I did not mean to embarrass the gentleman, but I wanted to enlighten the gentleman by a statement of what the President said.

Mr. GAINES. The statements of the President of the United States are always enlightening, and are especially qualified to enlighten the gentleman from Kentucky. Now, the other distinguished gentleman, the gentleman from Alabama [Mr. CLAYTON], undertakes to get me into a debate with the chairman of the Appropriations Committee. I decline to be put in the attitude of disputing anybody. I am giving certain conclusions based upon official figures, which conclusions the intelligence of this House can dispute if the figures happen not to be correct. There is no difficulty about it. It is simply a question of looking at the figures. Either I am right, or I am wrong. It needs no authority to prove the facts for the figures will do it themselves; and then it is a question, not of authority, but simply of an accurate view of the situation.

Mr. FOWLER. Will the gentleman yield?

Mr. GAINES. With pleasure.

Mr. FOWLER. Both the chairman of the Appropriations Committee and the President agree, not as to the amount, but as to the fact of a deficit in reference to the year's income and expenditures, and not to the state of the Treasury. [Applause.]

Mr. JAMES. If the gentleman will permit me, in view of the statement of the gentleman from New Jersey, I would like for the gentleman from West Virginia to explain why it is, if there is money enough in the Treasury, your bill provides for the issuing of $250,000,000 of bonds?

Mr. GAINES. Well, Mr. Chairman, our bill provides for more revenue. There is nothing inconsistent in that, because the bill is for the future, and the revenues of the country grow every year and the expenditures of the country get larger. I will ask the gentleman from Kentucky if he does not think it wise for the Government to have a provision for an emergency? If we should not look to the future?

Mr. JAMES. I will say, in reply, that I do not believe it is wise for a government to issue bonds and certificates bearing interest at 3 per cent, when, according to your contention, there is money in the Treasury.

Mr. GAINES. If the Government should issue certificates at an interest of 3 per cent, or otherwise, when there is no need to do it, it would, of course, be unwise. I am attempting to show that there is no need to use it, and at the same time I think there should be a provision for an emergency. We can not always prophesy the future correctly. The gentleman's party never does get it right. Does he think we should never be mistaken? [Laughter.]

Mr. SULZER. Will the gentleman yield?

Mr. GAINES. Yes.

Mr. SULZER. What I am trying to understand is this: If the present law is producing all of the revenues necessary to administer the affairs of the Government, then why pass a new law to raise more revenue by increasing the taxes of the people?

Mr. GAINES. Is the gentleman opposed to the maximum and minimum tariff?

Mr. SULZER. I am not opposed to a maximum and minimum tariff, provided the people pay the minimum.

Mr. GAINES. Well, then, the gentleman is in favor of having a dual tariff, and in meeting the situation abroad, is he?

Mr. SULZER. I have no objection to the provision in the bill regarding a maximum and minimum tariff, but I do object to the provisions of the bill which increase the taxes on the necessaries of life.

Mr. GAINES. But this bill does not do that, and the gentleman from New York, if he had read the bill carefully and had paid any attention to the provisions of it, would not gain that conclusion.

Mr. SULZER. Does not the bill tax tea?

Mr. GAINES. Oh, well, I do not think that tea needs to be taxed. My present argument would tend to show that it need not be. And I think if the gentleman will possess his soul in patience, he and I may agree on that proposition before the bill gets out of the House.

Mr. SULZER. I hope so. Tea should remain on the free list.

Mr. GAINES. Now, Mr. Chairman, I want to say to the gentlemen on the other side that I will be glad to yield, if I have time, if they will only confine their questions to what I am talking about. I propose to get back, however, to the state of the Treasury, if these gentlemen will permit me. I say there is in the Treasury one hundred and thirty-three millions and over, without reference to the disbursing officer's balances, and without reference to seventy-three millions which the Panama Canal construction owes the Treasury of the United States. I want to explain to the House how this misconception as to the state of the Treasury has occurred. The daily Treasury statement gives the actual condition as it is, except that it does not explain how much is due the Treasury on account of Panama Canal construction; but it does, with that exception, give the state of the Treasury as it is, and shows the amount of cash balance and the amount of the disbursing officers' balances, and so on. The second page of "Receipts and expenditures, redemptions," and so forth, is so made up as to mislead, unintentionally, of course, for if there had been any intention to mislead the people of the country they would have been lulled into security instead of being unnecessarily alarmed. Anybody who will take this statement and look at it will see that the sums of current expenditure and current receipts are here set out. The expenses on account of the Panama Canal go into the current expenditures, but for some remarkable reason the receipts on account of the sale of Panama Canal bonds do not appear as current receipts. I repeat it, in the statement of current expenditures there is included every penny used on the Panama Canal, but for some reason in the statement of current receipts there is not included a single cent received from the sale of Panama Canal bonds.

The excess of receipts over expenditures for so much of this fiscal year is set down as $90,000,000. There have been expenditures for this fiscal year up to the 1st of January on the Panama Canal $14,774,000. The commission estimates the monthly expenditure as $2,750,000 for January, February, and, I take it, also for the month of March. Adding to the sum of $14,774,000, the canal expenditures up to December, and the sum of $8,250,000, estimated expenditures, we see we have the sum of over twenty-three million on account of the Panama Canal included in this excess of expenditures over receipts; and taking that away from ninety millions it gives us sixty-seven millions. Now, looking at that statement as it stands, without this explanation, it would appear that we have been running behind an average of ten millions a month for the present fiscal year. As a matter of fact we have been running behind $6,250,000 on the average. Well, running behind in excess of expenditures over receipts $6,250,000 is bad enough, but let me show you a brighter side of the picture. After all, anyone who will take our Book of Statistics, anybody who will examine the importations into the country each year, will find that the great revenue raiser of the country is prosperity, and anybody who will examine this Treasury statement will see that prosperity is returning in the country and will soon be up, if it is not so already to-day, to its old standard. The amount of excess of expenditures over receipts for this month is $3,765,000.

Mr. PAYNE. Does that include the statement for yesterday?

Mr. GAINES. It does not include the statement for yesterday, which I have not had time this morning to secure.

Mr. PAYNE. Then it is $3,111,000. There was a surplus yesterday of over $500,000.

Mr. GAINES. I thank the gentleman from New York. Right there, then, I want to notify the country that for the last three days the receipts have exceeded largely the expenditures of the Government. We have got back already. To-day we are back to the time when the Dingley law is again raising more every month than the expenditures of the Government. [Applause on the Republican side.] But the total for the month of March is $3,111,000. There is to be deducted from that $2,750,000, expended on account of Panama Canal construction. And you will find that the excess of expenditures over receipts for this calendar year and this current month of March has been going down all the time, until we have now passed the point and turned the other way. The excess of expenditures over the receipts for this current month of March amounts to much less than $1,000,000 instead of $10,000,000.

Mr. PAYNE. Three hundred and sixty thousand dollars.

Mr. GAINES. Three hundred and sixty thousand dollars the difference is. I had forgotten for the moment the new figures, but made my subtraction as of day before yesterday. And if gentlemen here will pardon me a moment more on this subject, at the rate that we ran behind for March we could go along for more than five years before the available cash balance of the Government would be reduced to $50,000,000; and if you add to it the amount the Treasury ought to be reimbursed on account of expenditures for the Panama Canal, we could run for ten years without putting a strain upon the amount of $50,000,000, which is considered as a safe working balance for the country. [Applause on the Republican side.] I will now yield to the gentleman from Iowa [Mr. DAWSON].

Mr. DAWSON. In confirmation of what the gentleman has just said, I want to call his attention to the fact that the Treasury receipts for the month of March this year exceeded the Treasury receipts for the month of March last year by $9,000,000, showing clearly that the tide of good business has already set in, and if this rate of increase continues during the next twelve months our income will be $100,000,000 more than we have had for the past twelve months.

Mr. GAINES. The gentleman is absolutely correct, and I would be very glad if the information on these matters would spread itself to the other side of the Chamber. I am talking about matters which are matters of record, I am talking about figures which are official, and if gentlemen who have asked me on the other side whether I disagree with the message of the President, whether I disagree with the distinguished chairman of the Committee on Appropriations of this House, being, as they are, such able gentlemen themselves, would follow these figures, I should be glad to have them contradict what I am saying if it be not true. The truth is that all agitation about the failure of the Dingley law to produce revenue has been an absurdity from start to finish. It is impossible from the nature of things to have the receipts of the Government absolutely square with the expenditures of the Government for any given year. It is impossible because, in the first place, nobody can by any possibility tell just what the receipts will be, and in the next place nobody can by any possibility tell exactly what the expenditures will be. Every year our Government incurs ex-

penses which nobody could have dreamed of—three or four million dollars a few years ago on account of the San Francisco disaster. I but mention that as an illustration to show you how utterly impossible it is to have any very accurate notion of what the expenditures of the Government will be. It is equally impossible to tell what the revenues, the receipts of the Government, will be.

Now, a good tariff law, a good revenue-raising law, is one that will do exactly what the Dingley law has done—some years raise more revenue than needed, and some years raise less revenue than needed for current expenses, but always keeping a safe, satisfactory amount in the Treasury of the United States. [Applause on the Republican side.]

I tried to make this same point, for it was applicable then, on the 15th day of February, 1905. At that session of Congress everybody will remember that every time a member of the Appropriations Committee talked about expending anything the gentleman from Maine, the distinguished gentleman then a Representative in this House, Mr. Littlefield, kept asking what we were going to do with reference to the state of the Treasury, asserting that we were running behind all the time. The available cash balance in the Treasury then was $141,000,000. Whenever the Treasury, under the Republican party, gets down to $140,000,000—between that and $150,000,000—I have observed that a cry of alarm goes up all over the country. The administration, the tendency to spend money, everything begins to be a subject of criticism from the Democratic side. Then, unfortunately, that alarm spread to the Republicans and alarmed the country, while we sit quiet and do not sufficiently answer their criticism.

I called attention in that speech in 1905 to this remarkable fact, that while the Democratic party was criticising us because we did not have then, with $140,000,000 in the Treasury, enough revenue, and was criticising us with such vigor that some Republicans, even so able as the one I have mentioned, were alarmed, there was actually more money in the Treasury of the United States than there was in 1888, when Grover Cleveland alarmed the country, because he said that under the iniquitous tariff laws of the Republican party we were piling up a dangerous surplus in the Treasury. When Grover Cleveland alarmed the country because the tariff policy of the Republican party was piling up a dangerous surplus we had $3,000,000 less in the Treasury of the United States than there is in the Treasury of the United States to-day. [Applause on the Republican side.]

Mr. COX of Ohio. Will the gentleman yield?

Mr. GAINES. I am sure that the gentleman will pardon me for a moment and not interrupt so able a man as Mr. Cleveland, who happens to be talking at this moment. Mr. Cleveland, in his letter of acceptance, said:

> In these circumstances, and in view of this necessary effect of the operation of our plan for raising revenue, the absolute duty of limiting the rate of tariff charges to the necessities of a frugal and economical administration of the Government seems to be perfectly plain.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HUBBARD of West Virginia. Mr. Chairman, I ask unanimous consent that my colleague be permitted to conclude his remarks.

The CHAIRMAN. The gentleman from West Virginia [Mr. HUBBARD] asks unanimous consent that his colleague may be permitted to conclude his remarks. Is there objection?

There was no objection.

Mr. GAINES. Mr. Chairman, I thank my colleague and the committee for this courtesy, and I shall endeavor not to trespass too much upon the patience of the House.

Mr. Cleveland said:

> We are annually collecting at our custom-houses and by means of our internal-revenue taxation many millions in excess of all legitimate public needs. As a consequence, there now remains in the National Treasury a surplus of more than $130,000,000.

And the whole Democracy of the country went wild, and the timid Republicans got alarmed, and yet, Mr. Chairman, there was in the Treasury of the United States on day before yesterday an available cash balance of $133,000,000 and more—over $3,000,000 above the amount that Mr. Cleveland said was loading the people with burdensome taxation and taking money away from the channels of trade. [Applause on the Republican side.]

Mr. COX of Ohio. The gentleman says that Mr. Cleveland's reference to the surplus was a note of alarm when he spoke about the necessity of its being reduced. Will the gentleman deny that in the Republican platform of 1888 you pledged yourselves to reduce the surplus, and that you not only did reduce it, but you wiped it out of existence when you came into office?

Mr. GAINES. The gentleman's question comprises several. Whether I can answer them all in a breath I do not know. I will not deny that the Republican party did undertake at the next general election following Mr. Cleveland's presidential message of 1888 to revise the tariff. The reduction of the revenue was the reason for entering upon the construction of the McKinley tariff law. I do not agree that we reduced the revenues so as to wipe out the surplus. What wiped it out was the fact that the gentleman's party came into power in 1892. There is no use for the gentleman to reply to me that it was wiped out before his party had time to legislate. It does not need any affirmative action on the part of his party to alarm the people of this country. All that needs to be known is that the Democratic party has returned to power, pledged to its economic nonsense, incapable, as the people have found it to be, and energy, enterprise, confidence, and prosperity vanish from the country. I said a moment ago that prosperity was the great revenue raiser, and the country, by that same token, always needs revenue when the Democratic party is in power. [Applause on the Republican side.]

Mr. HARDWICK. I suppose the gentleman will trace the panic of 1906 to similar causes? The Democratic party was not in power then.

Mr. GAINES. On the contrary, if the gentleman will permit me, Mr. Chairman, there is something very remarkable about the panic month of 1907. The best witness before a Ways and Means Committee, as I said before, is the Book of Statistics. Witnesses may tell you this and tell you that. Even when they think they are treating you with the greatest candor they are frequently wrong, but the Book of Statistics, which shows exactly what is admitted under a certain rate, how much revenue is raised under given conditions, how the revenues, under the same rates, vary from year to year, is the best witness that the Ways and Means Committee can have in framing a tariff law. We soon found in the book called "Notes on Revision," which was arranged for us and which had appended to it the importations for 1907, that the importations for that year were likely to mislead us. The facts were that the year 1907 could not be taken as a normal and natural year. The importations had been largely in excess of what they had ever been before. I took the trouble the other day to add the importations for the twelve months preceding October, 1906, and found they were the largest the country had ever had; and yet, notwithstanding that fact, the importations for the twelve months immediately prior to October, 1907, exceeded those of the twelve months preceding October, 1906, by more than the tremendous sum of $225,000,000.

So it would seem that the lesson from that panic is this: That depression began in the rest of the world more than fifteen months before we had it in this country. The rest of the world did not understand what had struck them. Their producers began to ship their surplus to this country, and when their market failed, of course, they were compelled to seek other markets; and instead of limiting their production they attempted to decrease their cost by increasing their output, and soon flooded this country with their products. It is, as I have stated before, a very interesting question for speculation, whether we could not have escaped the panic if there had not been dumped into this country that additional $225,000,000 of foreign goods over and above the unusual importations for the previous twelve months beginning with October, 1906.

Mr. STANLEY rose.

Mr. GAINES. But while that is remarkable—if the gentleman will permit me for a moment, I will still further continue my answer to the gentleman from Georgia—there is another fact, remarkable and unequaled in American politics, never known to happen until the last campaign. For once a political party had suffered a depression and the people did not repudiate it at the polls.

But, notwithstanding that fact, the people of this country were not willing to risk the moribund Democratic party. [Loud applause on the Republican side.] There is scarcely anything supposable to a bright imagination that we could do which would so reduce the confidence of the American people in us as to induce them to put their confidence in your party. [Laughter and applause on the Republican side.]

The Republican party may have had a panic once, but the people of this country did not want to turn their business over to the excellent gentlemen on that side of the Chamber, worthy Representatives of those disorganized citizens of this country known by the various names of "free traders," "revenue-tariff men," "tariff reformers," "incidental protectionists," "sectionalists," "free silverites," and "Populists;" but they preferred to trust the Republican party in spite of the objection

to which you have referred. [Loud applause on the Republican side.] I yield to the gentleman from Ohio.

Mr. LONGWORTH. May I also call the gentleman's attention to the fact that the year 1908 produced in revenues from customs receipts and internal revenue a larger revenue than had ever been produced in history, except only 1907?

Mr. GAINES. What my colleague says is true. I now yield to the gentleman from Kentucky, who started to rise.

Mr. STANLEY. The gentleman's explanation of the late panic is ingenious and interesting. Does the gentleman, however, deny, or is he not aware, that these world-wide conditions, which he claims produced the panic of 1907, existed in a greater measure and to a greater extent in the panic of 1893 and 1894, to which he has referred?

Mr. GAINES. Well, Mr. Chairman, that is one of those things which every gentleman will have his own view about. One may state it in one way and another may state it in another. What is the use, however, of our comparing them now? The American people have made the comparison of the two parties from the facts, and the American people have indorsed us, in spite of what occurred, and repudiated you because of what has occurred, and that is the whole story. [Laughter and applause.]

Mr. STANLEY. It is not an answer to my argument to furnish me with a lecture on election returns.

Mr. GAINES. It is an answer to what you said. There was no argument. [Laughter on the Republican side.]

Mr. STANLEY. I wish to ask the gentleman this question.

Mr. GAINES. With pleasure.

Mr. STANLEY. Is the gentleman aware of any reason which would prevent the conditions which he mentions as producing the last panic from operating in the previous panic to which he refers?

Mr. GAINES. Will the gentleman kindly restate his question? I do not understand it.

Mr. STANLEY. The gentleman has stated that the last panic was produced by the reflex action, you might say, of a depression that was world-wide.

Mr. GAINES. Yes; and I have given the figures which prove it, and I stated the place where anybody else could see the same figures.

Mr. STANLEY. Now, does the gentleman know of any reason why that same world-wide depression, or the same causes that they described, could not operate ten or twelve years ago?

Mr. DALZELL. They did not exist then.

Mr. GAINES. They did not operate. The Democratic party operated about that time. [Laughter on the Republican side.] And I will state to the gentleman that that particular condition has not operated since. [Applause on the Republican side.]

Mr. STANLEY. I am sure the gentleman will not deny, however, that a greater world-wide depression existed in 1893–94 than existed during the late panic, and that it existed prior to the panic in the United States.

Mr. GAINES. Mr. Chairman, I do not know. It was not my purpose to compare the two panics. That much of my speech was brought into it by some of my good friends on the other side, but I will say this to the gentleman from Kentucky: There is no use to talk about these things. They are both past. It is ancient history to talk about the Cleveland administration, and I do not like to do it. As I have sometimes said in the campaigns at home, it seems a remarkable thing with reference to my friends on the other side of the political fence that there is no part of any speech that I ever make that my Democratic friends seem to object to except one. They let me eulogize my own party as I please, and they do not seem to be annoyed. I may refer as frequently as I please and in the most glowing terms I can command to the splendid success of the Republican party.

I can refer to the fact that the American people have with great unanimity indorsed it, and have with equal unanimity at the same time expressed their lack of confidence in the Democratic party, and they do not get angry; but whenever I mention the only time in fifty years that they ever beat us they get angry, and they say, "There you go, talking about that old Cleveland administration again." [Laughter.] Now, I submit that I did not bring this thing in, and I undertake to dismiss this topic, if I may, and go on to my speech with this remark: The gentleman from Pennsylvania [Mr. DALZELL], my colleague upon the committee and my good friend, said the last word upon this subject before the last election. This Republican panic has been cured by us; but, as he said, the Democratic panic came in with the Democratic party, stayed with the Democratic party, and went out with the Democratic party. [Applause on the Republican side.]

Mr. HOBSON. Will the gentleman yield?

Mr. GAINES. I yield to the gentleman.

Mr. HOBSON. The purpose of my question is not to have the gentleman wander from his important subject, but to get him back to it.

Mr. GAINES. I will be willing to do as much for the gentleman from Alabama sometime. [Laughter.]

Mr. HOBSON. I wish to state that my purpose here is to call attention to the comparative financial conditions in 1888 and 1908, referred to by the gentleman, and simply to prevent a misunderstanding about the relative conditions. This I do because I have taken pains lately to try to investigate the question of national expenditures by the use of a series of curves; not merely the curves that would indicate the total expenditures, but the expenditures per capita.

Mr. GAINES. I am not sure whether I shall be able to get onto the gentleman's curves or not. [Laughter.]

Mr. HOBSON. These curves indicate an alarming increase in declivity of the rate of expenditures per capita. Now, when the gentleman refers to the cash balance in the Treasury to-day as being something like $137,000,000, as I understand, and in 1888 to have been nearly the same, I would call his attention to the fact that the total expenditures in 1888 amounted to a little less than $260,000,000, while the total expenditures in 1908, and I refer here to ordinary expenditures, amounted to about $660,000,000.

So that at the rate to-day at which we are progressing the cash balance would be spent three times as quickly as in 1888, and therefore we must not assume that what was a safe balance in 1888 would be a safe balance to-day.

Mr. GAINES. I do not know whether a working balance of $50,000,000 is a safe working balance or not. In 1905, for the purpose of discussing this subject of the state of the Treasury, I put the question to the Treasury officials, to the man who makes up this statement, and was told by him that a safe working balance was $50,000,000 three years ago, and that there was no occasion for alarm until the working balance got down below that point; but if gentlemen will understand, we have $133,000,000 in the Treasury, and in addition to that, some unexpended balance of the disbursing officers, and enough due from the Panama Canal to increase it to $206,000,000, and to-day and yesterday and day before yesterday we ran ahead—receipts exceeded expenditures—and are increasing the available cash balance in the Treasury of the country.

Now, the gentleman says it will take more in the future. Of course it will. That brings us to the interesting question which I had intended to dwell upon in this very order in my speech.

We estimate the sum of money necessary to run the Government for ten years, and I shall not go into the details of that estimate, because I am already taking too much time and I will try to hurry along. But when we come to estimate the receipts from our bill for 1910 and add them together, and compare the estimated receipts and estimated expenditures, I confess that we estimate a deficit of about $10,000,000.

Now, then, our estimate of what this bill will bring in shows that it should bring in, according to the importations of 1906 customs, $305,000,000. It might be worth while to the membership of the House to explain how such an estimate is made. I confess I had no information as to how such estimates were made, and I approached the consideration of the question with a great deal of interest, and when I got my informaiton I was very much disappointed.

The estimates are made this way: A given year, assumed to be normal, is taken, and by common consent we took the year 1906 to base our estimate upon. The amount of importations was taken for that year, and the revenue was estimated upon that basis; that is to say, the revenue which the new law would have produced if it had been in force that year, taking all the importations for 1906 and applying to them the provisions contained in the bill as presented by the committee. Now, obviously such an estimate, while it is the only one you can make, the one that must be used, can not by any possibility be very accurate. Nobody can tell what the importations are going to be. We know they will be much larger every succeeding year, because the experience of the country shows that under a given revenue law, rates remaining the same, there is an annual increase of the revenue of the country of somewhere from twenty-eight to over thirty million dollars a year. How much more than the $305,000,000 we have estimated we do not know.

The estimate is unsatisfactory, but nobody felt at liberty to guess what the increase of importation would be, and therefore the estimates as they are were given to the House. Unsatisfactory as the estimate may be, it is of course more nearly satisfactory than a guess.

Mr. CLARK of Missouri. Will the gentleman yield for a question?

Mr. GAINES. With pleasure.

Mr. CLARK of Missouri. In taking up the estimate of revenue it seems to me that the gentleman has left out one factor, and that is the prosperity of the country. It seems to me that if the country turns out, as everybody hopes it will, to be prosperous, then you will get more revenue than estimated. But if it should turn out to be bad times, the revenue will sink below the estimate, and no man can tell any more accurately than the gentleman has stated, if you take that factor into consideration.

Mr. GAINES. Except, if the gentleman will permit me, I think he is mistaken in this. It is almost certain from the very growth of the country that in any event the figures would exceed the estimate, for it would be a tremendous condition of depression which so reduced for 1910 the importations that the amount of money received then should be less than would have been received on the basis of the importation of 1906. Of course that is possible, but it is in the highest degree improbable, as I think the gentleman from Missouri [Mr. CLARK] will agree with me.

Mr. LONGWORTH. If the gentleman will permit, that estimate does not take into consideration, either, the normal average increase that took place during, say, the first ten years of the Dingley bill.

Mr. GAINES. That is entirely correct and is the point that I was endeavoring to make; that the natural normal increase is almost sure to make the amount of the revenues received under this bill larger for the year 1910 than would have been received on the importations of 1906, as the rates contained in our bill——

Mr. LONGWORTH. Will the gentleman yield further?

Mr. GAINES. Yes; with pleasure.

Mr. LONGWORTH. Merely to call attention to the fact that for the years 1898 up to and including 1907, the average increase of receipts under the Dingley law was $28,000,000 a year.

Mr. GAINES. That is correct; and of course the receipts from other sources and customs taxes also largely increase each year. As I remember it, it amounts to more. The gentleman can perhaps tell me. I understand he has the figures of the average annual increase of our revenues under the Dingley law.

Mr. LONGWORTH. The figures I have given include everything except that from postal receipts.

Mr. GAINES. And the average annual increase was $28,000,000 from all sources?

Mr. LONGWORTH. Yes; except postal receipts.

Mr. WEISSE. Will the gentleman yield?

Mr. GAINES. Yes.

Mr. WEISSE. Can the gentleman tell me how much of those revenues were made on the coinage of silver during the last ten or twelve years? I have been trying to get at it, and I am unable to get it. I think it is about $100,000,000. Is that correct? Statistical abstract gives profit on coinage, 1898 to 1907, $75,663,788, omitting 1908.

Mr. GAINES. Made on the coinage of silver?

Mr. WEISSE. Yes.

Mr. GAINES. If it is correct, I do not know the facts.

Mr. LONGWORTH. If the gentleman will yield—as I remember the figures, the total miscellaneous receipts from all sources did not exceed $60,000,000.

Mr. GAINES. The total miscellaneous receipts have not ever reached $60,000,000, but I do not know whether any profit the gentleman refers to, if there is any, is included in miscellaneous receipts or not. I do not know where they would be credited in the Treasury bookkeeping.

Mr. FOWLER. I think the amount is about $15,000,000 on the seigniorage, to which the gentleman refers.

Mr. WEISSE. What I refer to is the silver bullion which the Government buys and coins into silver coins. It is about one hundred million or more, according to the reports from the Secretary of the Treasury. I can not get the exact figures.

Mr. GAINES. Does the gentleman mean to say that the profit has been $100,000,000 in silver coinage in the last ten years?

Mr. WEISSE. In the last twelve years, as near as I can tell, that they paid for silver and the amount of money they coined. As I understand it, the Treasury can go out and buy silver bullion and coin it into minor coins, 10 and 25 and 50 cent pieces, and pay it out, and every time they do that they make a profit of 100 per cent.

Mr. GAINES. I am very sure the gentleman must be wrong.

Mr. WEISSE. If I am wrong, I hope the gentleman will explain it for my information.

Mr. GAINES. I do not know anything about what we have made from coinage. I think the gentleman is trying financially to lift himself over the fence by his bootstraps.

Mr. HILL. Mr. Chairman, if the gentleman will permit, the entire amount of subsidiary coinage is only about $25,000,000, so of course the gentleman's statement must be incorrect; but while I have not given the study to the question that the gentleman who is now speaking has, I think in the comparison he made a while ago, although I may be mistaken, that the $130,000,000 of surplus funds in the Treasury under Mr. Cleveland did not include the redemption fund. I think it was not segregated at that time and set apart; but whether it did or not, it has been increased out of the revenues of the Dingley tariff by $50,000,000, whether any of it was segregated at that time; so that would be far and away beyond any seigniorage which may be covered by the remarks of the gentleman.

Mr. GAINES. Even if the gentleman is right the Dingley law would yet have brought in more than the current expenses of the Government, and the gentleman must remember, and all gentlemen must remember, that there were in addition to the actual expenses of the Spanish-American war incidental expenses entailed upon the Government, as the gentleman from New York [Mr. PAYNE] so ably called attention to the other day, that had to be paid out of the revenues raised by the Dingley tariff law.

I do not wish to go back to that question, which I thought we had passed, but there can be no doubt, if gentlemen will examine the figures, that the Dingley law has been an absolutely satisfactory revenue-raiser for the country. [Applause on the Republican side.] That admits of no doubt.

Mr. WEISSE. Will the gentleman allow me a question? The gentleman from Connecticut [Mr. HILL] questioned the statement I made. I would merely ask him to get the facts and figures from the Secretary of the Treasury——

Mr. GAINES. Mr. Chairman, I shall insist that my time be not further taken in this manner. I am very glad to yield to gentlemen for questions; I have even been quite patient with them, it seems to me; and I have yielded for a statement of fact. But for a statement of wild suspicion, such as has been indulged in by the gentleman from Wisconsin, I do not want to yield. I want gentlemen to know what they are talking about when they make statements of fact, and the gentleman from Wisconsin says he does not know. He fancies something and would like to have information.

I told the gentleman I have not the information. He says he does not have it. He certainly, therefore, does not want to put in my speech everything he does not know. There must be some limit. I am not going to yield to any more statements of what the gentleman says he does not know.

The CHAIRMAN. Does the gentleman from West Virginia yield to the gentleman from Wisconsin?

Mr. GAINES. Well—I yield to the gentleman from Wisconsin.

Mr. WEISSE. Mr. Chairman, I stated in regard to the facts as I understand them, and the gentleman from Connecticut [Mr. HILL] questioned the statement. I asked him to furnish a statement from the Treasury. Now, I hope I have not done anything wrong by asking the question; if so, I ask the gentleman's pardon.

Mr. GAINES. Why does not the gentleman furnish a statement from the Treasury in his own time and not stop me to challenge the gentleman from Connecticut to disprove something which the gentleman from Wisconsin says he does not know? We are going into a wide latitude of discussion here, indeed.

Mr. EDWARDS of Georgia. Will the gentleman yield for a question?

The CHAIRMAN. Will the gentleman from West Virginia yield?

Mr. GAINES. Certainly.

Mr. EDWARDS of Georgia. Did I understand the gentleman to state a while ago what the estimate was for the running expenses of the Government for 1910?

Mr. GAINES. I did not state the amount.

Mr. EDWARDS of Georgia. What is the estimate?

Mr. GAINES. The amount is $874,000,000——

Mr. EDWARDS of Georgia. Thank you.

Mr. GAINES (continuing). Estimated to be necessary to be raised for the expenses of 1910, and estimating $305,000,000 as the amount to be raised by this bill from customs, $20,000,000 from the inheritance tax, and then adopting the estimates of the Secretary of the Treasury as to internal revenue and other sources of income, we reach the sum of $10,000,000 less than the estimated expenditure for 1910. And I was about to show that the revenues, notwithstanding the estimates, would be very much

in excess of the amount of money necessary to run the Government for the year 1910, and I was proceeding to show it in this way. The average annual increase was $28,000,000 in our revenues——

Mr. HOBSON. Will the gentleman allow me there——

Mr. GAINES (continuing). That is one way of looking at it—if the gentleman will pardon me until I complete the statement. Another way is this: The estimate of $305,000,000 is necessarily wrong, though it is the best sort of estimate possible to be made, and is made after the method which is always employed in such cases. It is bound to be wrong for this reason: This proposed bill, for instance, reduces the tariff on rough lumber by dividing it in two, by changing it from $2 to $1 a thousand.

Now, because of the increase of the country—I am but giving an illustration—because of the increase of the country which will necessarily come, and because also of the reduction in the duty, there will be an increased importation of rough lumber; but no account is taken of that in the estimates. The estimate of revenue under the new law at the $1 rate is that it will produce for 1910 half as much as was produced under the old law at the $2 rate in 1906. Well, everybody knows that that can not be true. I am not criticising the estimate; merely explaining it. It is the only sort of estimate that can be made, and with such an estimate the House will have to content itself, for it is better than no estimate at all, and while unsatisfactory, is much more nearly satisfactory than any guess which anybody could make.

Mr. HOBSON rose.

Mr. GAINES. Now, if the gentleman will permit me, I will yield a little bit, but I am yielding so much that it breaks up the continuity of what I am saying and makes my remarks tedious to the committee.

Mr. HOBSON. Just at that point.

Mr. GAINES. Certainly.

Mr. HOBSON. The gentleman has reiterated, and it has been confirmed by the gentleman from Ohio [Mr. LONGWORTH], in figures pertaining to the increase in revenues per year as shown by the customs-house receipts due to the Dingley bill——

Mr. GAINES. Mr. Chairman, I trust that the matter and the gentleman from Alabama may proceed a little more rapidly, as——

Mr. HOBSON. Since this Dingley bill went into operation in 1900, and it was in full operation in 1900, down to the end of 1908——

Mr. GAINES. Everybody knows that.

Mr. HOBSON (continuing). The average increase in customs receipts has been about six and one-half millions of dollars.

Mr. GAINES. Whatever the correct addition is, I have no doubt the gentleman can make it.

Mr. HOBSON. And I can give the gentleman the years, if he wishes them.

Mr. GAINES. The amount of revenue that has been received speaks for itself, and the state of the Treasury speaks for itself, and I shall not go back to that part of the discussion. Unfortunately——

Mr. HOBSON. The gentleman must admit——

Mr. GAINES. Mr. Chairman, in order that I can hold the attention which Members are giving me, I must either have succinct and brief statements that bear upon what I am saying, or I must decline to yield.

Mr. HOBSON. I should be delighted to give the gentleman a succinct statement.

Mr. GAINES. I know those figures.

Mr. HOBSON. It has a vital bearing upon the gentleman's whole subject.

Mr. GAINES. Mr. Chairman, really, if the gentleman is not going to force me to take my seat——

The CHAIRMAN. The gentleman from West Virginia declines to yield.

Mr. HOBSON. Only half a minute, and it is vital.

Mr. GAINES. I will yield to the gentleman, but I insist that he reach his question or the end of his statement.

Mr. HOBSON. If the gentleman will give me time, I will say that for the years 1900 and 1901 the increase of revenue from the Dingley bill was about $5,000,000; 1901 to 1902, about $16,000,000——

Mr. GAINES. I will yield the gentleman the right to print in my speech. I can not yield for those figures. I know they are correct, but I do not want to wait to hear them. I dislike, Mr. Chairman, very much not to yield, but I am either compelled not to yield or else to take my seat.

Neither have I any doubt that the estimate of $20,000,000 annually from the inheritance tax is an underestimate. The State of New York does not tax inheritance as heavily as is proposed in this bill. Yet the State of New York receives more than $5,000,000 annually from her inheritance tax. Five or ten millions increase over the estimate from this source can reasonably be expected.

Your committee was aware that many persons thought that the inheritance tax should be left to the States, and that the General Government should seek other sources of revenue. This matter, however, has received a great deal of consideration. It is one of the policies repeatedly recommended by President Roosevelt, and it is the only specific recommendation to the committee which President Taft has made. I for one was not willing, and am not willing, to refuse to accede to such a suggestion on the part of President Taft. The tax is one which is easy to collect and easy to pay. The person who pays it merely receives a little less than he would have otherwise received because of the death of another. In the direct line inheritances under $5,000 are not taxed, the theory of the committee being that in such cases those who receive it—for instance, the wife and children—have by their labor aided in its accumulation. In the case of collateral inheritances neither grief nor the 5 per cent diminution in what he receives would seem to entitle the financial beneficiary of the death of a distant relative to any particular sympathy.

Unfortunately, tariff revision always proceeds in this country in the face of some overwhelming sentiment. It is useless to deny that your committee proceeded in its investigations in the preparation of this bill under the important influence of the public expression for tariff revision downward, except in those cases where it could be shown specifically and conclusively that there ought to be a revision upward. We can not deny this when we remember how many expressions were made during the campaign to the effect that if any of the schedules were found to be so high that in addition to protection there was a temptation on the part of producers to combine to maintain unreasonably high prices, such excess should be lopped off.

Even so late as last November, when the election was over and your committee was sitting day and night to inform itself of the facts so as to prepare a bill for the consideration of the House, the press of the country teemed with suspicions that your committee did not intend "honestly" to proceed to a revision of the tariff in accordance with party pledges. And in some instances threats were published broadcast throughout the country, purporting to come from high sources, of some sort of discipline in case your committee and Congress did not proceed "honestly" to revise the tariff. The popular demand in the presence of which your committee worked was in the name of the consumer—presumably the "ultimate consumer" of the gentleman from Illinois [Mr. BOUTELL] and my own "retail purchaser."

At the risk of returning to a more academic discussion than has been generally indulged in in this debate, I propose to consider briefly the relation of the tariff to the retail purchaser. I assert that there is very little relation between the tariff and the cost price to the people of the country where they purchase their supplies for their own use. As to the manufacturer, this is not true; but as to the retail purchaser, it is true that there is very little relation between the tariff and his price, except that his price frequently is reduced by a protective tariff. I know that this proposition will be scornfully denied by many people, but I do not fear its successful denial by anybody who will submit himself to the labor necessary to a real understanding of the problem. Of course, the man who is intellectually bright and at the same time intellectually lazy can always satisfy himself that this statement is not true. An examination into the cost of production, the cost of distribution, the number of persons, firms, and corporations through whose hands articles must pass between the time they are sold by the original producer and the time they are bought by the retail purchaser, takes time, industry, and energy. The theorist, the man whom I have already described as intellectually bright but intellectually lazy, will never subject himself to the labor that a real investigation requires. He prefers to supply a theory out of his own head—and this is an enjoyable pastime for him—and hold that theory against the facts, rather than laboriously to go to work and dig out the facts and out of these facts extract the truth.

Somebody, some years ago, at a farmers' alliance meeting, set out on the right track to determine the cause of high prices to the retail purchaser. I am not defending that old movement or advising any return to the prejudice it engendered against the middleman. The middleman may be, and I believe he is, a necessary part of the machinery of distribution. But the fact yet remains that he is in almost every instance the occasion of the largest part of the price which the retail purchaser pays when he goes to the store. I am not contending that he should be eliminated. I am even inclined to think that he can not by any

possibility be eliminated. But I am now asserting and attempting to maintain and defend the proposition that no man will ever correctly understand the question of price as long as he permits theorists and political economists to make him believe that the manufacturer or producer in any line of business is the cause of high prices. If high prices can ever be eliminated, and that I doubt, it certainly can not be done until we first find the cause of high prices; at least, it can not be done as long as we think we know the cause of it, and place the blame, if there be blame, upon the wrong person or set of persons. These assertions I propose now to illustrate by some examples.

My district is a large producer of bituminous coal. It is a rare thing that the person or corporation which mines coal sells to the retail purchaser. I do not speak of anthracite, because I do not know the facts. I assert that it is practically impossible in any instance to add to the price of coal f. o. b. cars at the mines the railroad freight rate, the wholesale commission of 10 cents per ton, and all unloading and drayage charges and come within the $1.50 of the price which the retail user of soft coal pays in this country. It is generally true that large manufacturing consumers buying direct from the mines get their coal loaded with less commission than that last price. I am talking about the retail purchaser who buys from the local coal yards in his neighborhood.

New River and Pocahontas coals are worth to-day and can be procured, in practically any quantity, for $1 a short ton in my district and that of my colleague [Mr. HUGHES]. The freight rate to Chicago is $2.05. The dealers in that city advertise the coal and sell it to the retail purchaser for $4.05, an advance of $1, or over 100 per cent on the cost at the mines, notwithstanding the fact that the producer in the first instance is not making 10 cents per ton profit on that coal. In fact, the best accountants inform me that when all charges are taken into consideration, not only the daily mine cost per ton, but interest, taxes, insurance, depreciation, amortization of the plant, and all overhead charges, the profit is at every mine a negligible quantity, and sometimes there is an actual loss instead of any profit whatever at the prevailing prices. The dealers in Chicago advertise to sell run-of-mine coal at the price named, to wit, an advance of 100 per cent to cover the cost of delivery. But as a matter of fact he does not do it. What happens is this: Because of the public's preference for lump coal and the consequent high price for lump, he takes out of the run-of-mine coal the greater part of the lump coal, thereby perpetrating a fraud upon the retail purchaser and depreciating the reputation of the producer of the coal whose profit was less than 10 cents per ton. The average cost of delivering coal in Chicago, after it reaches Chicago, is less than 50 cents, and the average net profit made out of the small purchaser, to wit, the ultimate consumer living in the district of my colleague on the committee [Mr. BOUTELL], is from $1.25 to $1.50, or a net profit of from 125 per cent to 150 per cent on the total cost of the coal charged by the man who invested the capital, bought the machinery, managed the plant, and paid the miners, the day laborers, the bookkeepers, and all other costs about a coal mine. Yet the ultimate consumer naturally complains, and his neighbor, the man with the coal yard, tells him that the reason he pays such a high price is because of the exorbitant demands of the soft-coal trust. The dealer himself knows that there is no soft-coal trust, and that the very coal the price of which is maintained by the local dealers' trust came to him in furious competition in cars which passed under the tipples of the neighboring Illinois coal fields, or else through the competing regions of Indiana and Ohio. This is the condition in the great market of Chicago. Going farther west, where competing mines are not so near, and in towns where there are fewer retail purchasers, the average retail price is nearer 200 per cent of the producer's price and sometimes more than 250 per cent of the producer's price.

We are asked to take the tariff off lumber in order that the poor man who wants to build a home may have cheaper lumber. The man who builds a home does not buy lumber, as a rule. He enters into a contract with a builder who buys lumber from the man who has a lumber yard, and he in turn buys lumber from the mill. The home builder's price is set by the contractor and the man with the lumber yard. It is not made by the mill owner. There appeared before our committee a gentleman from one of the Dakotas who was disturbed about the consumer. It turns out upon better information that the gentleman was not a consumer, nor interested in giving the consumer cheaper lumber, but was a retail lumberman of large accumulation, using all his skill and all his business capacity to keep the price of lumber up to the people in the towns where he had his lumber yards. It appeared in some towns he had an absolute monopoly of the retail trade, and in others he had such a large proportion of the trade as to dominate the price situation. It also appeared that after the slump in the price of lumber this self-styled "friend" of the consumer purchased lumber at a reduction of $6 per thousand feet below the price he had been paying and that he did not thereafter reduce his price to the consumer a single penny. Though I am a friend of the tariff on lumber, I am not now arguing that question. I am undertaking to demonstrate from actual occurrences that what the home builder in the Dakotas has been suffering from is not the tariff, not the $2 per thousand duty on rough lumber, not the protected manufacturer of lumber, not any lumber trust fostered or even existing under protection, but the rapacity of the little retail lumber trusts in his own neighborhood who, exacting an exorbitant price from their neighbors, with a guilty conscience seek to transfer the public odium for their own rapacity to an imaginary bigger trust which does not exist, over to the protected manufacturer of lumber, who is bending all his energies to get all the lumber he can into the market and at competitive market prices.

Now, let us take something else. Our attention was called to the question of barbers' shears. If there is any part of our people entitled to be classed among the plain people that the Democrats talk so much about, I take it it would be the barbers of the country.

Mr. HITCHCOCK. Will the gentleman yield?

The CHAIRMAN. Does the gentleman from West Virginia yield to the gentleman from Nebraska?

Mr. GAINES. Mr. Chairman, I hope the gentleman will not cut me off when I am talking about barbers. If he will wait a moment, I may yield, but I can not yield now. Now, I repeat, if there is any part of our population who have a right to be classed among the plain people, in whose name so many fantastic arguments are made, I take it to be the barbers of the country. Certainly any system is wrong which permits a heartless trust to fatten at the expense of the barbers. The mere suggestion is enough to enable the lazy theorist to become pathetic, if not eloquent, in opposition to the tariff on barbers' shears. Certainly the barber ought to be permitted to buy his scissors without paying tribute to the lordly trusts. The German manufacturer sends them over at $1.95 per dozen; the importer pays the duty and sells them to the jobber for $3.50 per dozen; and the jobber maintains his store and his organization and pays the expenses of his drummers on the road and sells them to the retail man; and the barber, when he goes to the store, pays from $1 to $1.25 per pair, 50 per cent of the cost of the whole dozen—tariff added—as they came from the manufacturer. Of course, the college professor and Democratic statesman with natural ability and intellectual laziness do not want to consume their time descending into details about so commonplace a matter as the scissors which the barber uses. It is easier to state that a tariff is a tax, to assert in the next place that it is a tax which the consumer pays, to imagine as the next step in his argument a scissors trust, and then throw in a little pathos and eloquence about the barber and reach the conclusion that what the barber needs is a downward revision of the tariff. In almost every instance the truth is that what the propounder of the theory needs is a plausible process of reasoning sufficient for his own purpose, without subjecting himself to a sufficient amount of study and labor to become acquainted with the facts.

We are gravely told by the shoe men that if hides are reduced it will reduce the price of shoes. An examination shows that even considering that the price of domestic leather is increased by the whole amount of the tariff on similarly imported leather, the increase of cost can not amount to more than 3 or 4 cents in the shoe. The average man in this country buys some shoes during the year for which he pays $5. A year or two ago we abolished the internal revenue on denatured alcohol used in the arts. It may not be generally known that alcohol is used in the manufacture of hats, but the fact is that this change in our revenue laws decreased the cost of the manufacture of a hat nearly 5 cents. Since that the retail purchaser pays just what he did before for a hat. Yet the shoe man, pretending to talk for the retail purchaser, when, as a matter of fact, he talks in his own interest as a manufacturing consumer, would have us believe that the small difference in the cost of manufacturing shoes would amount by some peculiar logic to from 25 to 50 cents per pair.

I talked to a large manufacturer of cotton cloth whose factory is situated in the South, and asked him to describe his product, so that I might go to a store and buy some of it, comparing for myself the factory cost and tariff and the price paid by the retail purchaser. He told me that was unnecessary, because he could show it to me at that moment. He drew out of his pocket his handkerchief, which was made out of cotton

cloth which he had himself manufactured. It happened to be precisely, so far as he or I could tell, like my own handkerchief, which I had bought supposing it was linen and paying the price which a linen handkerchief commands. When I asked him whether my handkerchief was cotton or linen he said he did not know, and that even the bleacher, who probably would know, would yet not rely upon his own judgment if he were buying linen rather than cotton, but would subject the material to the chemical test. The tariff on the cotton out of which his handkerchief and mine were made is 1¼ cents per yard. A yard will make four handkerchiefs of the size most manufacturers and professional men buy. Of the smaller and cheaper sizes, a yard will, of course, make more.

But on the material in the larger handkerchief the tariff is five-sixteenths of a cent; this is to the manufacturer of the cotton in the "gray" or "brown," as the language of the trade is. Now witness its progress to the ultimate consumer: The manufacturer sells to the bleacher, who sells to the jobber, who sells to the handkerchief manufacturer, who sells to a jobber, who sells to the retail man, who sells to the retail purchaser. Even assuming that the manufacturer would absorb the entire amount of the tariff, that competition did not make him let go of any of it—and I do not believe any person who has looked into the facts believes that the manufacturer can absorb it all—how much, even then, of that one-third of a cent would come to the retail purchaser, even if the whole tariff were removed?

Obviously, none of it at all. Goods are sold in the retail store in round prices, but I do not believe any of the reduction would reach even the retail-store man. The bleacher handles thousands of yards where the retail man handles one, and the bleacher first gets hold of the article before the retail man has any chance whatever to take care of his interest in the matter. The retail man's interest in the revision of the tariff is comparatively small and the bleacher's interest comparatively great. The bleacher has the first opportunity, and he has the greatest skill in taking care of himself. The same thing is true of the first jobber, of the manufacturer, and the next jobber. The fact is that the cost to the retail storekeeper is not affected by the less than one-third of a cent tariff on similarly imported material. He is very little affected by the first, or manufacturer's, price for the article. The book of statistics shows that for the last ten years the average value per yard of similar imported cotton cloth amounted to about 6 cents per yard. One-fourth of this, the amount on a handkerchief, would amount to 1½ cents. One retail purchaser buys the handkerchief at a fashionable place under a linen name and pays 50 cents for it. The retail purchaser who has more judgment and is not a slave to fashion pays at a less fashionable place 25 cents for the handkerchief.

Nine-tenths of his price is made up of middlemen's profits, the transportation from the southern cotton mills to the northern bleacher, from the northern bleacher to the wholesale man, from him to the handkerchief manufacturer, from the manufacturer to the second wholesale man, and from him to the retail man. When I bought my handkerchief it had gone from North Carolina to Massachusetts, from Massachusetts to Connecticut, from Connecticut to New York, and from New York to Charleston, W. Va. At Charleston, W. Va., I found it at the most fashionable haberdasher's in town and proudly carried it away as a linen handkerchief. The tariff had nothing to do with the price. The price was made up of my own folly, the middlemen's profits and expenses, and transportation charges.

The truth is that the old assertion, now temporarily unfashionable, sneered at by the theorist who is bright enough to make an attack and too lazy to make an investigation, that the tariff in the long run reduces the price to the consumer, and that as a matter of fact the retail purchaser gets his supplies cheaper, is a fact. The theorists say that supply and demand regulate prices, and if therefore you let in the foreign supply you will reduce the price. This is so simple that he insists that it is conclusive, and he refuses to subject himself to a study of the problem and his theory to the risk of any further examination. The important question is to what extent supply and demand is affected as a matter of fact by the tariff. The theorist wishes to take it as if it were a question of foreign supply and American demand. The question is really one of world supply and world demand.

So, as in the case of cotton cloth, it is undoubtedly true that a tariff may be levied which brings the business to this country. A tariff may be levied which stimulates such establishments as the one at Charlotte, N. C., and in hundreds of places all over this country, North and South, without there being a penny of tax to the consumer.

Of course, Mr. Chairman, it is easy for the theorist, the man who is intellectually bright but intellectually lazy, to deny that fact. "Can you tax people wealthy? Can you put on a tax which is not a burden to the people?" If he is that sort of a man, whom I have described as intellectually bright but intellectually lazy, he can always say that the tariff is a tax, and that every intelligent man must know that it is a tax which the consumer pays. Well, Mr. Chairman, the truth is the man who will take the trouble to inform himself, the man who will quit undertaking to spin a theory out of his head, and from that theory to predicate the facts, the man who will subject himself to the labor and investigation necessary to know the truth, knows that in the cotton business of the country it is possible, and as a general proposition it is possible, to levy a tariff which shall stimulate manufacturing in this country, give us American wages, give our farmers an American market, give us prosperity throughout the land and yet not increase the price to the people of the country when they go to the stores. [Applause on the Republican side.]

It is the profit of all the middlemen, it is all the transportation, it is the work done on the thing and not the tariff paid upon similar imported articles at the custom-house which makes the price paid by the retail man. [Applause on the Republican side.]

Mr. SCOTT. Will the gentleman yield?

Mr. GAINES. Certainly.

Mr. SCOTT. The use which the gentleman has made of cotton to illustrate his important and interesting point reminds me of a statement which I have heard in connection with the cotton schedule in the Payne bill, concerning which I would like to ask the gentleman a question. I have heard it stated that by means of a difference in the classification rather than by a change of rates the actual duties levied upon the coarser and cheaper cotton cloths have been materially increased. I would like to ask the gentleman if that is true?

Mr. GAINES. Mr. Chairman, the statement is not correct. The fact is, that by placing a protective tariff on cotton we manufacture cheap grades of cotton in this country as cheaply as they do anywhere else in the world. We sell the cheap grades of cotton in this country as cheap as they are sold anywhere else. The truth is—and I shall go into this later, but not in this speech—it is absolutely demonstrable that Mr. Carnegie told at least one truth in that article of his in the Century Magazine.

Very much the largest portion of the national taxes raised in this country are raised upon luxuries. It is on champagne, laces, and the like, which pay the bulk of the revenue. When it comes to cotton, it is the higher-priced cotton, the kind that goes into the so-called "linen handkerchiefs," that pays the tax, and the plain people of the country that they talk so much about, those that buy the cheap goods, get them in America as cheap as they get them anywhere else in the world.

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

Mr. GAINES. Certainly.

Mr. HARDWICK. If the gentleman is right about that, why did they increase the duty on the cheaper grades of stockings?

Mr. GAINES. For the purpose of protection, pure and simple, and in order to bring it about, for we know it should be done, that they shall be made in this country. The proportion of stockings imported into the country shows that that industry is not protected, that the rates are not protective. It is not a question of theory; it is absolutely demonstrable. There is no doubt that there was not protection in this line of manufacture, and we would have been recreant to the American people who indorsed the Republican platform if we had not given consideration to the cost of production in foreign countries and in America in that line of manufacture. We but obeyed the mandate of the people who elected us to office.

Mr. HARDWICK. I want to suggest to the gentleman that the point we were discussing when I propounded the inquiry was that this bill had not added any tax to the poor people at all, and I pointed out a specific instance in which it had levied a heavier tax.

Mr. GAINES. I am denying the proposition. The gentleman is not correct. What I was discussing when he interrupted me was that I was asserting that the cheaper grades of things, illustrated by cheap cotton, are made in this country and sold cheaper than anywhere else in the world. Does the gentleman, being a representative of the South, deny that we are making and selling as cheaply as anybody else the cheap grades of cotton cloth that are made in his State?

Mr. HARDWICK. Yes; we charge more for cotton goods in this country than they charge in England or in Germany.

Mr. GAINES. The gentleman must know that our sales of cheap cotton goods in the Orient—in competitive markets—had

been increasing, until Japanese cheaper labor began to take that trade away from us.

It was agreed some years ago to test the question between the two great parties by the effect of a tariff on the production and price of tin plate in this country. Tin plate, it was said, was an exotic in this country. Making tin plate in this country was said to be like growing bananas under glass at Boston, and protection which would enable people to make tin plate in this country was similar in kind to protection to enable growing of tropical fruits under glass in the New England States. Two propositions were asserted—first, that we could not do it, and, second, that the people of America would be taxed to put money into the pockets of a few manufacturers even if we could do it. Neither of these assertions were anywhere near the truth. Although all the zeal and eloquence of the Democratic party was expended on these propositions—that the tariff was a tax which the consumer pays, and that you can not give things more cheaply to the people by taxing them—yet the facts are that the year before we passed the tariff on tin plate it was selling in America for $5.15 per box of 108 pounds. The average price since the McKinley law went into effect in this country has been $4.12 per box. This happens to be a difference of $1.03 per box. In other words, to find the price which tin plate has cost in this country since the McKinley tariff tax was passed, it is only necessary to subtract over 20 per cent of the price of tin plate before its manufacture in this country was protected; or, to find the former untaxed price, add 25 per cent of the taxed price.

We have given back to the people who buy tin plate one-fifth of what it cost them——

Mr. COX of Indiana. Mr. Chairman——

Mr. GAINES. If the gentleman will permit me to go on for a moment. We have stimulated the manufacture in this country. The year after we put a tariff on tin plate we produced 500 tons of it. Last year we produced 500,000 tons in round numbers. We vastly increased the amount paid in wages; we have paid American wages to all the people employed in this industry. And we have done what else? We have reduced, as I say, the price; and here is where our theorectical gentlemen make the mistake, here is where those gentlemen who are intellectually bright and intellectually lazy fall down, here is where their failure is: They say we should buy in the cheapest market, and that seems reasonable; but it can not be known which is the cheapest market, as John Stuart Mill admits, until experiment has shown. They say that prices are regulated by supply and demand, and so they are, but the mistake they make is that the question is one of the world's supply and the world's demand, and they want you to consider it as if it were a question of American supply and the world's demand.

When we began to manufacture tin plate in this country, that proportion of the world's tin plate which formerly came here had to go somewhere else in the world, to turn back on itself, so to speak, for a market.

Before the passage of the McKinley law we produced no tin plate. The next year we produced only 595 tons. In 1907 we produced 495,000 tons—practically half a million tons. A ton of tin plate will supply the cans, kitchen utensils, and what not of a good many users of tin plate. The truth is that not only the American people, but all the people of the world get their tin plate more cheaply because America became a producer as well as a consumer of tin plate. To the extent our demand for foreign tin plate was withdrawn, the Welsh tin plate was compelled to compete more fiercely in the rest of the world's markets. Prices the tin-plate people had theretofore maintained could be maintained no longer; the users of tin plate, to wit, the plain people again, not only in America but in the world, have paid less for their tin plate because the Republican party put on a tax that every theorist knows must of necessity always raise the price.

A great deal has been said in the last few days about the tariff on paper. A witness before the Ways and Means Committee purchased from a news stand at the New Willard Hotel a current novel of the kind which sells in a bookstore in a small town for $1.25, and which cost in Washington, where there is more competition, $1.18. Assuming that the price of the paper contained in the book was increased by the whole amount of the tariff which would be paid on similar paper if imported, the total increase in cost by reason of the tariff would be less than 1 cent. Obviously, the reduction of the tariff would not result in any difference whatever in the price charged the retail purchaser of the book. Assuming that a country newspaper of 4 pages is issued 52 times a year to 1,000 subscribers, and assuming—though that is not the truth—that the price of the whole year's supply of paper is increased by the amount of the tariff on similar imported paper, the increase of cost would be somewhere between ten and fifteen dollars.

Plainly, none of this would go to the subscriber. Even if the removal of the tariff would result in a saving of $10 to such country newspaper, the whole saving would go, in all probability, to the middleman who sells to country newspapers the print paper partially printed with what is known as "patent outside."

Your committee could multiply examples of this sort by the score. In going over the Dingley law with a compiled record of importations, and with duties where specific translated into the equivalent ad valorem, we came across, among hundreds of like instances, the subject of "vanillin." Theoretically, this is the synthetically manufactured extract of vanilla. Somebody found out that the oil of cloves was richer in the extract of vanilla than the vanilla bean, and that, by the use of an acid as an agent, the vanilla flavoring could be commercially manufactured from the oil of cloves. When the Dingley bill was passed a tariff of 80 cents an ounce was put upon vanillin. When the book was compiled for the use of the committee it was found that the price of vanillin was such that this specific duty of 80 cents an ounce amounted to an equivalent duty of 320 per cent. Here was a fruitful theme for the declamation and denunciation of free-trade theorists. This stuff is the source of vanilla extract. In every home throughout the country they use it, and every little ice-cream man must buy it in quantities. Here was a case where all the people were taxed by an iniquitous Republican tariff law to enrich the pockets of a very few people.

I do not know whether there is a vanilla trust, but the eloquent imaginations of these theorists can always supply so useful an institution for their purpose of invective. Three hundred and twenty per cent—three and one-fifth times its value—was the tax the people were paying to a wealthy few! It might not be much, these theorists would say, that every family contributes, but it is by the millions of such little taxes that the protected robber barons steal their funds from the public indirectly, thus deceiving the people and robbing them at the same time. It is easy to imagine, or, rather, to remember, their denunciations of the folly of the men who say that the people would get their vanilla extract cheaper by taxing it. Theoretically this seems complete and unanswerable. But what is the fact? When this tariff of 80 cents an ounce was placed in the Dingley law on vanillin none of it was made in America. The people who made it in Europe were limited in number, and they were men of first-class intelligence. Combinations are more frequent in Europe than they are in America. This is because they originated there and not here, and because the governments favor them there, while our Government bends every energy to their destruction and prevention. Without a tariff the manufacturers of an article, hazardous until its success was demonstrated, could have been prevented by this foreign combination, which could have afforded to lower its price, and would have lowered its price until it had wrecked the incipient American attempt to invade this field of manufacture. But the tariff protected the new American venture, and the result is that the imported price of vanillin from 1897 to 1907 dropped from $5 an ounce to 25 cents an ounce. I admit the plausibility of the argument that you can not tax the people rich, but the fact is that in this instance the tax reduced the price to the consumer 20 times, or 2,000 per cent. Incidentally, this shows the absurdity—if absurdity be a strong enough word—of arguments based upon percentages. The tariff tax of 80 cents an ounce when placed on vanillin at $5 an ounce was an equivalent ad valorem duty of 16 per cent.

By the cheapening of the product the equivalent ad valorem duty had been multiplied 20 times, so that in 1907, when vanillin was worth 25 cents, the small specific duty had risen to an equivalent ad valorem duty of 320 per cent. It has been said time and again that figures will not lie. I have come to the conclusion that no man is honest enough to trust himself to argue from percentages. The tariff may be a tax and the equivalent ad valorem may be and is 320 per cent; the truth is that the operation of the American manufacture under that tariff cut the price of vanillin to the American public into 20 parts, and 19 of them were handed back to the consumer. [Applause on the Republican side.]

Mr. ADAIR. Will the gentleman yield?

Mr. GAINES. I will yield in a moment. I had just remarked that while figures will not lie, I wished to warn gentlemen on the Democratic side that they should not trust themselves to percentages ever. It is the dangerous argument which your side makes. It is bound to mislead you, even though you do not intend to mislead others.

Mr. ADAIR. I do not want to break into the gentleman's line of argument, but before he concludes his remarks I would

like for him to give us his opinion as to the effect of the drawback system upon manufacturers of tin plate.

Mr. GAINES. Well, I do not want to go into that at any length. But my opinion is that a liberal extension of the drawback provision would be good. Doubtless there are people who will oppose that feature of the bill, and who yet will say that but for protection we could go out and capture the world's markets. I am in favor of extending the drawback provision, so that we can see to what extent we could pay American rates of wages and go into the foreign markets and compete for trade. I am perfectly satisfied in my mind on this subject: Whenever we can manufacture in America for foreign markets, paying Amercian wages, increasing the American market for American products and labor, no injustice will be done to our own people. I do not think the drawback provision does our own people any injustice whatever.

Mr. ADAIR. Will the gentleman now yield to me?

Mr. GAINES. I yield to the gentleman.

Mr. ADAIR. In my district we have a tin-plate mill employing between two and three thousand men. Last year, from the 25th of July until the close of the year, the mill was shut down and these men were out of employment. At the same time the Standard Oil Company was purchasing its tin plate for export trade in Wales and drawing back, as a matter of course, 99 per cent of the tariff paid. These men were objecting and do object to the Standard Oil Company buying their tin plate abroad and not buying it at home, in order that it may be manufactured by our manufacturers and our laborers may be furnished with employment.

Mr. GAINES. Exactly. I understand that situation. I agree with those tin-plate people this far: That I would like to see the tin plate made in this country; but after all, when it comes to the question of whether we shall have the Standard Oil Company or anybody else doing a portion of its manufacturing here or doing that same portion of it abroad, I want it done here; and if we charge and keep the full amount of the tariff on the tin which enters into the tin can used for the export trade, then the inevitable result will be—and there is no doubt of it—that that much of manufacturing now done here will be done abroad.

As to the details of the provision, whether they are wisely worked out or not I am not prepared to say, but I insist that it is not a partisan question, but is one that is very difficult. So far as I am concerned, I hope every Member of the House will give that drawback provision his closest scrutiny. I voted for it in the committee and will vote for it now; but I went through two or three phases of opinion on the subject before I reached a conclusion. I believe the entire committee ought to give it the closest scrutiny. It is a mere business proposition, and whether we are free traders or protectionists we want that provision right, and we must give it our best consideration. I am satisfied there ought to be some extension of the drawback proposition.

Mr. COX of Indiana. Will the gentleman yield to me right in that connection?

Mr. GAINES. I yield to the gentleman.

Mr. COX of Indiana. I thoroughly agree with the gentleman in the statement that the committee ought to give this drawback provision its most careful and considerate attention. When the duty of 1½ cents was put on tin plate in the Dingley bill, that was done for a twofold purpose, was it not? First, the raising of revenue; and second, to build up the industry in this country?

Mr. GAINES. Of course we wanted revenue, and it produced revenue; but it was protective also.

Mr. COX of Indiana. Was not the purpose of it a double purpose, as I have announced in my question, of raising revenue and the building up of the tin-plate industry?

Mr. GAINES. The protective idea prevailed, and the tariff was put high enough so that it would give adequate protection. I am a protectionist. I can understand gentlemen who believe in a revenue tariff, but they ought to be willing to stand or fall by their theory. They should not seek protection for the interests of their own districts under the fallacious plea that it is only a revenue duty. A tariff adequate to protect is a protective tariff.

Mr. COX of Indiana. Can the gentleman tell the committee how large a revenue was paid to the Government during the length of time the provision put tin plate in the law?

Mr. GAINES. I would have to go and examine the statistics to find out.

Mr. COX of Indiana. As a matter of fact, was not $20,000,000 the approximate amount, and about eighteen of the twenty millions was paid back in the way of drawbacks?

Mr. GAINES. My only reason for not answering is because I do not know. When the gentleman asks me if certain figures like that are not true, I take it for granted that his own investigation has been sufficient to assure him that they are.

Mr. COX of Indiana. I am only putting it as an approximation.

Mr. GAINES. And assuming that the gentleman knows his figures to be true, I am inclined to admit their truth, without knowing on my own account. But I wish to ask the gentleman this, Would he cut out the drawback provision?

Mr. COX of Indiana. Absolutely.

Mr. GAINES. I would not. That is where we are at issue.

Mr. COX of Indiana. Under all conditions.

Mr. GAINES. Would you cut off the duty? Are you in favor of protection to tin plate?

Mr. COX of Indiana. Absolutely not, because I do not believe it has anything to do with keeping up an industry; nor do I believe it has anything at all to do with keeping up the price of labor in this country.

Mr. GAINES. What is the gentleman's objection to the drawback, if he would not give the industry protection?

Mr. COX of Indiana. My objection to the drawback——

Mr. GAINES. Oh, Mr. Chairman, I withdraw the question. Is not the fact this——

Mr. COX of Indiana. I should like to answer it.

Mr. GAINES. Is not the fact this, that the gentleman does believe in protection, and wants an excuse under some other name to vote for it?

Mr. COX of Indiana. I beg the gentleman's pardon. I do not believe in protection at all. Conditions must change in this country before I will ever believe in it.

Mr. GAINES. What sort of a rate would you vote for on tin plate?

Mr. COX of Indiana. I would not vote for any rate unless it be a rate solely for the purpose of raising revenue.

Mr. GAINES. Would you put tin plate on the free list?

Mr. COX of Indiana. If necessary, yes; or if it became necessary for the purpose of raising revenue, I would put a revenue duty upon it.

Mr. GAINES. Certainly, but you would not put such a duty as would practically exclude foreign tin plate for American use? You would put a duty on foreign tin plate that would let it in, so as to raise revenue?

Mr. COX of Indiana. Sure.

Mr. GAINES. Is that the position of the Democratic party?

Mr. COX of Indiana. I do not know. I am only speaking for myself.

Mr. GAINES. Who does know? What I am debating with?

Mr. COX of Indiana. Probably with yourself. I do not know about that.

Mr. GAINES. Who does know what the position of the Democratic party is?

Mr. COX of Indiana. You will have to decide that for yourself. [Laughter.]

Mr. GAINES. It would be a piece of wonderful presumption on my part to attempt to settle for myself what no other man on earth has ever been able to settle for himself. [Laughter.]

Mr. COX of Indiana. Apparently the gentleman had it already settled this morning.

Mr. GAINES. Now I have occupied the time of the committee too long——

Mr. ANDERSON. Does the gentleman from West Virginia know how many factories there are in this country employing laborers on lace and embroidery?

Mr. GAINES. I do not remember now.

Mr. ANDERSON. The gentleman stated a few minutes ago that laces were a luxury. Am I to understand that the wife of a laboring man or the children of laboring men are to wear plain clothes, and not have their clothes trimmed with laces of any kind?

Mr. GAINES. Now I will answer that question. We do not say that the wife of a laboring man should have no lace on her clothes. We want to continue the policy of protection so that she may have more lace than she otherwise would have. [Applause on the Republican side.]

Mr. ANDERSON. You have failed to answer the question as regards the number of factories that your high-protective tariff on laces and embroidery has brought to this country. There are not a thousand men and women employed in this country on embroidery.

Mr. GAINES. The gentleman is asking a question and he has indicated his point. Now, I wish to proceed with my own speech if gentlemen will permit me. If they will not permit me—I do not want to be discourteous enough to refuse—I shall simply have to sit down and abandon the effort to conclude my speech.

Mr. ANDERSON. I want to ask the gentleman——

The CHAIRMAN. Does the gentleman from West Virginia yield?

Mr. GAINES. I do not.

The CHAIRMAN. The gentleman declines to yield.

Mr. ANDERSON. Just half a minute.

Mr. GAINES. No; I decline to yield. There is a limit to good nature.

Mr. CLARK of Missouri. I should like to ask the gentleman one question.

The CHAIRMAN. Does the gentleman from West Virginia yield to the gentleman from Missouri?

Mr. GAINES. Certainly.

Mr. CLARK of Missouri. A question solely for information, and that is whether section 29 can not be fairly construed into meaning that even where a manufacturer does not import any foreign material he can manufacture American material and ship it abroad and go to the Treasury and get a bounty equal to 99 per cent of the drawback he would have got if he had used foreign materials?

Mr. GAINES. Mr. Chairman, I think not. And surely if it can be so construed I want to vote for its amendment. I think it can not be open to that grave objection. If it is, I am opposed to language that would permit such a construction.

Mr. Carnegie, in his now celebrated article favoring revision of the tariff, relates a conversation in 1888 between Mr. Blaine, Mr. Chamberlain, the English statesman, and Sir Charles Tennant, then head of the steel-rail manufacturing business in England. According to Mr. Carnegie this English statesman admitted at that time, when steel rails were selling in this country for $30 per ton, that price, which he thought a low one, was due to our tariff; and that if we had not put a protective tariff on steel rails he and his associates in England would have been able to maintain up to that time their old price of $100 a ton. The world knows that the addition of the American steel-rail supply, due to the protective-tariff policy of the Republican party, has vastly cheapened the world's price of steel rails. And if Mr. Carnegie tells the truth it necessarily follows that but for protection the steel-rail interests of England and the continent of Europe would have levied hundreds of millions of dollars on the great American railroad development which took place in this country prior to 1888.

Mr. Carnegie relates that in the same conversation reference was made to John Stuart Mill's declaration already referred to, that his theoretical system of economics, based upon the fundamental declaration that the people should buy in the cheapest market, was subject to be complicated by another consideration, to wit, that it could not be known except by experiment what market would eventually be the cheapest. This whole controversy might some day be solved if we could get the American disciples of the Cobden school to think over the tremendous importance of that exception, and then to remember that they fail to apply the logic of their own reasoning from the law of supply and demand when they fail to comprehend that the question is one of the world's supply and the world's demand; and that American protection by increasing the world's supply may and, as a rule, does decrease the world's cost.

The evidence before the Ways and Means Committee shows that labor is paid in this country from two to four times as much as similar labor is paid in England and from six to fifteen times as much as similar labor is paid in Asiatic countries. But it is argued that as a matter of fact the wage cost to the American manufacturer is not greater than the wage cost in the foreign factory. This is only apparently true in any case. In small factories it is not only not true, but it has not even the appearance of truth. The assertion that it is so is a bald assertion, based upon no evidence whatever, and which the slightest examination would induce any conscientious man to refrain from making. In the case of certain lines, however, of production particularly adapted to the employment of huge plants, the assertion has the appearance of truth. Comparisons can be made between steel mills in America and steel mills in England which seem to bear out the assertion.

A comparison of a day's mill cost in some English plants with a day's mill cost in some American plants shows that the wages paid to labor per ton of product are not much greater in this country than abroad. Thereupon the theorist, the man who is intellectually bright and intellectually lazy, the man who wishes to instruct others without subjecting himself to the labor necessary to understand the truth, argues that the laboring man in America is not paid any more than the laboring man abroad, and that there is no necessity for protection to the American steel mills. But let us see what the fact is. The average steel mill abroad costs $500,000; the average steel mill in America costs over $2,500,000; and interest, taxes, insurance, and depreciation are very much greater in the American mill because of the additional expenditure of $2,000,000 upon the American mill. The theoretical life of such a plant is said to be twenty years. The fact is that the actual life of such a plant is not one-half of twenty years. The truth is that the very process of steel manufacture, which so expensive a mill is designed to employ, does not last twenty years. It is not on an average ten years from the time a process of steel manufacture is developed to the point of general commercial practicability until it has begun to be superseded by some new process. It is a matter of common knowledge to all that in the last few years the "open hearth" has superseded the "Bessemer" process. In his testimony before the Ways and Means Committee Mr. Schwab named five or six years as the time when it would be necessary to turn from the open-hearth process to the electrical production process. Already the manufacturer of steel is beginning by necessity to introduce into a large proportion of his output some of the alloys whose particular commercial use is but a year or two old.

The railroads and the traveling public demand a steel rail with a small alloy of vanadium. The users of many tools require an alloy of tungsten. These and the other alloys, which I shall not stop to name or describe, can only be produced from the ores by the use of a degree of heat impracticable of procurement except through the aid of an electro-metallurgical furnace. It might almost be said that the day of the electrical manufacture is already upon the steel industry of the country, and that the steel manufacturer must be prepared to engage in the production of these alloys or buy them from others engaged in that method of manufacture.

When, therefore, one goes deep enough into the question of the cost of steel manufacture to appreciate the tremendous increased capital cost to which the American steel producers have subjected themselves in order, even with protection, to continue to pay American wages and still produce their product in this country, the argument that in the steel business the labor cost per ton is not greater here than abroad evaporates into thin air like every other argument of the theorist and political economist when submitted to the light of the laborious facts.

I propose now to examine as comprehensively as I can, without trespassing to an unwarrantable degree upon the time of the committee, several of the schedules which are the subject of most dispute in this House. New England and the Northeast has been clamoring for some years for a removal of the tariff on coal. They have now been joined in that demand by the coal producers themselves of Pennsylvania, Ohio, Indiana, and Michigan. West Virginia and Virginia do not like it, and in that respect they agree with the people of Wyoming and the State of Washington. It is to be admitted that in the case of a bulky product like coal the coal operator has a geographical protection which the producer of any product more valuable in proportion to its bulk does not have.

To look at it from the standpoint of the other man, the producer of the bulky product who lives at a great distance from the source of supply is compelled to pay a transportation charge very large in proportion to the value of the article itself. For instance, the rate from my district to seaboard on coal is $1.40; the ocean freight rate from Newport News to Boston will average 50 cents. The coal itself is worth at the mine $1 per ton. The freight and handling charges will therefore amount to 200 per cent of the cost of the coal at the point of its production. And $1,000 worth of coal will pay $2,000 freight and handling charges. These are round figures, of course, but are enough to illustrate the fact. In the case of $1,000 worth of knives, let us say, shipped from New England to West Virginia, there will of course be no such enormous transportation charges. The coal operators of the Pittsburg region in Pennsylvania, of Ohio, of Indiana, and Illinois are of the opinion that if they secured the free entry of coal into Canada in return for the removal of our duty on coal they will secure a largely increased market in that portion of Canada which runs down into our country as far as Detroit. Personally, these arguments do not convince me. No man who knows the facts will say that the price of soft coal at the mines is higher than it ought to be. American soft coal is produced in this country in sufficient quantities to supply our entire demand. And experience has shown that supply keeps pace with the increased demand. Of course such an arrangement, while permitting some invasion of Canadian coal in New England, will also relieve the market situation for American coal in that portion of Canada near the Great Lakes. I am aware also that protection in Canada has worked as it has in the United States, and the Canadian market is every year growing much more valuable.

For my own part I am inclined to believe that the revenue derived by Canada from coal is so important that she will not be inclined to give it up. In any event, it will take considerable

time to perfect such an arrangement, and considerable time to increase materially the capacity of the Nova Scotia mining district. We are told that Canada will want several concessions before she will grant reciprocal free coal. I frankly confess the more extravagant her demands are the better I shall be satisfied. The fact is, however, that every member of the committee who voted for this arrangement hopes that Canada will at no distant date agree to reciprocal free coal; and every member who voted against it hopes that she never will.

For the last few years the Nova Scotia coal people have been securing entry for their coal under the provision which permits slack coal to be imported at 15 cents per ton. This has been a great fraud upon our revenues and an injustice to the American producer. I have been compelled so far to content myself with the reflection that during the years necessary to bring about such an arrangement with Canada, if it ever is brought about, and the two or three years thereafter necessary for the development of an additional supply of Nova Scotia coal, the coal producing interests of the country are better protected than they have ever been. For the immediate future any considerable increase of exportation from Nova Scotia to New England would so raise the price of coal in Nova Scotia that there would be no advantage in further extending the American trade.

The agitation for free hides, while not meeting my ideas as a protectionist, differs in one respect from the demand for free coal and free lumber. There is no protection now on hides weighing less than 25 pounds. Of the kind which has a duty of 15 per cent ad valorem under the Dingley law, we do not produce enough to supply the American demand.

In addition, it is claimed that the packers of the country, having control of a bulk of the hides produced in the country, are extending their operations into the field of tanners of leather. The objection to the tariff on hides which moved your committee was, therefore, twofold: First, that we do not produce a sufficient number of hides to supply our demand; and, second, that the packing houses known by the name of the "beef trust" or the "big four" are in a position to absorb to themselves the greater part of the profit, if not all of it; to withhold any benefit from the farmer, and to threaten the existence of the independent tanning industry of the country, and in this way unduly to advance the price of leather to the manufacturing concerns of the country which use it. These arguments, while not sufficient to satisfy my mind that all the tariff should be taken off hides, did satisfy the judgment of a large majority of the committee.

The agitation for the removal of the tariff on lumber took a peculiar shape and possibly was more persistent and spectacular than any other phase of that agitation. We were told by President Roosevelt that it was necessary to take the tariff off of forest products in order to conserve our forests and to protect our waterways. The authority of the Forestry Division of the Government was cited everywhere, with what truth I do not know, for these propositions. I never did believe either proposition to be accurate; and I shall append to my remarks, with the permission of the committee, a letter of Mr. Pinchot, embodying substantially what he said before the Ways and Means Committee when summoned before that committee to give evidence, showing that he now, at least, agrees with the proposition that I have always contended, that the removal of the tariff on lumber will not conserve the American forests.

I live in a State which has vast timber supplies, and which has many and important lumber operations. West Virginia was once as well timbered, perhaps, as any part of the world. It is true that great quantities of her timber have been destroyed. But the lumber mills have not used 1 per cent of the timber which has been destroyed in West Virginia. The pioneers and farmers of West Virginia destroyed the great bulk of its timber, deliberately and intentionally, by deadening the trees, in order that they might let in the sunlight and raise crops for the support of themselves and families. This destruction of timber, lamentable as it may seem from one point of view, was a necessary preliminary to the settlement of the land, to the introduction of a population, to the building of homes, to the cultivation of farms, to the building of roads, towns, churches, and, in short, to the very existence of the splendid civilization which West Virginia can now boast, and which has supplanted the poetical, but uninhabitable, primeval forest. The people of West Virginia destroyed timber, as people always will, until it became valuable enough to be worth preserving. Formerly reckless handling of timber was the rule, because it was the only kind of timbering which would pay. Now a careful handling of timber is the rule, because it now pays to handle the timber carefully. The idea that cheapening timber in this country will preserve it is pure folly. The same considerations apply to reforestation and to the problem of permitting the mountains to reforest themselves. People will grow trees, as they will anything else, when it pays to grow them, and not otherwise. And when the owner of timber land is cutting over it, whether he will or will not cut a small tree depends upon whether the natural increase of that tree if left to grow will be worth more to him than the amount which could be received from cutting it at that time.

The value of the tariff to the lumber producer has been its tendency to maintain the price on low-grade lumber, and for that reason the tariff has been valuable in conserving the forests. Preserving the American market for American low grades leads to the realization of a larger amount of lumber from a given tract, and in addition leads to cleaner logging and lessens the destructiveness of forest fires. The agitation for the removal of the tariff on lumber has, in my opinion, been more persistent than intelligent.

I do not believe that the reduction of the tariff on rough lumber will benefit any consumer. When it came to the time for the advocates of free lumber to appear before the committee, the persons who appeared were either dealers who wished an opportunity to make a bigger profit for themselves, or those who wished to exploit their holdings of Canadian timber lands. It must be apparent, after all, to everyone who will give the matter thorough and unbiased consideration that the timber supply of the North American Continent is an entirety; that the imaginary line which divides the United States from Canada does not interrupt the continuity of the timber supply; and that if there is wisdom in the proposition of forest preserves, it may be good policy on the part of the people of the United States to hold the Canadian supply in reserve. I believe, however, that the friends of the tariff on lumber have been able to preserve a sufficient amount of tariff to prevent serious interference with the lumber industry of the United States, and in this opinion I have been fortified by the opinion of the gentleman from Michigan [Mr. FORDNEY].

There was no provision of the Dingley law on account of which the Republican party was more bitterly or more falsely assailed than the countervailing duty on petroleum. The petroleum provision is that oil from any country which admits American oil free shall be admitted free into the markets of this country; and that if any country charges a tariff upon American oil the same tariff shall be charged upon the oil of that country seeking admission here.

The proposition to treat other people as they treat us would seem to be one that should commend itself to American judgment and American patriotism. The disposition to call the Republican party names found expression, however, in the charge that this was a "joker," put in the law for the purpose of benefiting the Standard Oil Company. Two considerations made this misrepresentation plausible: First, the unpopularity of the Standard Oil Company rendered the public ear friendly to such reasoning, and, second, people generally are not sufficiently acquainted with the details of the oil business of the country to understand that many thousands of people throughout the United States are interested in the production of oil who have no connection whatever with the Standard Oil Company. The oil business might be roughly divided into two grand divisions—the production of crude oil, or as it comes from the wells, and the refining of that crude oil. The Standard Oil Company refines 80 per cent of all the oil produced in America. It, however, produces only about 20 per cent of the crude oil. The remaining 80 per cent of the crude oil is produced by independent oil producers. These are the men who engage in the speculative and hazardous business of drilling oil wells at places which look promising, in the hope of getting producing wells. Your committee was inclined, as a matter of party policy, to yield to the demand that petroleum be placed on the free list.

The countervailing proposition was inserted in the bill for the reason, and for no other reason, that the committee was literally overwhelmed by the demands of independent oil producers all over the country, from the Canadian line to the Mexican border. The independent oil producers petitioning for the continuance of this countervailing duty outnumbered very many times the persons who expressed to your committee an interest in any other schedule. One great injustice which the Republican party and the doctrine of protection suffers in the biennial debates which take place before the American people is that persons who are interested in schedules never aid in making their own defense before the American people. No matter how valid their case may be, they leave it to be made by Republican politicians on the defense on the stump.

In the last campaign if the tens of thousands of Americans in New York, Pennsylvania, West Virginia, Ohio, Indiana, Illinois, Kansas, Oklahoma, Texas, California, and, in short, throughout

the Union—for many persons are interested who do not live in the States where the wells are located—had expressed themselves as they have expressed themselves to your committee, the Democratic party would have ceased its denunciations and misrepresentations of the Republican party on this score very early in the campaign.

For my own part I am becoming somewhat sensitive to this indifference on the part of the persons interested. After all, a political party in this country can only do that which the judgment of the people will on the whole indorse. And if the people engaged in any line of business have a good cause, and it is worth their while to establish the justice of their cause before a Ways and Means Committee sitting to frame a tariff, if it is worth their while to present their just cause to the American people in defense of the action which their arguments procure to be taken, for my own part, if this bill passes, as it now seems it will, with this provision contained in it, I shall not hesitate at the very first opportunity to vote to bring in a special rule for its repeal if all these gentlemen who clamored so irresistibly before the Ways and Means Committee shall hereafter lie down and leave their defense to be made by the public men of the country, whose easiest course would be to yield to clamor, and leave their product open to general competition. This habit of presenting a case to the Ways and Means Committee, and then, after the action of Congress, either forgetting the matter entirely, or else sometimes saying that the protection makes no difference to them, is characteristic of very many persons other than the independent producers of oil.

In my own district I have heard for the last ten years not infrequent declarations from the coal producers that the tariff was useless or worse than useless on coal; and yet when the strain comes, when it is necessary to forget political prejudices and petty annoyances and get down to business and the truth of the matter, these same people will expect their Representatives in Congress to continue for them the protection on coal, even when four-fifths of the coal-producing States east of the Mississippi are asking for reciprocal free-coal relations. The independent oil people have argued to your committee and have convinced your committee that the Standard Oil Company is in condition to take care of itself; and that if we subject our people to the free competition of the newly discovered Mexican fields, the Standard Oil Company would save itself from any loss by reducing the price paid to the independent producer of crude oil to such an extent that any loss which that corporation would otherwise have to bear would be transferred from it and fall upon the independent oil producers. Besides, your committee must take into consideration business conditions rather than public clamor. The big fact stands out that we have received in this country more than $2,000,000,000 in money from the exportation of petroleum products. Sound business judgment would seem to indicate that we ought to make every effort we can to extend a trade which is so fruitful a source of increasing our national supply of money.

Your committee has recommended the placing of iron ore on the free list. A part of the argument for placing iron ore on the free list is similar to that urging free coal. Iron ore is so bulky and heavy in proportion to its value, that extremely long hauls by rail make the freight charge seem burdensome in proportion of the value of the article carried.

There are other arguments, however, stronger for free iron ore than can be urged for free coal. Almost all iron ores require mixing with other ores in order to produce the most desirable product. The owners of the leaner ores, such as those in Virginia, when seeking an ore to mix with their own naturally wish the richest and most concentrated ore possible. For many years the ores of the Mesaba and other near-by lake regions, by reason of their richness and exceedingly remarkable cheapness with which they could be mined, furnished a satisfactory source of supply for this purpose. In the last few years, however, the cost of mining the ores has increased and their ownership has passed into the hands of a very few people. For these reasons your committee favor placing iron ore on the free list. So far as the interest of my own State in this connection is concerned and the near-by ore regions of Virginia, I have thought that by this proposition of free ore our people should have an opportunity to purchase from the world's supply at the cheapest possible price ores to mix with and give value to the leaner ores on the Virginia and West Virginia line. The thousands of coal cars which go to the seaboard loaded and back to the interior empty will give an opportunity for exceedingly low freight rates from the seaboard. I have also thought that if the people of Pittsburg, so prosperous under the policy of protection and so much interested in iron ore, wish to join our friends from New England and the East in a trade by which New England could receive Nova Scotia coal and the Pittsburg region could ship coal into Canada to the north of Lake Erie, they would perhaps pardon me if I voted for free iron ore, so that if Canada ever does agree to the reciprocal arrangement and the mines of Nova Scotia shall thereafter increase their capacity to ship to American markets, there will be additional development on the North Atlantic seaboard in the way of iron furnaces and steel mills to employ an amount of coal which I believe will be equal to or greater than any additional supply from Nova Scotia.

I have already called attention to the very difficult task before this Congress: To revise the tariff so as to adjust it so nicely that we should have protection, but no excess; to increase the revenues; and to do this in the presence of a state of the public mind more or less compelling the Member of Congress sometimes to accept the judgment of the public in place of his own. The first part of this task is not only of the highest difficulty, but fraught with danger. Suppose your committee had been able to adjust every schedule so as to give in normal times just the amount of protection needed, and no more. This is a task no mere human ingenuity could accomplish, but assume its perfect accomplishment; what of a case of depression? I have already stated that when the depression started in Europe which twelve or fifteen months later eventuated the panic month here, we might have predicted it, in my opinion, from the remarkable increase of importations. When those importations had so increased in the months preceding October, 1906, as to very largely swell the importations for the twelve months then ending, and when for the next twelve months—that is to say, the twelve months immediately preceding October, 1907—importations were growing at such a rate that those of the later period exceeded those of the former by over two hundred and twenty-five millions, I submit that there is much of danger in tariff rates too closely adjusted. We were sending our money abroad for goods at a time when, if we had only known it, we needed money much more than we needed goods. We know that now, and in the light of what we now know there is necessarily a doubt whether too close an adjustment is wise. But what confronts us is a condition. The manufacturers fear that the bigger ones, to whom they must look for the purchase of materials, will combine and oppress them. We must reassure them. The people demand it.

Whether the people have rightly directed us remains to be seen; time and its test can alone tell. Some of the ancient enemies of the American system of protection will hail the downward revision of this bill as a tribute to their theory. I see in it no such thing.

In my opinion the future will see the American people relying more than ever on the doctrine of protection. European nations are more and more trying to exclude us from their valuable markets, while they extend their trade in our more valuable markets. An untaxed trade is the dream of visionaries. With a market so valuable as ours, when we do not levy an import duty the exporting countries levy an export duty. What is the wisdom in submitting to such a policy? Who would not resent it if the seller of wares demanded a bonus for the privilege of buying? Yet that is what is being done to us. Brazil charges an export tax on coffee. Some of the Brazilian States charge an export tax on raw rubber. We pay a part of Chile's taxes by way of an export tax on nitrates, while we fondly flatter ourselves and our farmers that they are admitted free for fertilizers. We are building Sicilian roads through export duties on lemons, and paying Greek taxes for Zante currants. If the tariff is a tax, why not at least collect the taxes here? The future, in my opinion, will see us collecting whatever tax is collected on sales to us.

Heretofore we have compared our wages to those paid in Europe. We must from this time forward reckon with the Asiatic factor in the equation. Japan has already aroused and China is awakening. The oriental workingman is adaptable and industrious. His wages bear no comparison to American wages.

They never can. He has not the land and the resources to permit the payment of such wages as the American workingman can receive if he is not subjected to the competition of un-American conditions.

The official figures furnished the Ways and Means Committee by the Government show that in Japan, the most progressive part of Asia, the following wages prevail:

Bricklayers, 45 cents a day of 9 to 9½ hours.
Carpenters, 50 cents a day of 9 to 9½ hours.
Laborers, 35 cents a day of 9 hours.
Painters, 45 cents a day of 9½ hours.
Plumbers, 35 cents a day of 9 hours.
Stonecutters, 42½ cents a day of 9 hours.
Coal miners, 41 cents a day of 9 hours.
Coal-mine laborers, 28 cents a day of 9 hours.
Compositors, 45 cents a day of 7 hours.

Farm laborers, male, 19 cents a day of 10 hours.
Farm laborers, female, 10½ cents a day of 10 hours.
Flint-bottle makers, 51 cents a day of 9 hours.
Horseshoers, 28 cents a day of 8 hours.
Blowers, Bessemer process, 32½ cents a day of 10 hours.
Sawyers in lumber mills, male, 30 cents a day of 9 hours.
Sawyers in lumber mills, female, 17½ cents a day of 9 hours.

I might multiply the list from the official figures which I have before me, procured for the Ways and Means Committee by the Government of the United States, to all sorts of occupations, and the wages range the same. Incidentally, these people work seven days in the week. In the whole list in three-fourths of the occupations named the number of days' work was seven per week, and in almost every instance where the days per week are only six the hours' work per day are ten. I should roughly estimate the wages paid as from one-seventh to one-fifteenth of the wages paid in this country.

Gentlemen who dislike the protective policy may reply that the cost of living is much less in Japan. I have no doubt that where the men, farm laborers, work for seven days in the week, ten hours a day, for 19 cents a day, and where women work as farm laborers for seven days in the week, ten hours a day, for the pitiful sum of 10½ cents, there can be no very good price received for farm products. These figures are for the principal commercial and manufacturing portions of Japan, namely, the cities of Kobe, Osaka, and Kyoto. The figures are for the year 1908, and the person making them was an official of the United States Government, and in the official document which I hold in my hand the source of his information is stated to be "personal inquiry."

In 1898 we exported to Asiatic countries $47,000,000 worth of goods. In 1907 we exported to Asiatic countries $99,000,000 worth. In 1898 we imported $94,000,000 worth, and in 1907 we imported from Asiatic countries $216,000,000 worth. In the ten years, therefore, of our greatest development our exports to Asia had increased by $53,000,000, and our imports from Asiatic countries had increased by $100,000,000. Our exports to Japan were twenty millions in 1898 and forty-one millions in 1907. Our imports from Japan were twenty-three millions in 1898 and seventy-two millions in 1907. We had therefore increased our exports to that country by twenty-one millions, and during the same period increased our importations forty-nine millions. This was notwithstanding the fact that our exports of raw cotton to Japan have increased largely within the last few years. At the same time our exports of manufactures of cotton have been relatively decreasing both to Japan and China. In other words, as rapidly as the Asiatics can adapt themselves, and they are very adaptable, to the use of our manufacturing methods, they are, because of their cheaper labor, underselling us in the markets where they compete. I am aware how dangerous a prophecy is; but I venture the prediction that any Member of this House who remains here another decade will find himself participating in the framing of another tariff bill when the people of this country will demand still higher protection in many lines of industry than we ever yet have had against the underpaid labor of Asia.

Mr. Chairman, we are about to supersede the Dingley law; and it may not be out of place to pause in order to pay a slight tribute to that great measure of the Republican party. Gentlemen on the other side have expressed a degree of surprise that we should have had a depression under that law and under Republican administration most complimentary to both. Such a result could not have occasioned such comment if it had taken place under any Democratic measure or administration.

In my opinion, necessary as new conditions make it to revise that law, it has been, with the sole exception possibly of the McKinley law, the most scientific protective measure that we have ever had. Under the Dingley law the people of the country have enjoyed the years of their highest prosperity, and during its whole existence a higher average of prosperity than they ever enjoyed before, and a higher average of prosperity than any other people on earth ever enjoyed in "the tide of time." [Long and continued applause on the Republican side.]

APPENDIX A.

[From Ways and Means Hearings, first print; pp. 1676–1677.]

Mr. GAINES. Where do you sell the product of your Belgian factory?

Mr. CLAUSE. All over the world. A little of it comes here, but otherwise it goes all over the world.

Mr. GAINES. How large is your Belgian factory as compared with your American?

Mr. CLAUSE. It is about the size of the average American factory. There are some factories that are larger, but it is about the same size as the average factory.

Mr. GAINES. In addition to the translation which was made by Mr. Cockran from the Belgian report of 1907 on manufactures I have had translated to me this additional matter, which I wish to go in the record, from the report on the manufacture of glass published in 1907 by the Belgian department of the interior and labor, page 207:

"The plate-glass industry has passed during the recent years through various times of crises and prosperity. In 1900 a selling syndicate existed, comprising the Belgian, French, German, and Italian factories. This syndicate lasted only ten months. From 1901 to 1904 the constant increase of production and competition caused a decline in prices, reaching 3 francs on the average value of a square meter. This resulted in a more and more critical situation to which the new international convention of August, 1904, and which was still in existence in 1907, put an end. [This syndicate has been signed to last until 1914.] As a consequence of this understanding, and thanks to slight monthly idle days, the production maintains itself in normal conditions. At present the plate-glass industry is in a very prosperous situation. * * *

"The present production of the 8 Belgian plate-glass factories exceeds one-fourth of the total world's production. As to the 24 Belgian, German, French, and Italian factories which are parties to the syndicate, they manufacture more than one-half of the world's production.

"Approximately 90 per cent of the plate glass produced is exported. Two-thirds of this production is intended for the United States, England, and its colonies. * * *

"Business with France and Germany is very small because of the high duties—6 francs in France and 7.50 francs in Germany per square meter, which represents, respectively, 50 per cent and 60 per cent of its value."

Is that in accordance with your observation of the trade, that the syndicate that regulates the selling price composed of the plate-glass producers of Belgium, France, Germany, and Italy produces 50 per cent of the plate glass produced in the world?

Mr. CLAUSE. The factories of what countries?

Mr. GAINES. Belgium, Germany France, and Italy.

Mr. CLAUSE. That they produce 90 per cent of plate glass used in the world?

Mr. GAINES. No; more than half of the world's production.

Mr. CLAUSE. I suppose the factories in those countries do produce half of the world's production.

Mr. GAINES. This says more than half.

Mr. CLAUSE. Yes; I suppose it is more than half.

Mr. GAINES. Then more than half of the world's production of this article is controlled by a foreign syndicate which regulates prices?

Mr. CLAUSE. Yes; whether it is half or more I do not know.

Mr. DALZELL. What is that translation from?

Mr. GAINES. It is a translation from this same book from which Mr. Cockran had a translation made, continuing the translation that Mr. Cockran had made.

Mr. DALZELL. It is the next paragraph, is it not?

Mr. GAINES. Yes; the next paragraph.

Mr. CLARK. Why do you not read it?

Mr. GAINES. I read that portion which I had translated, following the part which Mr. Cockran had translated.

APPENDIX B.

[From Ways and Means Hearings, second print; pp. 1850–1854.]

Mr. GAINES. In connection with what you were just saying, Mr. Carnegie, I understand that you question our ability to find out the cost here and abroad, owing to the difficulty of the subject-matter and our lack of the technical capacity to understand the information which we get; and that you advise us to make up our minds with reference to the steel schedules from two facts: First, the statement of Judge Gary (about which, however, there is some dispute); and then the other known fact, that the United States Steel Corporation exports a considerable amount of steel. In coming to a determination as to whether the steel company makes such a profit that it can be independent of foreign competition, you divide the number of tons of its output by its net profit, and that is somewhere from $13 to $15 a ton. The steel company, however, owns its own ore, and has in that profit an ore seller's profit. It owns transportation on the Lakes, and in that is included a lake transportation profit. It owns railroad interests, and in that is included railroad profits. It owns coal mines and makes its own coke, and in that is included the profits of the seller of coke. What would be the effect, in your opinion, of a reduction? (It also owns limestone and a number of other raw materials. I do not undertake to name them all.)

Mr. CARNEGIE. No, no; I understand. Say "and all the materials."

Mr. GAINES. Yes. What about the maker of pig iron or steel billets or any other form, at any other stage of the manufacture you choose, who does not own these primary processes of manufacture? What would be the effect on him?

Mr. CARNEGIE. He would make less profit per ton than the man who owned all of these, necessarily.

Mr. GAINES. Oh, yes; he makes much less profit per ton now on any one or two or three items of manufacture or processes of manufacture than the man who has a larger number of them. My question was, Would not the tariff wipe out that small competitor? Take the man who has to buy his ore and his coke, and who has no transportation profits, but must buy transportation from some one else. Have you considered the effect on him of this reduction?

Mr. CARNEGIE. No, I have not. I have considered the effect of the tariff upon men who run their business and make all these things; and then I do not know any small concern that makes just one item of steel, that buys everything and makes steel. I would not regard him, because I consider that he has not managed his business well, and he should not be considered a steel manufacturer at all.

Mr. GAINES. That brings us right up to the point. You have stated that in your opinion it is not the business of the Government, by the use of the tariff or by any other device, to aid the incompetent or the sluggish?

Mr. CARNEGIE. Yes, sir.

Mr. GAINES. I agree entirely with that; but is that intended to include all men who are not in the "aristocracy," as you might call it, of steel production? Everybody can not have your success, Mr. Carnegie, nor that of Judge Gary, nor that of Mr. Schwab; and yet there are men of, I think, very considerable capacity, perhaps, who are not so large. How is any man to start? You were small one day in the iron production, were you not, and in the production of steel?

Mr. CARNEGIE. No; we started with Bessemer works and everything. When I went into steel we had everything.

Mr. GAINES. But you did not start at the top of the steel production, did you? Perhaps you did, but there are other very capable men who did not.

Mr. CARNEGIE. The point you make is this, that you are not considering people abroad.

Mr. GAINES. Oh, no; not except as they affect our own people.

Mr. CARNEGIE. Then, if you are going to protect every manufacturer—small concerns, as you say, who make only one thing—if it is a specialty, you will find he gets a high price for it. There are numerous small manufacturers who make a specialty of a thing, but such a man certainly can not compete with the United States Steel Company in making rails or structural steel or plates or any of these things. The time has gone past for that.

Mr. GAINES. I think you are right on the very question: Has the time for the small independent man gone by? We can not legislate, Mr. Carnegie, for the steel company, or ought not to; and we ought not to legislate at it, but for the general condition of the country. Now, let me ask you this question, based upon that assertion. It may be correct or not, but it is my opinion. Is there not danger, if we take the tariff entirely off of steel products, that we may be aiding the steel company still further to create a monopoly of the business by destroying its remaining competition in this country, or tending to destroy that remaining competition?

Mr. CARNEGIE. Why, these small makers do not compete.

Mr. GAINES. Some of them sell billets, do they not?

Mr. CARNEGIE. I do not know of any concern that makes only billets.

Mr. GAINES. Are there not small makers of pig iron in the country?

Mr. CARNEGIE. If there are small makers of pig iron in the country they may do just as well as the large ones. If you have a furnace plant capable of turning out a few hundred tons a day of pig iron, I do not think the man that has 10 furnaces can make pig very much cheaper—pig iron by itself. And there are many small manufacturers who make specialties for which they get large prices. There will always be room for the able, enterprising man to devote himself to one specialty and make a profit on it. His specialty, probably, would not be imported. But a man who, under present conditions, wishes to go into the general steel business, except on a large scale, is a man whom you need not bother yourselves about. He has not the judgment necessary; and if the Government undertakes to nurse failures in business——

Mr. GAINES. No; I am not talking about nursing the failures. I am talking about a condition under which there is an opportunity for other people to start in a business than those who have already achieved the most pronounced success in the business.

Mr. CARNEGIE. You can not conduct a great steel business, and make rails and plates and girders and all that; the man is destitute of judgment who would attempt it.

Mr. COCKRAN. You mean without large capital?

Mr. CARNEGIE. Well, but one who attempts it is a small man.

Mr. COCKRAN. But I say your answer would indicate that any man who started in the steel business was destitute of judgment.

Mr. GAINES. It was your answer to my remark, Mr. Carnegie.

Mr. CARNEGIE. What is that?

Mr. GAINES. Mr. Cockran was interpreting your answer and not my remark.

Mr. COCKRAN. Yes; I am merely suggesting that you add to your answer "without capital," so as to make it clear.

Mr. CARNEGIE. Oh, but wait. He would still be a bigger fool if he had capital and did not build big works.

Mr. COCKRAN. Well, of course. [Laughter.] In other words, unless he employed it?

Mr. CARNEGIE. The time has gone past when in this great country the things that are used by the hundreds of thousands of tons, of steel, can be economically produced on a small scale.

Mr. GAINES. Then your opinion is that the time for the small manufacturer in steel has gone by, and we are to recognize the day of the large man and legislate solely with reference to him?

Mr. CARNEGIE. I think that that is quite true; but mind you, there will always be specialties which can be made in small quantities by the able man—always.

Mr. GAINES. Oh, yes; a razor or a special sort of high-speed steel or something like that?

Mr. CARNEGIE. Oh, a thousand little things.

Mr. GAINES. But in the general steel business, not the specialties—as you said about tin plate, when we speak of "steel," it has a sort of meaning in a general way to all of us.

Mr. CARNEGIE. Yes.

Mr. GAINES. The day for the small man in the business, in your opinion, has gone by; and in making up this tariff bill we should recognize that there is no longer any hope for him?

Mr. CARNEGIE. That is what I believe. Do you differ with that?

Mr. GAINES. Yes, Mr. Carnegie. I am very reluctant, indeed, to believe that the day of opportunity for the man of fairly modest means and the man who is not even a great genius has gone by, and that he must simply operate under the shadow of the protective wing and care of the big man. That is a thing that I hate to come to.

Mr. CARNEGIE. My dear sir, the enterprising man under the shadow of what you call the big man, the big establishment, has far more opportunity of rising to fortune than he ever had of conducting a small business.

Mr. GAINES. I am inclined to think so.

Mr. CARNEGIE. And I am sure of it.

Mr. GAINES. But, at the same time, he should have an independent chance, I think. Still, that is a mere question of giving my opinion now, when yours is of much greater interest.

Mr. CARNEGIE. Yes: but hold on a little, now. Let us just get your judgment on this point: You agree with me in the statement that the opportunities for clever men never were so great as since these great aggregations of capital and works have taken place. Why, imagine—take my own experience: I had 43 partners. There is not one of them but one that put a dollar in the business, and they were millionaires when we sold out. There never was such a chance.

Mr. GAINES. That was good work.

Mr. CARNEGIE. There never was such a chance for able men to make a fortune as these immense establishments have given. You have a wrong conception altogether about the small manufacturer.

Mr. GAINES. Yes; but——

Mr. CARNEGIE. Wait a moment. The man that had half of 1 per cent of interest with us—we promoted 42 of them, young fellows; no relatives. There was only one that was a cousin of some partner, and he got in on his merits. No; there were two, but they got in in spite of that. It was ability; and these young fellows—Schwab was one of them—I found Schwab on the Allegheny Mountains. He had a taste for music then, and played a little. He was a bright boy. He wanted a situation. I sent him down to the works. He was draftsman. He is an awfully clever fellow, Schwab is. He attracted attention, and he got an interest in the firm; and he had—I need not tell the money he had when he left. He was no small man. [Laughter.]

Mr. GAINES. That I can readily believe.

Mr. CARNEGIE. Imagine what chance there would have been for Schwab when men were small manufacturers, pegging away at a hundred small establishments. That genius would never have had a chance to develop; because, besides being a great mechanic, he is the best manager of men I ever knew.

Mr. GAINES. But do you think, Mr. Carnegie, that the fact that there are opportunities under such men as yourselves is any reason for depriving people of opportunity elsewhere—those who want to start on their own account?

Mr. CARNEGIE. Those who want to start on their own account without capital betray a lack of judgment that will prevent them from ever being successful men.

Mr. GAINES. A strange state of affairs is about to develop. The agitation for the reduction of the tariff on steel, and perhaps for revision of the tariff, seemed to start mainly in the country because of the sale of steel rails abroad cheaper than at home. Now you aid the movement for the reduction of tariff, while defending the chief cause of complaint.

Let me ask you this question, Mr. Carnegie: When you were in business, did you sell abroad cheaper than at home?

Mr. CARNEGIE. I never had the glorious opportunity of exporting in my early days, as far as I remember.

Mr. GAINES. You did not export? What is your impression as to the practice of selling abroad cheaper than at home? What is your opinion of that practice?

Mr. CARNEGIE. I think it is good for all parties concerned.

Mr. GAINES. Will you analyze that?

Mr. CARNEGIE. Yes; with pleasure. You make everything cheaper if you keep your men at work; and if orders are slack at home, and there is the alternative of idle men with families to support, and the other alternative is that you are to run at a loss, or without profit, I know what my practice was. I ran the mills, and I sold everywhere I could sell. I think that the man who disturbs such an organization as we had, instead of maintaining it at a loss every month, is a poor manager.

APPENDIX C.

(Capt. E. C. Boggs, Corps of Engineers, U. S. Army, Chief of Office.)

ISTHMIAN CANAL COMMISSION,
Washington Office, March 24, 1909.

MEMORANDUM.

1. Cost of canal to December 31, 1908, $149,347,519.36. This includes $40,000,000 paid to the New Panama Canal Company and $10,000,000 paid to the Republic of Panama for canal rights. Estimated expenditures, January and February, 1909, $5,500,000.

2. Amount of bonds sold on account of canal, $84,631,980.

3. Amount spent monthly this fiscal year for canal:

July	$2,672,837.44
August	2,018,265.92
September	2,761,016.58
October	2,947,020.53
November	1,833,268.69
December	2,542,111.65
	14,774,520.81

4. Bonds sold this fiscal year on account of canal, $30,000,000.

Correct.

JAMES G. JESTER,
Disbursing Officer.

APPENDIX D.

GIFFORD PINCHOT, FORESTER, ON THE RELATION OF THE TARIFF TO FOREST CONSERVATION.

WASHINGTON, D. C., *March 10, 1909.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
House of Representatives.

DEAR MR. PAYNE: To avoid any chance of misunderstanding, I take the liberty of stating my views upon the tariff on lumber in more connected fashion than it was possible to do at the hearing before the Committee on Ways and Means on February 24. At the outset I want to make it clear that the Forest Service has never advocated either the reduction or the abolition of the present duties upon lumber and shingles. On the contrary, we have been at some pains to avoid taking any position one way or the other until we could complete a satisfactory investigation of the subject. I say this because many believe that the Forest Service has declared in favor of the removal of the duty upon forest products as a means of conserving our forests. The service has made no such declaration.

If the tariff on lumber were to be removed, it would be done, I take it, for one or both of two purposes—either to reduce the price to the consumer or to preserve our forests. In my judgment it would accomplish neither.

Free lumber would not materially reduce the price to the consumer. 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 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. Contrary to the general impression, Canada, as compared with the United States, has no great timber supply. Her total amount of standing timber is probably not more than one-third of what is left of ours. In the end the Canadians will undoubtedly require for home use all the timber they can produce. Imports from Canada would not be enough, therefore, to limit the cutting of our own forests or to reduce the price of lumber in any important degree.

Stumpage prices are at present somewhat lower in Canada than in the United States. The taxation of Canadian timber land is better adjusted to the conditions under which timber must be cut than it is with us, but the average cost of logging and manufacturing are probably as great there as here. If the duty were removed, the effect of these factors taken together would be to increase the value of Canadian stumpage, and to some extent the profits of the Canadian manufacturer and the American retailer. There would remain little, if any, benefit to the ultimate consumer of lumber in the United States.

The fundamental question at issue in the lumber tariff is forest conservation. I believe that the demand for free lumber rests mainly on the hope that it offers a way to protect our forests. If I were of the same opinion, I should favor the removal of the tariff; but I am unable to see how free lumber will promote forestry.

There is only way to save our forests: That is to see that they are kept at work growing new crops of timber as the old are cut away.

The lumbermen are right when they tell you that in times of high prices for lumber they do cleaner work in the woods and cut more timber from a given area than they do when prices are lower and only the best grades can be marketed. Low prices for lumber unquestionably increase waste. If the removal of the tariff had any effect on work in the woods, it would be to displace the lower grades of lumber now cut by our own mills, which must be either logged or left in the woods when the higher grades are taken out, and to that extent it would increase the woods waste in this country. The waste in logging is already enormous, several times larger than our importation from Canada. I do not believe that the increased use of Canadian wood under free lumber would equal the increased waste, and even if it did, the larger danger from fire and the greater difficulties in the way of forestry which follow wasteful logging would probably more than offset the gain. In other words, the drain upon our forests would not be relieved by allowing Canadian lumber to come in free.

You asked me at the hearing for my opinion as to the tariff on wood pulp. We are already dependent upon Canada for much pulp wood. Nearly seven-tenths of the wood we use for paper is spruce, and one-third of the spruce pulp wood is imported from Canada. It is highly important that we should have free pulp wood in the future as in the past, and that Canada should impose no export duty upon pulp wood. In this respect the pulp and paper making industry is in a different position from the other great wood-using industries of the United States. The latter can be wholly supplied from our own forests, while the former must have free access to the Canadian spruce forests so long as spruce is the chief pulp wood. I therefore concur with the recommendations of the select committee on pulp and paper investigations of the House of Representatives. These were that ground wood should be admitted free, provided that it comes from a country which does not in any way restrict the exportation of pulp wood or ground wood, and that there should be a reduction in the duty upon news paper, providing that it comes from a country which does not in any way restrict the exportation of pulp wood, wood pulp, or printing paper.

I believe there is now a sincere desire on the part of a large number of lumbermen to handle their forests more conservatively. I realize that they face difficulties in their efforts. We as a people have often been at fault because we have not made it easy for the lumbermen to practice forestry at a profit. The States, for instance, have failed to provide adequate fire protection. They have often taxed standing timber so heavily that the owner was forced to cut it off as quickly as possible, and then let the land go back to the State without provision for a future crop.

But it is first of all upon the lumbermen themselves that the duty of conserving their own forests actually lies. By asking for the retention of the tariff in order to protect the forests, the lumbermen have in substance entered into an agreement with the people of the United States to perpetuate their forests by wise use. This tacit agreement is freely recognized by many of the leaders among them. If the tariff is allowed to remain, the lumbermen should be held to their agreement, and if they should fail to carry it out, the people of the United States should take the matter in hand and enforce such control of lumbering as will protect the forests and the public. The lumbermen must recognize that the forests which they own are not simply pieces of private property. They are a public trust, the source from which most of the Nation's future timber supply must come. The Nation has decided that these forests must be conserved. It is the duty of every lumberman to act upon this decision. It is the duty of the Nation and the State to aid him in every way they can. If the lumbermen do not make the most of this opportunity, legislation is coming, and coming very soon, which will force them to do clean work in the woods, and to leave their cutover lands in a condition to produce a second crop.

I believe that it is possible to work out a solution of this great problem in cooperation with the lumbermen in a way that will satisfy both them and the public. To this much-desired end I have given in the past, and will continue to give in the future, my utmost efforts.

Very sincerely, yours,

GIFFORD PINCHOT, *Forester.*

APPENDIX E.

Statement of the United States Treasury on the 30th day of March, 1909.

CASH IN THE TREASURY—IN DIVISIONS OF ISSUE AND REDEMPTION.

RESERVE FUND.

Gold coin and bullion in Division of Redemption	$150, 000, 000

TRUST FUNDS.

Held for the redemption of the notes and certificates for which they are respectively pledged.

Division of Redemption:	
Gold coin	844, 244, 869
Silver dollars	484, 078, 000
Silver dollars of 1890	4, 401, 000
	1, 332, 723, 869
Division of Issue:	
Gold certificates outstanding	844, 244, 869
Silver certificates outstanding	484, 078, 000
Treasury notes outstanding	4, 401, 000
	1, 332, 723, 869

GENERAL FUND.

Gold coin and bullion	41, 989, 295. 08
Gold certificates	46, 875, 910. 00
Standard silver dollars	8, 091, 197. 00
Silver certificates	6, 825, 807. 00
Silver bullion	4, 494, 932. 72
United States notes	8, 412, 881. 00
Treasury notes of 1890	13, 711. 00
National-bank notes	23, 293, 833. 00
Subsidiary silver coin	25, 918, 516. 34
Fractional currency	$59. 33
Minor coin	2, 824, 346. 45
	168, 740, 488. 92
In national-bank depositories:	
To credit of the Treasurer of the United States	$58, 316, 577. 66
To credit of disbursing officers	12, 391, 551. 80
	70, 708, 129. 46
In treasury of Philippine Islands:	
To credit of the Treasurer of the United States $1, 823, 195. 24	
To credit of United States disbursing officers 1, 768, 802. 61	
	3, 591, 997. 85
Awaiting reimbursement:	
Bonds and interest paid	11, 978. 85
	74, 312, 106. 16
	243, 052, 595. 08
Liabilities:	
National bank 5 per cent fund	23, 522, 017. 41
Outstanding checks and warrants	11, 731, 557. 22
Disbursing officers' balances	69, 600, 348. 49
Post-Office Department account	2, 938, 870. 89
Miscellaneous items	2, 029, 749. 94
	109, 822, 543. 95
Available cash balance	133, 230, 051. 13

Receipts, expenditures, redemptions, etc.

	This day.	This month.	This fiscal year.
Receipts:			
Customs	$934,887.58	$27,373,728.07	$215,668,085.16
Internal revenue	321,313.34	19,297,785.07	183,971,996.76
Miscellaneous	449,316.30	4,322,958.93	38,929,392.38
Total (postal receipts not included)	1,705,517.22	50,994,472.07	438,569,474.30
Expenditures:			
Civil and miscellaneous	110,000.00	11,410,000.00	120,957,760.83
War	460,000.00	11,330,000.00	99,572,602.63
Navy	380,000.00	10,080,000.00	86,616,851.61
Indians	10,000.00	740,000.00	12,724,335.57
Pensions	200,000.00	13,600,000.00	123,403,991.23
Public works	270,000.00	7,500,000.00	69,438,296.68
Interest	100,000.00	100,000.00	15,983,143.55
Total (postal expenditures, except postal deficiency, not included)	1,530,000.00	54,760,000.00	528,696,982.13
Excess of receipts over expenditures	175,517.22	[a] 3,765,527.93	[a] 90,127,507.83
Receipts last year:			
Customs	673,312.84	20,366,411.65	222,083,336.04
Internal revenue	1,187,708.10	19,244,633.93	189,883,729.68
Miscellaneous	240,947.48	2,958,760.58	45,772,581.79
Total	2,101,968.42	42,569,836.16	457,742,647.51
Expenditures last year:			
Civil and miscellaneous	550,000.00	10,360,000.00	108,055,852.10
War	220,000.00	10,000,000.00	84,011,756.77
Navy		9,800,000.00	87,750,983.15
Indians	20,000.00	1,370,000.00	10,872,625.42
Pensions	400,000.00	12,950,000.00	116,501,841.21
Public works	540,000.00	7,100,000.00	71,027,913.79
Interest	100,000.00	100,000.00	15,722,625.89
Total	1,830,000.00	51,680,000.00	493,943,598.33
Excess of receipts over expenditures	271,968.42	[a] 9,110,163.84	[a] 36,200,950.32
National bank fund:			
Deposits of lawful money under act July 14, 1890	35,950.00	1,879,112.50	41,565,855.00
Notes redeemed and retired under act July 14, 1890	279,105.00	5,948,110.50	77,394,010.00
Notes received for current redemption	1,312,765.00	41,321,089.50	316,856,543.50

	United States notes.	Treasury notes.	Total.
Redemption of notes:	*Dollars.*	*Dollars.*	*Dollars.*
To March 14, 1900	[b] 546,466,414.00	[c] 103,195,488.00	649,661,902.00
UNDER ACT MARCH 14, 1900.			
Redeemed in and exchanged for gold:			
To date	150,068,193.00	7,370,761.00	157,438,954.00
This fiscal year	16,119,911.00	25,555.00	16,145,466.00
This month	1,553,037.00	505.00	1,553,542.00
This day	34,200.00		34,200.00

[a] Excess of expenditures over receipts. [c] Since 1890.
[b] Since 1879.

MARCH 30, 1909.

Mr. DE ARMOND was recognized.

Mr. HOBSON rose.

The CHAIRMAN. For what purpose does the gentleman from Alabama rise?

Mr. HOBSON. Mr. Chairman, I rise to ask unanimous consent for sufficient time, not to be charged to the gentleman from Missouri, whose time is limited, but to make a single statement which I was refused the time to make in the time of the gentleman from West Virginia. I ask unanimous consent for not exceeding four minutes.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to occupy four minutes to make a statement. Is there objection?

There was no objection.

Mr. HOBSON. Mr. Chairman, the gentleman from West Virginia [Mr. GAINES], prompted by the gentleman from Ohio [Mr. LONGWORTH], stated in effect that the tariff bill now under consideration may be expected to produce an increase of revenue which, judging from the history of the Dingley bill, should equal on the average twenty-seven millions each year. He also stated that we ought to expect from all sources a total yearly increase of revenue of $40,000,000.

The gentlemen are certainly optimistic. As I endeavored to state when the gentleman declined to be interrupted, the average increase during the period of the Dingley bill has been very much less. The following are the figures, taken from the Statistical Abstract of the Treasury Department.

Starting with the time when the Dingley law went into full operation, in 1900, the total customs receipts were as follows:

Year.	Amount.	Increase.	Decrease.
		Per cent.	*Per cent.*
1900	$233,200,000		
1901	238,600,000	5.4	
1902	254,400,000	15.8	
1903	284,500,000	30.1	
1904	261,300,000		23.2
1905	261,800,000	.5	
1906	300,300,000	38.5	
1907	332,200,000	31.9	
1908	285,700,000		46.5

Making a total increase of $122,200,000 and a total decrease of $69,700,000, giving a difference of $52,500,000, or a net average increase of about $6,560,000, instead of $27,000,000.

Now, we will take the total revenues of the Government, taken in the same way.

Year.	Amount.	Increase.	Decrease.
		Per cent.	*Per cent.*
1900	$567,200,000		
1901	587,700,000	20.5	
1902	562,500,000		25.2
1903	560,400,000		2.1
1904	540,500,000		19.9
1905	544,300,000	3.9	
1906	594,500,000	50.2	
1907	663,100,000	68.6	
1908	599,900,000		63.2

Making the total increase $143,200,000, and the total decrease $110,400,000, a difference of $32,800,000 for the eight years, making an average annual increase of $4,100,000 instead of $40,000,000.

Mr. DE ARMOND. Mr. Chairman, I suppose nobody, either in this House or outside of it, can doubt the importance of legislation embodying a revision of the tariff. The time certainly has come when the existing tariff law ought to be revised. I think, as was said by the gentleman from West Virginia [Mr. GAINES], that the people of this country, in every section of it and without distinction of party, were before the election and still are of the opinion that the tariff ought to be revised downward. This is not a hasty conclusion of the people, arrived at upon the spur of the moment or in heat, but it is their deliberate judgment, growing out of long experience with the existing law, and with the conditions which that law has brought about. If, then, in this country, where the people are the ruling power, and where those who for the time being make laws or who execute laws are but their agents and servants, the people have determined that the tariff ought to be revised and revised downward, there can, I think, be no doubt or shadow of doubt about the duty of those who can legislate to revise, and revise in the direction of materially reduced duties. I trust that when the work is done the people will not be disappointed with the result.

The beginning, however, it appears to me, is not quite so propitious as we might desire. The preliminary consideration looking to a revision was in the appropriate committee, that of Ways and Means, which deals with this subject. There were during the last sessions of Congress, for months, "hearings" before that committee upon the general subject of the tariff and tariff revision. Many persons appeared before the committee, each presenting his own view, supplemented by such facts, fictions, fancies, and theories as he saw fit to advance. The entire committee was present at these hearings, with the view, we may suppose, of gathering information and arriving ultimately at correct conclusions, or approximately correct conclusions, concerning the duty and task of revising the tariff downward. After this stage of the hearings had been passed there was a second stage. Then the partisan line was drawn. Although the people of the country, without distinction of party, desire a revision of the tariff, the best and fairest revision that can be made, yet, after preparation by the whole committee, by hearings and consideration for the work of revision, the gentlemen of the majority party withdrew themselves from the minority and proceeded in their partisan way to the work of preparing the revision bill now before the House.

Mr. Chairman, I am not going to dwell upon this phase of the matter, but I am going to note it in passing. If the purpose was to make a distinctively partisan measure for partisan purposes, and certainly without the light which might have been obtained by consultation and conference in the preparation of the bill with the minority members of the committee, then these gentlemen may have proceeded in a legitimate and natural way. If, however, the main object should have been and should now be to make as good a bill as possible, because of the effect this legislation must have upon the people of the country and upon the industries of the country, not for a day or a year, but probably for many years, then it would seem to me that this method of procedure has but very little, if anything, to justify it, and that, indeed, valid excuse can not easily be found.

Mr. Chairman, I am aware that the two great parties of this country are divided, the line being one, however, which is not so easily traced, upon theories in reference to tariff legislation; but it is very well known to everybody here and known to the people beyond these walls that with regard to a great many items to be dealt with the partisan line fades away and sectional lines or lines of some other kind appear, to mark the division between those upon the one side or the other.

In this House one party has a decided majority, which will enable that party, by virtue of its own voting strength in the House—and the majority is much larger at the other end of the Capitol—to do anything which that party desires to do and which sufficiently commends itself to the sense and judgment of that party to command the support of its representatives in these two bodies. There can be no danger to the majority party of control passing over to the minority. There can be no danger to the supremacy of a party with so substantial a majority, except in the attempt to carry out the purposes of an oligarchy of that party when the oligarchy is not right, but wrong; and always, for the good of the country, those who are wrong ought not to prevail and those who are right ought to prevail, however the lines may be drawn between the right and the wrong.

In the revision of the tariff as well as in making a tariff the primary question must ever be one of good judgment, fairness, and patriotism. It is not a question that can be determined wholly and solely by party alignment and party affiliation and party profession. The great issue rises above and beyond mere partisanship. I think that, so far as we have progressed in this matter here, we have not been traveling upon the high planes or following the best of guides. How this bill will finally be framed, how it will be when it goes through this House, of course, I do not know, and, I presume, nobody knows. Apparently there is a good deal of conference and scheming among your leaders, a good deal of effort of various kinds to decide what had better be done or what can be done to get this bill through the House, not because there is danger that a tariff bill will not pass, but because a tariff bill which certain elements in this House desire to have passed may not be passed.

I believe, Mr. Chairman, that we find in this a striking illustration of the abuse, as I consider it, upon which I have commented more than once, in this House and elsewhere, and concerning which I have but little to say to-day. It appears to me that in this House some gentlemen proceed too often and too far and too generally upon the theory that the only dangerous thing to be guarded against is the membership of the House, and the thing to be done is to get measures through without running the risk of amendment, or diversion from the purposes

of their self-chosen projectors, by reason of the exercise by the people's representatives of the power of those sent here to constitute this body, the special and closest representation in our national legislative life of the mass of American citizenship. I can not for the life of me see where the danger lies, or what danger there can be, in taking the Members of this House into the councils of our countrymen in determining what this tariff legislation shall be.

If there were but a single item in the bill, or if attention were centered upon a single item, what good reason could there be for trying to conjure up and invent devices for keeping the House from considering that item, and disposing of it as to a majority of the Members might seem proper?

Sometimes it is suggested, or things are done as though the suggestion were entertained and acted upon, that there is danger of the minority taking hold of the reins of power and overthrowing the majority, as though there were an attempt or a design to dethrone the majority and enthrone the minority. No such danger exists; no such danger can exist. No man acquainted with the genius of our Government or who has respect for its fundamental principles can be an advocate of minority rule, because our whole system rests upon the other proposition, the rule of the majority.

How that majority might be made up in a particular instance is a matter to be determined by those who align themselves upon one side or the other, and should not be determined by any other element, large or small, in the House, assuming the function of deciding or attempting to decide what should be acceptable to these dangerous commoners, the Members, and what in the House—their House—ought to be kept far from them.

My opinion is that this tariff bill should have been considered and prepared by the committee; not by an element of the committee composed of those who represent one party only, but by the committee. How would it have been possible in that committee for less than one-third to force their views upon the others, more than two-thirds? How could harm come from the suggestions of those few men of the minority? The whole procedure is as if it were upon the theory that 12 Members, reenforced by another accredited to one side, but in sympathy with the other upon these tariff questions, would have gone down in committee under the fierce assault of 6 other Members. Every man who pauses to think about it, every man who listens to the statement of the proposition, knows there is absolutely nothing in it.

This tariff law can not be made for one party only. When the bill shall have passed and shall have gone into the law it will be a law of the people of the American Republic, binding upon all of them, to be observed by all of them, good or bad in its operations upon the masses of our American citizenship. Why, then, its preparation in secret conclave, by comparatively few? And, passing that, why now the studied effort, the numerous councils, the persuasive influences, the powerful agencies, mustered to bring about some condition of things which will secure the adoption of some rule that will take from this House the right which the Constitution gives it, the right which the voters at the polls gave it, the right which inheres in it, to consider what ought to be passed, each man for himself to vote as he chooses and pleases, being responsible to his constituents, to his country, and to his conscience for his action?

The main proposition before us is not what ought to be done with this particular bill, not whether this provision or that provision is good, not whether this provision or that provision may be bettered, but what can be done and how it can be done to get this bill through the House without any possible change, if that may be; and if not, through the House with the least possible change. I submit that the course taken can not be expected to result in the best legislation. It appears to me it can hardly result in anything but bad legislation, in whole or in large part.

I have often thought, and I think now, that the highest duty which the American Representatives can perform, the noblest service they can render to their country, the most glorious page they can possibly write in our country's history—all will appear in the brightest light when they assert themselves individually and collectively and demand first, last, and all the time that the right of the people's Representatives to participate in the important business of the House shall not be denied or abridged by any power or any agency or any means whatsoever. [Applause on the Democratic side.]

Now, as to the main question—the real question—we have been merely marking time. Many very good speeches have been made; many interesting things said, and said well; many good arguments, pro and con, offered; but what we have been doing since this tariff bill came into the House really is killing time until those who assume to take charge of affairs here and to manage the business of the House, the Members in general being ignored and set aside, shall somehow, in some way, by some means, at the earliest time practicable, succeed in getting the bill through just as nearly as possible in form and substance as it came from one part of the one committee that considered it.

I do not think this course tends toward good legislation, and I do not think it is going to be productive of good legislation. I do not think it is even good partisanship, though, of course, I am not, and I make no pretense of being, concerned about that feature of it.

I will admit that I am disappointed in the course things have taken here, not that it is a matter of personal concern with me, because I regarded it and regard it now as a matter both of duty and of good partisanship to let the House at the bill, instead of trying to submerge the House, trying to legislate without the House, trying to pass the bill by some cunning devices and agencies, with the membership of the House practically denied opportunity to participate in its consideration and in its disposition. What difference does it make whether you or I or anybody else or everybody else here makes a speech or does not make one? What difference whether the speech is illuminating and informing or whether it be the reverse? What difference whether it be on sound lines or whether the orator wander away off in the morass and wilderness of error, while the whole scheme and plan all the time is to arrange things so that no matter what you say or I say or anybody says, no matter what any of us think or what the country thinks, the bill be put through here with the House of Representatives set aside? If it can not be put through in its present form, then what an interesting question is submitted to the free representatives of a free people!

The question then is: How much must you have? How much pottage for your birthright? How much for the rights, the sacred, invaluable rights of your constituents committed to your keeping? "How little will satisfy you? Will you be content if we let you vote upon this?" "Do you really insist upon a vote on that?" "Will you not lend your assistance unless we yield something?" And now, "having yielded this much to you, will you stand out for more?" "Why are you so obstreperous? Why insist on so much? Here is this, that, and the other thing, which reluctantly, which out of sheer necessity, which as a dernier ressort, we do concede to you. Is not this enough? Why do you want more?"

Where is this going on? Who are we? What legislative body is this? What constituencies behind us? What measure is up? Is it of much or little importance? Everybody concedes it is of vast importance. Everybody knows that this revision is a legitimate part of the business to be transacted, and we are to be weighed and rated later by the results that are to follow duty performed, or subserviency and surrender.

That the American people through their Representatives shall deliberate and shall bring about legislative results—that is the old, the constitutional plan. But some gentlemen will not let this bill go through, if they can have their way, without a vote upon, let us say, the lumber schedule. How audacious! How intolerable! The House oligarchy would have no such vote. Then again, how audacious, how intolerable the demand for a vote on lumber, or on anything else. "Would you not be content to just let it go through as it is? If you are obstreperous enough and numerous enough, no matter upon which side you are on that lumber or other question, so that a rule can not be put through this House against your opposition or without your aid, then, and then only, we will yield to you." Yield to you, the Representatives of the American people! "We will yield to the House of Representatives, when yield we must, the privilege to vote upon the lumber schedule, or some other schedule or item!"

"Now, have you not got enough?" "Are you going to ask for anything else?" [Laughter.] "Do you demand a vote on whether hides shall be on the free list?" "Do not forget that 'demand' is a strong word, and remember that you are merely Representatives, merely Members of the House. We will permit you to vote on free lumber, and still you insist on a vote on the hide proposition." "We shall have to think about that; to count noses to decide whether it is necessary to concede that you should have a vote upon that proposition."

"Have we got enough placated, coaxed, duped, fixed, driven in, to put a rule through, gag the House, and take from it the opportunity to vote upon the schedules of this important measure? Can we now 'dope' the House and put the bill through practically as it came from one part of a committee?" I was about to say one-half, but that would be very inaccurate; it is over two-thirds of one committee. "If lumber and hides are not enough for you to vote upon, then, in God's name, what else

do you want? Upon what else do you Members of the House of Representatives wish to vote?" [Laughter and applause.]

"Well, if enough of you stand fast and enough of you insist, stiff necked, hard hearted, and unreasoning, if enough of you stand on your rights as representatives of American constituencies and insist upon something else, of course you can prevent the passage of our rule, and so, outrageous as it is, we fear that we, the chosen few, must let you have a vote on something else."

So it goes, and so it will go until things are brought around to a point where a rule can be put through. Then we shall know how much or how little the House saves and asserts of representative right, and how much or how little the plotting few take from the House and center in themselves.

Who shall, by persuasion or threat, by promise or coercion, take from the chosen Representatives in this House any of their noble prerogatives, including the right to vote upon any schedule or item in this bill? Do you ask what do we desire to vote upon? I wish to vote upon anything and everything in the bill. [Loud applause on the Democratic side.]

I wish to vote upon any matter in the bill upon which you mean to legislate. If you propose a duty, I desire to vote for it or vote against it or vote for an amendment to your proposition. Now, that may be a strange and extreme assertion of the rights of a Representative, but I have this right in trust for the people of my district, to exercise for their benefit. That right can not be exercised here except by me, for I, for the time being, happen to be their Representative; and it can not be surrendered so far as those people are concerned except by me, who, for the time being, am entrusted with the duty of representing them. If I surrender my rights as a Representative, I surrender the rights of those who sent me here. One of my rights is that of voting upon this bill in detail. I can not surrender, nor do I believe any of you can, without shirking duty and breaking faith with a confiding constituency. This issue rises in importance far above your wool schedule, outrageous as it is. It rises in importance beyond the iniquity of the provision in this bill for the benefit of the Standard Oil Company. It mounts above the tops of the highest trees upon which are perched and hung the arguments of those gentlemen who would put a high duty on lumber for the benefit that is to come to the laboring man with multiplied millions who is laboring for the lumber duty—for that "laboring man." [Laughter and applause.]

It rises above all other questions, individually and collectively, presented by the bill. The great question is whether the American House of Representatives is upon this most important piece of legislation to have a free hand, or whether what it shall vote upon is to be determined by conference, concession, bargain, or sale. That is the issue that rises in importance above all others. That is the mighty question here and throughout this land, no matter what your schedules are, whether they are good or bad, because when the question is fairly put to them the American people, without distinction of party, without regard to section, will insist upon having their Representatives here something more than mere automatons, something more than mere pawns to be moved upon the chessboard, each for the time being having not his recognized power according to the rules of the game, but the power and the weight and the might, or the absence of it, as the House players, who place men here and change them there, may choose to decree.

Such is the supreme issue now. How it will be decided I know not. That depends upon the Representatives of the people. The decision must be just as vital upon that side of the aisle as upon this side. This bill can not go through without a fair show for consideration under the five-minute rule, with fair opportunity to amend, unless a majority of the Members of this House join in a scheme to put it through without such consideration and without the full opportunity to vote upon amendments.

I concede that in consideration by a large body, and in all decisions made by a large body, there may be, and in many instances there will be and must inevitably be, errors, miscarriages, shortcomings here and there, due to the many imperfections of mankind. But are we to be told that the Members of the House of Representatives are not to deal with this bill because they may commit errors and make mistakes and go wrong? Why, we are not sent here as perfect beings, nor are they who would reduce us to nothingness and exalt themselves into veritable House autocrats. We are not sent here to represent perfect beings.

But we are intrusted with important duties in high office, and obligated most solemnly to use our powers and abilities, and such information and knowledge as we may have gathered, for the service of our constituents, our countrymen, our Republic. We were not sent here merely to surrender all or any of our powers and prerogatives because somebody asks for the surrender, nor to barter them away for the privilege of voting upon one, two, three, or a dozen different items, with thousands of items in this bill upon which we are entitled to vote, and upon many of which, at least, it is our duty to vote. It is not a mere matter of choice with me, if I would represent my people fairly, whether I shall bargain for a concession to vote upon a few items or shall vote unfettered upon many items. It is my duty to face the problems of legislation as they come, and to vote as I think I ought to vote, and to stand in the light with my vote recorded, and with the people of my district and of my country advised as to my stand and as to my vote. The people are my judges, they are your judges. None of us has a prescriptive right here. I am not entitled to be a Member on this floor except by virtue of the partiality and confidence of the people who elected me.

I have no title to membership in this body beyond the present term. Whether I come here again or you come here again is to be determined by the people who have the power to reelect us or to elect others in our places. They are entitled to know what we do. They are entitled to have us do what we can. They have no right to expect and they do not expect perfection of us. They know that we may fall short; they know we shall fall short of that, but they do expect us to be courageous, and honest with them. They expect us not to barter away their rights and ours. [Applause on the Democratic side.] They do expect us not to trade away our right to vote upon everything for the opportunity, conceded as a privilege, to vote upon a few things. I do not know what you are going to do about it, but as for me, I look upon the preservation and exercise of our rights as more important than anything and everything else involved in this whole matter.

I am not going to discuss the question of tariff for revenue, tariff for protection, free trade, or any other of the questions that might be involved or that could with propriety be discussed with a bill of this kind before us. I would make many changes in the bill. I would provide for a graduated income tax; would lower duties clearly exorbitant; would raise more revenue, with less of favor to the few and more of justice and charity to the many. I believe that the American people, since the gentlemen upon the other side won the election as they did—not merely the American people who belong to the Republican party, but those of other parties as well—will be content for the time being with legislation on your lines, as you declared you would legislate. I do not believe this bill fairly represents what they have reason to expect from your own declarations and pledges. [Applause on the Democratic side.] I do not believe that the duties as laid in your bill merely represent what is reasonably necessary, upon your own theory, to account for the difference in labor cost upon the two sides of the ocean, and give in addition to the investor a fair profit, based upon the capital, genius, and energy employed in manufactures.

I believe that in many instances they go far beyond it, inexcusably far beyond it. I fear many of the reductions are merely in form and not in substance. Take the lumber tariff for an illustration. That tariff schedule, as we understand, and we have it on good authority if my understanding of the matter is not entirely at fault, was really suggested by and prepared at the instance of and for the gentleman from Michigan [Mr. FORDNEY], who knows a great deal about lumber and who is directly interested in the lumber tariff. This gentleman from Michigan admitted in a colloquy between himself and the gentleman from North Carolina [Mr. KITCHIN] that, in his judgment, the proviso nullifies the promise of reduction of duty on rough lumber; and nobody claims that the dressed-lumber duty is low. The man who has studied it, who is interested in preventing any reduction, who would like to increase the tariff, admits after a long speech made by himself, in the course of numerous interruptions and an extended colloquy with the gentleman on this side [Mr. KITCHIN] that, practically, there will not be any reduction in the duty on lumber if the bill goes through as it now is.

If that is true, and I have a right, in view of the statement made by the gentleman from Michigan, who ought to know and, I presume, does know, to assume that it is true—if that is true, one of two things happened: Either the other members of the Ways and Means Committee, the participating members of the Ways and Means Committee, did not understand or know what they did about the lumber business—and I would like to reach that conclusion, for it is the charitable one—or the other conclusion is correct, and that I do not wish to reach, that they purposely made that provision so as to suggest and promise the American people a reduction on lumber while actually denying it. I do not wish to reach that conclusion; and I am not going to talk upon that theory, because if it were true that a decep-

tion was contemplated, planned, and embodied in the bill, I do not know how a man could acquit himself of moral cowardice if he did not denounce as strongly as it would be in his power to do the duplicity which alone could account for that way of dealing with a fond and trusting public. [Applause on the Democratic side.]

In the making of this bill only one side, virtually, was heard. And that, I think, without going into a general discussion of the matter upon the modern theory of protection, is exemplified in this bill and, considering the plan followed, was practically inevitable. The committee was about to consider the subject of revising the tariff. Somebody, or a combination of somebodies, is engaged in a particular business affected by the tariff. They are engaged in the manufacture and production of something. Their profits will be increased by a certain rate of tariff duty and decreased by another rate. They understand their business better than you or I can understand it, and know what will be good for them, from their business standpoint, in the particular business in which they are engaged.

They straightway come before the committee. They come singly, they come in groups, and by delegations. They come, and come, and come again. They are prepared for the hearings. They are heard orally, they present statements, they file figures, they make arguments. They are advocating a particular cause; they hope, plead, and work for results beneficial to themselves.

I am not condemning them; I am not arraigning them; I am not denouncing them; but I am going to say it is unfortunate that legislation affecting the entire body of the public should in so many instances be dictated by special interests. There are hearings for everybody. Everybody can come and be heard. There is the glove industry. A great many people wear gloves. Men wear them, women wear them, and children wear them. Some people wear costly gloves of fine make, material, and appearance; others must make the most of homely, coarse gloves, merely for the protection which they afford. Why, there are a great many wearers of gloves in this country. The glove schedule is up; let them come in and be heard! Yes; if you have occasion to buy a pair of gloves for yourself or for a member of your family, come here from New York or from South Carolina or from Missouri or from California and appear before the committee—it will only take a week or two, probably—and be heard and tell them, if you choose, that you do not think it is a good thing to put the duty up. [Laughter.] Tell them that you believe you are paying enough for gloves; that you believe the people in this country who are manufacturing gloves are doing better than you are doing in your business, and that you do not believe the duty ought to be advanced. Yes; come on.

The large doors will swing open and there is the gorgeous chamber right before you for your reception, the throne room of Ways and Means. Of course, if you are just a plain somebody from somewhere in the country, you are liable to be awed, maybe nonplused, maybe overwhelmed by the magnificence of your surroundings; but there sit the wise men on the raised platform, there are the gorgeous hangings, there is the costly furniture, and there you may be heard! Come in, if you think they are going to make your gloves cost too much!

But, Mr. Chairman, they do not come and they can not come, though the glove manufacturer can call around, and he can incidentally help in the organization of the House and in the adoption of suitable rules [applause and laughter on the Republican side], and he can incidentally help to carry on the schemes of those in danger of a fall. Yes; he can drop in and suggest what would be satisfactory to those engaged with him in the business of manufacturing gloves. He has great learning on the subject of gloves, knows all about gloves, gloves of this variety, gloves of that variety, gloves made here and there and everywhere.

Then the duty upon gloves is fixed, and of course fixed to the satisfaction of the man who makes the gloves, but perhaps not to that of the people who wear them. Oh, they will manage to deal with the consumers somehow. Some of them are farmers. Are they complaining about gloves costing them more? "Why, my dear friend, look at the 25 cents a bushel that we give you on wheat, though you export and do not import wheat. [Laughter.] And if that is not enough, look at the 15 cents on your corn; and if that is not enough, look at the duty on your raw pork and raw beef—it is your own fault if you export instead of import these things. Why, we have taken care of you—and your hay. Oh, you can pay this little matter on gloves; and as for the good wife, who is making a little complaint about hosiery, why, there is a duty upon eggs and upon chickens that go out and do not come in; so, you see, we are also taking care of her." [Laughter.]

But they take care of different classes in different ways. They take care of the glove maker—and I use this merely in a typical way, because there are a good many others—they take care of the glove maker as the glove maker desires to be taken care of, and they take care of the glove wearer as the glove maker desires that the wearer of gloves be taken care of. [Laughter and applause on the Democratic side.] That is the general method of procedure in this matter. Those who want something, if they have done something, get it.

Let me just read here a paragraph that attracted my attention at the time of its output, and that has dwelt in my recollection ever since. When my colleague, the gentleman from Missouri [Mr. CLARK], was making his speech—in which he certainly handled a good many of these questions without gloves and to the satisfaction of everybody who is for fair play—he referred to some remarks made by the Speaker of the House, the gentleman representing a district in Illinois [Mr. CANNON]. Mr. CANNON wished to have placed before the public exactly what he said. Mr. CLARK, of course, yielded, and Mr. CANNON made his own statement, and here it is, as printed on page 225 of the CONGRESSIONAL RECORD:

Mr. CANNON. I was met with the statement there in print, and I believe it has not been denied, that Representative Hackney (then Representative, but not now Representative) was stating to his people that he stood upon the Denver platform, but that as to zinc he had the assurance of Representative PAYNE and Representative DALZELL that on the revision of the tariff zinc would be properly protected—

Zinc is now on the free list—

They said that the Representatives mentioned had denied that statement. It was an exceedingly interesting audience. We had great audiences on that two days' trip across the State and back. I stated further that words were cheap; that they knew in the Joplin district and elsewhere in Missouri whether a duty on zinc that came in competition with their production was necessary. I told them that action was louder than words; that they being experts, I being a Member of Congress, if I should be reelected, their action would control my vote; that if they sent the message by Representative MORGAN (and I laid my hand on his shoulder), that they being experts believed that zinc ore ought to go upon the protected list, I would take their action and vote accordingly; and if they sent Mr. Hackney, I would take their action and vote accordingly, and that it was up to them [laughter and applause]—

Perhaps there was laughter also down there in Joplin—

Now, that in substance was my speech, and in substance it was my speech in the district of Mr. RUSSELL and his near-by Democratic Representative, passing through the zinc and the lead and the glass districts. Now, those people seemed to think that glass, lead, and zinc needed protection. I will take their judgment, after full inquiry, and shall vote for that protection. [Applause on the Republican side.]

Now, let us look at that a moment and see whether it does not harmonize with what I said about the way these bills are made. The gentleman from Illinois [Mr. CANNON], carrying with him, however, the mantle of the Speaker of the House of Representatives and the shadow of the tremendous power of the Speakership—the substance being found when he is here—said, substantially, "Elect Mr. MORGAN and then I will vote for a duty on zinc, or elect Mr. Hackney and then I will vote to keep zinc on the free list."

Paraphrasing liberally, that is what the Speaker said. Now the Speaker carried into that contest, there and elsewhere, much more than the power and eloquence and experience and persuasiveness and ability and cunning of the gentleman who represents a certain district in Illinois. He carried also the power that he, the Speaker, has by virtue of the action of this House, affirmative and negative; affirmative, in electing him Speaker, and negative, in declining to assert its own rights and permitting the Speaker to assert and use those rights for such purposes as commend themselves to him. As to the Joplin district—and I have not time to discuss the zinc question—there either ought to be a duty on zinc ore, or there ought not to be a duty on zinc ore. [Applause on the Democratic side.] And the decision ought not to depend upon whether the people out in the Joplin district, or elsewhere, in the exercise of their rights and powers as electors, choose a Democrat or choose a Republican to represent them here. [Applause on the Democratic side.]

But, boldly and flatly—I will not use any other qualifiers—the Speaker put it: Vote my way politically and I will vote taxes your way; but fail to vote my way politically, and I will vote against you and your zinc tariff claims. The question whether there ought to be or ought not to be a duty on zinc ore was swept aside as unworthy of consideration—if you would have a duty on zinc, send us a Republican and you will get it; send a Democrat and you will be denied the duty on zinc if I can have it denied to you.

Do you suppose such logic, such persuasion, such philosophy, such political ethics were confined to that one campaigner, or to that southern part of the State of Missouri?

Now, I would like to know whether a bill can be framed here in justice to the American people when elections are won by such promises and such threats. Was anything like this said

to mill owners, anything to the beneficiaries of this most iniquitous woolen schedule?

Now, as a matter of fact, Mr. Hackney, a Member of the last House, and defeated by Colonel MORGAN for election to this House, in his former campaign and in his last campaign was openly for a tariff upon zinc ore. He and his competitor stood together on that proposition; but he stood upon the Denver platform, said the Speaker in the paragraph I have quoted, and if you elect him, no matter whether you need the duty upon zinc ore or not, no matter as to the merits, you shall not get it. I would like to know——

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

Mr. DE ARMOND. For a question.

Mr. PARSONS. Upon what theory was Mr. Hackney for a duty upon zinc ore?

Mr. DE ARMOND. I can not tell you.

Now, let me go a little further on that. There can be no question that Mr. Hackney, if elected, would be for a tariff on zinc ore, as is his successful rival, Colonel MORGAN. They are both friends of mine. I am speaking about this matter merely to call attention to a somewhat remarkable condition.

I do not know, and I do not pretend to know, how my friend Colonel MORGAN will vote upon anything else. I presume it was thought—reasonably it might be thought—that Mr. Hackney, although he would vote for a duty upon zinc, might not be for a duty upon any and every thing upon which two-thirds of this committee, excluding the others, would see proper to put a duty, at a rate fixed by them, and that he might not at the extreme moment, in the hour of a crisis, vote for a rule which, while giving to the Members of the House of Representatives as a concession permission to vote upon a few things, in defiance of all their rights and against the principles of the Constitution, outraging our constituencies, would deny to them the right to a vote upon anything and everything else involved.

As I said before, I think this is not an isolated instance. Having done the work, having "delivered the goods," the lords of special privilege ask for their pay; and there is nobody but the American citizen to pay, as the tribute comes out of the pockets of the millions scattered over this land. Then talk about the beauty of the protective system! Then talk about prosperity! Then talk about adhering to our principles and our standards!

Mr. MILLER of Kansas. Will the gentleman allow me a question?

Mr. DE ARMOND. Just a question.

Mr. MILLER of Kansas. Suppose Mr. Hackney had been elected. The gentleman says that he was in favor of a duty on zinc ore. Suppose he had been elected, and his party had a majority of this House, does the gentleman think his party and Mr. Hackney together would have put a duty on zinc ore for the purpose of protecting that industry?

Mr. DE ARMOND. Mr. Chairman, of course I did not think the Speaker would be alone in this business; and I see very clearly, however little support or much support he has, my friend, because he sympathizes with and entertains the views expressed in this paragraph which I have read, backs him up. I say the duty ought to go on zinc or be left off zinc as a matter of right, no matter who represents the district, and it ought not to be a matter of barter and sale as to the representative of any particular man or party. And I say that any legislation that is bottomed upon that kind of principle, or absence of principle——

Mr. MILLER of Kansas. I agree with the gentleman on that proposition.

Mr. DE ARMOND. That is all right, but let me state the proposition. It is a travesty upon words to say that such a thing is a principle. If a duty is to go upon zinc, it ought to go there because it is good, wholesome legislation to put that duty upon that metal, not because people who are down in that district, which produces more zinc than any other—the richest and best zinc district in the world—elected a man of the Speaker's party. That is the point I am making. Of course, I do not expect universal acquiescence in the proposition. I am admonished that there will not be.

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

Mr. DE ARMOND. Yes.

Mr. PARSONS. If the people in the Joplin district wanted a protective duty on zinc, then was it not their duty to send a member here of the protectionist party?

Mr. DE ARMOND. Well, I see that the Speaker has got still more support. It was their duty, I think, to exercise their free judgment as to what they should do. That was a question with them. They made their decision. However they might make that decision, whether in favor of Colonel MORGAN as the Republican candidate or Mr. Hackney as the Democratic candidate, the question of merit and of duty would remain. Now, then, if that be not the fact, the whole thing can be settled upon the other theory, by catechising the applicant for a duty, high or low, and taking evidence to corroborate or contradict, if necessary, the question being, not what is the state of the industry, not what is the condition of the Treasury, not what is the present duty, not what the duty ought to be, but "How did you vote? What did you do? Did you help the party of protection, or did your judgment and your choice incline you to the other side?"

I am astounded, really, that questions are asked which suggest that that is the proper way to legislate. Maybe it is. If it is, then it is also proper for the people's Representatives here to surrender the right to amend this bill, and swallow it whole. If that be the way to legislate, the matter is already disposed of.

Mr. MORGAN of Missouri. I would not interrupt my friend for a moment to embarrass him, but I would like to ask him this question: If the Committee on Ways and Means, in the consideration of the question of tariff upon zinc ore, did not attempt to settle that by examination into the cost of production in Mexico and production in this country? And is it not true that, upon those principles, this House will settle that question when it comes to vote finally upon it? And is it not true that there has been no suggestion whatever to the Committee on Ways and Means about a barter and sale or any pledge to the people of Joplin, one way or the other, excepting what has been said outside of this House as coming from the Joplin district? Nothing of that kind has been said, I believe, before the Committee on Ways and Means of this House or to any Member of the House. Is it not true that the Joplin people have simply appealed to the Congress of the United States upon what the gentleman has so eloquently said is the right to have protection under the protective policy that has been adopted by the Republican party?

Mr. DE ARMOND. Mr. Chairman, I can not answer that question, because there are so many questions in it. I can not answer as to what the Ways and Means Committee did, because they sat behind closed doors, and I did not have access to the council room, and my friends who belong to the party of my faith, and who also belong to that committee, were not good enough to be admitted. I was talking about what was laid down as a criterion. "You talk about protection to zinc. I perceive you know and understand the subject, so I will consider the matter as settled by what you do at the ballot box. If you do a certain thing, I will vote for a duty on zinc, and the duty will be imposed, but woe unto you if you do not vote my way!" Not in these words, but to this effect, the Speaker promised and threatened, entirely ignoring the whole question of right. I conclude that the Joplin treatment was tried elsewhere and frequently, and I think there is much in the bill before us and much in the manner of its preparation and in the handling of it here, and in the studied efforts to get it through the House without opportunity to the Members to amend it, to warrant the conclusion.

Mr. JONES. I would like to ask the gentleman, Mr. Chairman, whether or not the voters of the Joplin district were aware of the fact that the Speaker had power to and would appoint this Committee on Ways and Means when he made that promise to them?

Mr. DE ARMOND. I am presuming that they were aware that he possessed that power, and presuming they were aware that if those who sympathized with him were in the new House in sufficient numbers he would retain and exercise that power.

Now, there are some things that escaped the care of this committee, and while I have no interest in the matter at all, I just merely direct attention to it, so that if amendments are to be offered the committee may look after another industry. I am advised by a friend, and he showed me some documents upon the subject, that there is a very considerable complaint in certain quarters, a very earnest complaint, if not one from a very large number of people, because certain American products, and a certain one in particular, are not properly taken care of in this bill.

I refer to a dog product. I am told that this bill does not treat the American dog right on the article of puer. Tanners know what puer is. I am told that the American dog, which some men are glad to follow for certain purposes, is discriminated against in favor of the foreign dog. [Laughter.] I must presume that it was because the American dog was not before the committee asking to be taken care of. [Laughter.] The American dog is an American industry. The particular product to which I allude, when the American dog has anything to do with it, is an American product. An American dog amendment

may be tendered to secure support for a gag rule. As I am not willing to swap my rights as a Representative for anything whatsoever, of course I do not know what the dog amendment may be. I do not know whether it will be friendly to the dog, or whether it will be pressed. [Laughter and loud applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. STANLEY. I ask unanimous consent that the gentleman may be permitted to conclude his remarks.

Mr. DE ARMOND. Mr. Chairman, as there are many gentlemen who desire to speak, I do not wish further time.

Mr. McCALL. Mr. Chairman, when the committee was beginning its hearings, early in November, some so-called "commercial organizations" and some enterprising gentlemen of the press declared it was entering upon a make-believe effort at a downward revision; and so far as the organizations and gentlemen I refer to had any influence, the work was discredited in advance. What, it was asked incredulously, could the cause of tariff revision expect from a committee headed by two such arch standpatters, hopelessly beyond redemption, as the gentleman from New York and the gentleman from Pennsylvania?

When little David Copperfield took supper with Uriah Heep and his mother, we are told that he stood about as much chance against two such old hands as a tender young cork would stand against two old experienced corkscrews; and we were led to believe the cause of reduction of the tariff, with the gentleman from New York and the gentleman from Pennsylvania leading in the movement, would be in much the same plight.

After four months of arduous work on the part of the committee a bill was at last presented to the House, and with the appearance of the bill it is significant that criticism of the character to which I have referred entirely ceased. The same gentlemen who had been engaged in questioning the good faith of the committee in advance were compelled to abandon the task which they had undertaken, and they have since employed their talents in discovering "jokers" in every paragraph of the bill.

The reason is obvious. Whether you agree or disagree to the particular provisions of the bill, there can be no question in the mind of any man who has made in any detail a study of its provisions that it revises the tariff downward; that it makes some great and many important reductions from existing duties, and that as a whole, if it shall become a law upon the essential lines upon which it is drawn, it will make a greater reduction of duties upon important articles than any general law which has been enacted for a half century.

The gentleman from Missouri, the leader of his party in the House, has stated that the average ad valorem of the bill is slightly greater than the average of the present law. That is true, but not at all interesting as giving even a superficial test of the general character of the bill.

The average ad valorem to which he refers is reckoned upon the dutiable articles. If a bill were presented here which removed every tariff duty except upon sheep dip and cutch or any other two obscure articles and left a duty on them of, say, 90 per cent, it could be argued that such a bill gave a revision upward with a vengeance, because its average ad valorem was twice the average upon dutiable articles of the existing law. It is one of the characteristics of a free-trade system of duties that it has a high average ad valorem upon dutiable articles. The average of the tariff of Great Britain, the great free-trade country of the world, is much greater than that of the pending bill or of our present law. As I said, this average does not present even a superficial test. It takes no account whatever of articles taken from the dutiable and put upon the free list. Take the article of sugar. We have decreased the duty and yet increased the average ad valorem upon dutiable sugar because we put Philippine sugar on the free list.

Let me call your attention to the character of the changes which the pending bill proposes. First, it takes things like cocoa, mahogany, and other important articles now upon the free list and imposes a revenue duty upon them—and I use "revenue" here strictly in the free-trade sense of that term. The articles of the class to which I have referred are, in the main, not produced in the United States.

They are among the things that would be selected for the purpose of a purely revenue tax. In the aggregate the importations of these articles amount to $38,379,000, and it is estimated that they will produce in revenue $14,669,000, or an average ad valorem of 38.19 per cent. These things are now on the free list, and, in comparison, upon the average ad valorem basis, they would tell very strongly against the pending bill. But the importation of these articles is offset by transfers of about $35,000,000 in value of articles to the free list. These articles lie at the basis of great industries. And the difference in character between the two classes of articles involved in the exchange strikingly shows the general character of the bill. The lists prepared by Mr. Evans, the assistant clerk of the Ways and Means Committee, are as follows:

Free articles transferred to dutiable list by Payne bill.

Article.	Value.	Duty.
Oxalic acid	$334,855.00	$71,291.05
Oils:		
Anise or aniseed	32,805.00	8,201.25
Bergamot	192,485.00	48,121.25
Cedrat	426.00	106.50
Citronella, or lemon grass	223,276.00	55,819.00
Jasmine, or jasamine	15,151.00	3,787.75
Juniper	7,620.00	1,905.00
Lavender and aspic, or spike lavender	227,117.00	56,779.25
Lemon	218,749.00	54,687.25
Neroli, or orange flower	95,759.00	23,939.75
Nut oil, or oil of nuts	772,057.50	193,014.37
Orange oil	122,634.00	30,658.50
Roses, attar of	332,697.00	83,174.25
Rosemary, or anthoss	17,861.00	4,465.25
Enfleurage grease	404,316.00	101,079.00
Cutch	$321,016.00	$70,526.33
Zinc in ore	103,330.75	92,390.26
Calamine	703,741.10	703,741.10
Cabinet woods, in rough	3,719,933.08	185,996.66
Briar root, etc	237,758.00	11,887.90
Sticks, joints and reeds	238,619.18	11,930.96
Rattans, etc	1,116,179.00	55,808.95
Yams	2,911.00	727.75
Fruit in brine:		
Citron	165,531.00	66,146.76
All other	43,987.80	17,595.12
Cream and Brazil nuts	477,292.00	120,894.50
Cocoa, or cacao, crude, and shells of	8,689,119.00	3,202,854.40
Spices, unground	4,505,179.50	1,351,553.85
Mustard seed	195,276.00	58,582.80
Tea	14,583,400.57	7,953,668.70
Articles, crude, used in dyeing	177,436.00	17,743.60
Articles, crude, used in tanning	101,193.00	10,119.30
Total, free to dutiable	38,379,711.48	14,669,198.36

Dutiable articles transferred to free list by Payne bill.

Article.	Value.	Duty.
Ammonia, sulphate of	$501,570.00	$55,091.56
Copperas, or sulphate of iron	28.00	1.40
Licorice, extracts of, in pastes, rolls, or other forms	95,450.90	39,751.72
Cotton-seed oil	23.00	2.60
Croton oil	929.00	489.40
Iron ore	766,222.00	147,828.46
Iron ore from Cuba	1,952,501.00	196,683.52
Basic slag	13,591.00	1,613.04
Fence posts	9,730.99	973.12
Tallow	63,805.00	6,811.99
Flax straw	19.00	7.23
Flax, not hackled or dressed	1,585,652.00	136,227.40
Wood pulp, mechanically ground	1,237,628.65	154,983.34
Bituminous coal and shale	3,314,339.00	739,828.32
Slack or culm of coal	924,313.36	102,285.57
Patent fuel	618.00	123.60
Coke	698,907.05	139,781.40
Hides:		
Buffalo	1,797,108.00	269,566.20
Other cattle	19,984,610.37	2,997,691.59
From Cuba	143,861.00	17,263.32
Agricultural implements	24,785.68	4,957.13
Casein	6,602.00	1,320.40
All from Philippine Islands (Schedule A-N)	1,266,424.06	529,616.17
Total, dutiable to free	34,688,739.06	5,542,898.48

In addition to the things upon which purely revenue duties are levied, the increases of the bill amount in the aggregate only to about 25 in number. There are a few very small increases in the chemical schedules. There are four or five small increases in the earth and earthenware schedule. The only increases that could really be called large that are made upon important articles are upon zinc, upon certain grades of hosiery, and upon women's gloves. To offset them there are forty-odd reductions, some of them very heavy, in the chemical schedules; ten or more reductions in the earth or earthenware schedule; fifty or more in the great metal schedule, and as many more in the remaining paragraphs of the bill. The tally will stand about 25 increases, most of them unimportant, as against about 150 decreases, many of them very important. Coal, agricultural machinery, fence posts, sulphate of ammonia, hides, works of art over 20 years old, and iron ore are placed upon the free list. The articles upon which the reductions and removals of duty have been made may or may not have been wisely chosen, but that they are of great number and include things of prime importance in the industry of the country there can be no doubt whatever.

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

Mr. McCALL. Certainly.

Mr. HARRISON. Will the gentleman indicate along what lines of principle these raises were made that he has spoken of, and upon what principle the decreases were made, if any?

Mr. McCALL. I have a table which will show the most important of the increases and the most important of the decreases; that is, where the articles were taken off of the free list and articles put upon the free list.

Mr. HARRISON. What I want to ask is, What actuated the committee in making the raise?

Mr. McCALL. I really do not think the raises are of consequence enough for me to waste time to discuss them. I can frankly, however, for the purpose of argument, admit that they are all bold, bad things, but I offset them by the great decreases made in the bill. They are not all bold, bad things. I am coming later to a discussion of the increases and decreases. I am now simply talking to this point, that gentlemen who get up here and plead that this bill does not make substantial reductions in the tariff, general reductions in many of the schedules, either have not read the bill or are not correctly presenting it.

Mr. HARRISON. Does the gentleman think that the reductions in the bill have reduced it to a revenue point, or are not the rates still prohibitory?

Mr. McCALL. Undoubtedly the reductions on many of the articles will stimulate importation.

Mr. HARRISON. Does the gentleman believe that is true of the steel schedule?

Mr. McCALL. I believe there will be material increases of revenue in the steel schedule. Now, I trust my friend will not anticipate my whole argument, because I propose to say something upon these schedules and among them something on the steel schedule.

Everyone who looks at the bill in even a cursory fashion must admit that the combined weight of the increases is, from the standpoint of the general industry and commerce of the United States, almost infinitesimal when compared with that of the decreases made in the bill. No one can honestly say to the gentleman from New York, zealously assisted as he has been by the gentleman from Pennsylvania and by his other colleagues, whatever the crimes of the bill may be, that it does not present a great and comprehensive scheme of tariff revision, in which the reductions vastly preponderate over the increases.

I am far from claiming that the present bill is from my own point of view a perfect measure. I have no fancy for the inheritance tax nor for the tea tax, and neither do I fancy all the reductions or increases that have been made. It would be impossible for 12 men, whether we take the Republican members of the Ways and Means Committee or any other 12 men from either party in the House of Representatives, to agree upon a general tariff bill applying to some 5,000 different articles and have them agree upon every one. It would be rare that 1 of the 12 would get his first choice, and he would be quite fortunate to get even his second choice, while sometimes he would be at the bottom of the heap. But I believe of this bill, as a whole, when we consider the necessities for revenue and the general conditions of the country, that it contains the best set of tariff schedules ever submitted to the House of Representatives by a Committee on Ways and Means. While it recognizes the principle of protection to American industries, and recognizes it as a national and not as a sectional policy, it is leveled against the idea that it is an important function of tariff taxation to increase the fortunes, already great, of those gentlemen who have secured control of some of the great natural resources of the country, or that it is a function of a tariff law to put duties so high that producers in this country by a combination to destroy competition may use them for the purpose of extorting excessive profits from the people. If this bill should become a law substantially upon the lines upon which it is drawn, it will be a most fortunate circumstance for the country that it has had at the head of the committee which framed it a man who has spent his days and nights in the study of the subject and who has the unwearied industry, the great capacity, and the wide knowledge of SERENO PAYNE. [Applause.]

After his exhaustive exposition of the principles of the bill there is no occasion, and, indeed, no excuse, for an explanation of its details by anyone on this side of the House. What I shall say will be devoted to three or four paragraphs and to some considerations which have occurred to me in the course of this debate. I shall speak first of the paragraphs relating to shoes and leather and hides. Whatever inference may have been drawn from remarks made in debate concerning the shoe manufacture of the United States, it is far from being a sectional industry. It has been spreading over the country and gradually drawing nearer the sources of the material from which leather is made until it has became a great national industry. I have been told that our greatest shoe manufacturing concern is upon the west bank of the Mississippi River. During each of the last three periods given by a recent census bulletin the State of Missouri has more than doubled in the value of its production of boots and shoes. From 1880 to 1890 its production increased 144 per cent; from 1890 to 1900, 132 per cent; and in the five years from 1900 to 1905, 108 per cent; and there has been a healthy increase in the other States of the Central West.

The total value of the products of this industry in the United States amounts to the enormous sum of $400,000,000 each year. It has never been found possible in these days of combinations to create anything bearing the slightest resemblance to a shoe trust. There are more than 1,300 distinct establishments. While I do not believe in the great disparity of wages here and abroad shown by some of the statistics presented to the committee, there is no doubt that the American wages are very much in excess of the wages in this industry abroad.

The enterprise of our manufacturers and the ingenuity of our inventors and workingmen have enabled this country to lead the world in the production of shoes, but, as was shown by my colleague on Saturday, foreign countries are getting the advantages of our shoe machinery.

I can scarcely believe that the gentleman from Missouri [Mr. CLARK], the leader of the minority party, is serious in the purpose which he has announced, to place boots and shoes upon the free list.

Mr. BURLESON. Will the gentleman yield?

Mr. McCALL. Certainly.

Mr. BURLESON. It may be that the shoe manufacturers of Missouri do not want protection. I hold in my hand a letter from a man who says he is one of the largest shoe manufacturers of the United States, and he begs that shoes be put upon the free list. I would be glad to submit that letter to the gentleman, if he desires to see it.

Mr. McCALL. I do not question that at all. I do not know what that gentleman makes, but if he makes the ordinary kind of shoe, I believe that he would be driven to the wall if shoes were put upon the free list; and I propose to discuss that very question right now in this connection.

Mr. BURLESON. And he claims that he is one of the largest shoe manufacturers of the United States, and begs that they be put upon the free list.

Mr. McCALL. I have heard that claimed by others.

Mr. BURLESON. He lives in Columbus, Ohio.

Mr. McCALL. I think that is a circular letter. I do not know just what the relations of the man to the shoe industry are. The total value of the products of boots and shoes in the United States amounts to over $400,000,000 each year.

Mr. STANLEY. Will the gentleman yield?

Mr. McCALL. Yes.

Mr. STANLEY. I know that the gentleman from Massachusetts [Mr. McCALL] is thoroughly familiar with the subject, and I wish to ask him if he was forced to choose between free hides and free shoes both, or to take the present tariff on shoes and the present duty on hides, which he would think would be preferable for that industry?

Mr. McCALL. Mr. Chairman, if the gentleman will wait, I was going to cover the shoe question and the hide question, and I may follow along a line which may possibly enlighten the gentleman with reference to my own views on the subject.

Mr. SULZER. Will the gentleman yield?

Mr. McCALL. Yes.

Mr. SULZER. Can the gentleman state to what extent boots and shoes are being exported from the United States?

Mr. McCALL. There is not a large exportation of boots and shoes. In fact, it is an exceedingly small percentage, not merely of our production, but of the consumption of the countries to which we send them.

Mr. SULZER. Is it not a fact, however, that boots and shoes manufactured in the United States are sold in foreign countries cheaper than to Americans at home?

Mr. McCALL. I do not think that is true. There is not any surplus of boots and shoes to export. They do not have to resort to dumping.

Mr. SULZER. I am reliably informed that boot and shoe manufacturers in New England sell their products cheaper in Canada than in the United States.

Mr. McCALL. I think my friend has been misinformed. Now, we have a great advantage in machinery, but as was shown by my colleague on Saturday, the gentleman from Massachusetts [Mr. GARDNER], foreign countries are about to have the full advantage of all of our shoe machinery.

The great United Shoe Machinery Company has established agencies abroad. It is equipping factories there with the most modern machinery. It has experts training the foreigners in the use of these machines, and there can be no doubt that labor

abroad will be substantially as productive in this industry as it is in the United States. I know it goes well just before an election to tell about the immensely superior quality of our labor to that of Europe, but we know that the workingmen of Great Britain, Germany, and France are intelligent and industrious, and when they are trained in the use of this machinery they will probably fall little below our own shoemakers in point of efficiency. We know what those countries have done in other lines of manufactures. With the same kind of textile machinery as ours they have reached a point of productiveness where, unless we had protective duties, they would close similar mills in the United States.

This bill proposes to reduce the duty on shoes from 25 per cent to 15 per cent. Estimating this upon the value of the product, it represents at least a half dozen times as great a sum as the 15 per cent upon hides, reckoning it upon all the dutiable hides produced in this country, although very many of these hides are used in other leather industries than the boot and shoe industry.

The bill places hides upon the free list. I do not propose to call hides a raw material, because I think that is a much abused term. If one man uses the finished product of another, he is quite apt to call it raw material. Speaking now without any particular reference to the shoe manufacturers, I can say that if I had begun work upon this tariff bill with the idea that manufacturers were, in every instance, benevolent gentlemen, asking that duties be fixed without reference to their own advantage but purely with regard to the public welfare, that illusion would long ago have been dispelled. They are patriots doubtless, but I have noticed that some of them show that discriminating and thrifty patriotism which asks protection upon what they make and free trade in what they make it out of. The questions in regard to the leather industry must be settled upon the basis of the general welfare. To my mind it is inevitable if you put boots and shoes upon the free list that you will endanger a great American industry.

Now, what will be the effect of returning to our ancient and almost uninterrupted policy of having hides upon the free list, for the first tariff act, signed July 4, 1789, placed hides upon the free list and there they remained until the enactment of the Dingley law, except when the country was looking for revenue to pay the expense of war. We export no cattle hides from the United States except such as are on the living animal, and we produce in this country but little more than half the hides of the dutiable kind that we need. The purpose of restricting our markets is not, therefore, to find a home market for the hides we have, but simply to increase their price.

Who gets this increased price, amounting in the aggregate upon the hides raised here to about $7,000,000? Some say the packer gets it all. Some say the farmer gets it all, while most agree that it is divided between the farmer and the packer. Suppose the farmer gets half of it, or $3,500,000. That, I believe, is a small sum compared with the aggregate that will be saved to the farmers in the reduced cost or increased quality of their boots and shoes and other articles which are made of leather.

But I have not yet happened to hear in this debate what to my mind is a most important argument in favor of free hides. Whether or not it is true that the packers control the sole leather industry of the United States, their relations with that industry are very intimate. Such hides as those which are protected by the duty are chiefly used for making sole leather. The packers, in the regular course of their business, have about two-thirds of all these hides. The work of taking them off is more scientifically done in their establishments and they are better for tanning purposes. The packers have agencies all over the country and business connections which give them a great advantage over the tanner in purchasing the remaining third of the hides which they do not in the first instance control.

With two-thirds of the hides, and the best ones, owned by them and with their better means of securing the remainder they have the control of the great bulk of the raw material for sole leather, and if the duty of 15 per cent is to be left upon the foreign hides it would be only the forbearance of the packers that would prevent them from taking advantage of obvious economic conditions, forming a sole-leather trust, and completely controlling the manufacture and sale of sole leather in the United States. And the control of sole leather might lead to a trust in shoes. And with a leather or shoe trust controlled by the packers, whatever part the farmer received by reason of the duty on hides would be of very little consequence compared with the extra price that he would pay for articles made of leather. And, taking the aggregate of the whole people of the United States, the exaction of a sole-leather trust alone would probably outweigh the total value of all our domestic hides of the dutiable kind.

With free hides the tanner of sole leather will not be dependent upon the packer. He will have all markets to draw upon, and with the very small duty of 5 per cent upon sole leather there will be no danger of a trust, unless it be an international one. The bill also makes very substantial reductions in the duties upon those leathers in which dutiable hides are not employed at all.

Mr. SLAYDEN. Will the gentleman permit one other question?

Mr. McCALL. Certainly.

Mr. SLAYDEN. I would like to ask the gentleman if he believes that there would be importations of shoes even if they were put on the free list?

Mr. McCALL. I will give you my view about that.

Mr. SLAYDEN. I am asking the gentleman's opinion.

Mr. McCALL. They educate the Germans and the French and the other very bright people of Europe—at least we regard them as bright when they land upon our shores—in the use of our modern machines, and they have relatively low wages. You would find, first, that they would come in competition here with a cheaper grade of shoes, and would drive out our manufacturers making these grades, and gradually they would get control of a great deal of our shoe trade, and I believe possibly would supply half our total consumption of shoes.

Mr. SLAYDEN. What becomes of the boasted efficiency of American labor compared with that of Europe?

Mr. McCALL. It is fashionable to boast of the great superiority of our labor just before election, but I do not believe a man can come here from abroad and go into a shoe factory and do so very much better work than he did when he left his home country.

Now, Mr. Chairman, I will take up another schedule of the bill which is almost at the antipodes of this schedule, and which shows the great range of subjects covered by general revision of the tariff. I refer to the provision of the bill which puts works of art upon the free list.

Mr. MILLER of Kansas. Before the gentleman leaves this phase of the subject, I would like to ask him a question.

Mr. McCALL. I yield, with pleasure.

Mr. MILLER of Kansas. I would like to know if it is the opinion of the gentleman from Massachusetts that boots and shoes would be cheaper if the duty on hides was taken off?

Mr. McCALL. It is very strongly my opinion. The competition between our shoemakers is so intense that they could not take the repealed duty. They would have to give a better shoe, or else they would have to sell the same shoe for less money.

Mr. MILLER of Kansas. I understood the gentleman to say, in answer to the gentleman from Texas, that your farmers or people would be benefited by reason of getting a better shoe.

Mr. McCALL. Yes; that is my opinion. Or getting the same shoe for less money.

Mr. MILLER of Kansas. Now, can the gentleman give the committee any information at all as to the difference in price of the average pair of shoes after the duty is taken off and while the duty was on?

Mr. McCALL. There is a great deal of technical evidence on that point. I imagine that it would make a difference, on an average, of fully 10 cents per pair. Now, I may be entirely wrong about that.

Mr. MILLER of Kansas. Is it not true that the testimony before the Ways and Means Committee varies from 6 cents a pair to 10 cents a pair, and that there is no evidence before the Committee on Ways and Means in this hearing showing that any manufacturer has testified, or any expert on the subject has testified, that, in his judgment, the price would be more than 6 cents a pair?

Mr. McCALL. With all due regard to my friend, I think he is mistaken in regard to that testimony.

Mr. MILLER of Kansas. I think that is the testimony, exactly.

Mr. McCALL. A very important feature of the bill, to my mind, is that putting upon the free list works of art which have been in existence more than twenty years. Instead of setting up barriers against bringing into the country the great masterpieces of art, we should put a premium upon their importation. In the conquests of Napoleon he took out of conquered countries many of their great art pieces and carried them to Paris. If he did not carry on war for the purpose of securing them, he at least regarded their acquisition as one of the important fruits of victory, and he believed that their possession enriched his own country.

After he had been dethroned the other nations took back the most important works of which they had been despoiled. What

he won and lost by war we certainly should not refuse to gain by peaceful conquest. If we permit our men of wealth to buy great masterpieces and bring them into this country, experience shows that they will after a time find their way to the public galleries. The average life of these works in the hands of private collectors in this country, before they find their way to public galleries, is said to be only two generations, and even when in private hands they are often thrown open to the public. One of the best private collections of paintings that I have seen in this country was west of the Missouri River and at certain times it was open to the public. Many a boy and girl who could not afford to go to Europe and study the masterpieces in the galleries there, could get an inspiration from the study of the masters in their own country, and fortunate will they be if they can be permitted to look upon the immortal tints that Raphael and Titian have put upon the canvas. Works of art such as this bill would admit free have the highest educational value. We should stimulate their importation. It would be like barring out the sunshine to put up barriers against their coming in, and while I regret that the provision could not be made even more liberal, it is one of the most enlightened paragraphs of the bill.

Mr. HARRISON. Does the gentleman from Massachusetts realize that under the provisions for free art no provision is made which would permit the importation of some of the greatest masterpieces of European art, such as the terra cotta of Luca della Robbia and the wooden sculptures of Donatello?

Mr. McCALL. The gentleman refers to the distinction between sculpture and statuary. I should be very glad to see a change made in that respect, and I think one should be made.

Mr. HARRISON. I think so, too; and I am glad to hear the gentleman express the possibility of there being a still more liberal change.

Mr. McCALL. I should be glad to see sculpture put in place of statuary. I now yield to the gentleman from Nebraska [Mr.

Mr. HITCHCOCK. The gentleman makes a plea that American art students be given an opportunity to study art in America. Is it not a fact that works of art, under the present law, are admitted to public museums free?

Mr. McCALL. Undoubtedly.

Mr. HITCHCOCK. So that nothing could be gained under that head.

Mr. McCALL. I can not understand how the gentleman can say that nothing can be gained under that head. It would be very rare that a public museum could afford to buy an ancient great work of foreign art. Private collectors take pride in collecting these works and establishing galleries of their own. And, as I said, experience shows that after two generations these works go into public galleries. So a great deal would be gained under that head.

Mr. HITCHCOCK. Will not this new law be an incentive to private citizens to purchase and import works of art and place them in their own galleries, whereas now, in order to get free entry, they must put them in a public museum?

Mr. McCALL. I hope it will result in their buying them and bringing them in; but, as a matter of fact, they do not to any extent buy them to put them in a public museum. They could do that, anyway, if they were so disposed, and it would not prevent them in any way if they felt generous enough to make a gift of a painting to a public museum.

If the gentleman will pardon me, I do not like to ask an increase of the time on account of the limited time remaining for debate. I would like to take up another schedule of the bill.

I will now ask your attention, briefly, to the metal schedule. There is a very substantial cut upon the many products of iron and steel, with the deeper cut upon the lower forms, upon which less labor has been expended. While possibly the great steel corporation, the most thoroughly organized manufacturing concern in the world, might have been able to stand somewhat larger reductions, the testimony showed that the independent concerns, which produce about half the iron and steel of the United States, would have been put in danger. Pig iron, which lies at the foundation of many great industries, is cut from $4 to $2.50 per ton, and scrap iron from $4 to 50 cents per ton. One of the very best provisions of the bill is that putting iron ore upon the free list. If the existing duty has any effect at all, it is to increase the great fortunes of the men who have acquired substantial control of our known iron-ore deposits. It appeared in evidence that about half of the best of the known iron ores of the country are controlled by a single corporation. They have been increasing in value by leaps and bounds. In 1899, according to Mr. Schwab, the license fee for 58 per cent ore was 10 cents to 15 cents per ton, and now inferior ore is bringing 85 cents per ton. When values of an article of prime necessity have multiplied from six to ten times in a decade, I do not believe the owners stand in need of a law to accelerate the process. I am not an advocate of government ownership; but if I were, I should believe in it for iron ore, as is the case in some of the civilized nations of Europe. It is of universal use. It is almost as necessary as the air we breathe. Our great deposits of iron may be regarded as one of the very choicest of the gifts of Providence to the Nation. Under our policy of private ownership the control of these ores has come into comparatively few hands.

Deposits which will not soon be needed for the use of man, but will sleep in the unsunned earth for generations, have been capitalized and put upon the stock exchanges. Interest must be earned upon them, and the gifts of nature to the race thus become a burden upon mankind. Under our system, if we had greater deposits there would be greater capitalization, more interest would have to be earned, and the man who used iron to-day would have to pay more for it simply because providence had been more generous to the country in which he lived.

But we have recognized the right of private ownership, and I would not disturb that in the slightest degree. I do protest, however, against putting up tariff barriers against our bringing in iron ores from other countries, and thus making still greater the vast fortunes which now exist as a result of the private ownership of these deposits. The practical result of free iron ore may not be very great, but it will check the increase in the cost of the ores, and it will relieve the people along the seaboard and remote from the mines from the necessity of paying some of the freight in carrying this heavy material hundreds of miles. It is this provision in the bill which, in my opinion, more than any other stamps it as a measure in the interest of the great masses of the people. As usual, the burden of the argument for a perpetuation of this duty is put upon the patient back of labor. The removal of the duty can not have the result of diminishing by a farthing the wages of any miner in the United States.

Mr. GRAHAM of Pennsylvania. Will the gentleman permit an interruption?

Mr. McCALL. Certainly.

Mr. GRAHAM of Pennsylvania. While the gentleman is on the iron schedule I should like to get the gentleman's opinion of the result of the change by which the duty on scrap is reduced from $2.50 to 50 cents a ton. I understand that the tariff upon pig iron is $2.50 a ton, while the tariff placed in this bill on scrap is reduced to 50 cents. Is there not danger that they will import pig iron broken up, mixed with scrap, and thereby reduce the revenues of the Government?

Mr. McCALL. I have heard that suggestion made. The committee certainly had no intention of leaving the bill open to a construction that would admit broken pig iron as scrap. They had in view simply waste iron, the pure by-product; but there can be no question whatever that the bill should be amended if it would have the effect that the gentleman anticipates.

Mr. GRAHAM of Pennsylvania. Does not the gentleman think it would have that effect, to allow the breaking up of pig iron and the mixing of it with scrap?

Mr. McCALL. I have not studied that provision.

Mr. GRAHAM of Pennsylvania. It is very easily broken up and could be mixed with scrap.

Mr. SCOTT. Will the gentleman permit a short question?

Mr. McCALL. Certainly.

Mr. SCOTT. Does the gentleman believe that it is consistent to remove the duty upon iron, placing it upon the free list, and to take zinc ore from the free list and put a heavy duty upon it?

Mr. McCALL. With regard to zinc ore, this bill was made by a jury of 12 men that worked all winter. No one of them could expect to have the duties upon 5,000 articles all adjusted to his entire satisfaction. I do not believe it would be possible to pick out 12 men in the House who would agree upon every duty. Personally, I favored keeping zinc ore where it was before we began, but the committee took a different position and I support their action.

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

Mr. McCALL. I will, but I am afraid my time will expire and I do not wish to ask for an extension.

Mr. COLE. Do you not think it better to put a revenue tariff on iron ore rather than on steel?

Mr. McCALL. A moment ago I gave my idea of a revenue tariff. I do not think it would be a revenue tariff if placed on iron ore.

Mr. HOBSON. The independent iron concerns will be the chief beneficiaries from the free ore, will they not; and that being the case, does the gentleman think that the reduction on pig iron and steel has been too drastic upon the trusts?

Mr. McCALL. I have not thought it was too drastic. I think they can well stand the reduction that has been made, and that other industries will not be in any way injured.

I will now speak concerning the paragraph for reciprocity on coal, which, in effect, means that if Canada will admit our

coal free of duty we will extend the same privilege to her coal. In the last fiscal year we exported to Canada 8,592,296 tons of coal and imported from the same country 1,297,405 tons. It will be seen that our exports to Canada considerably exceed our imports. Each country has a duty against the coal of the other. The coal question as between the two countries largely resolves itself into a question of freight. A glance at the map will show that. The great Province of Ontario is remote from the Canadian coal fields and near to our own coal in Ohio, Pennsylvania, and West Virginia. On the other hand, our northeastern seaboard is remote from our own coal fields and contiguous to the fields of Nova Scotia. By setting up mutual barriers against coal it can be transported from the mines of Canada farther into the central parts of that country and can also be carried from our mines farther into those regions of this country which would naturally be served by the Canadian coal. These tariffs are expended in each case in paying the useless hauling of freight. If we remove them, we shall supply from our mines the territory of Canada naturally tributory to them, and our own people, who are nearer the Canadian mines, may have an opportunity to get access to them. Why should each nation create artificial barriers in order that labor may be uselessly employed in carrying this heavy commodity? The reciprocal removal of the coal duties will thus take off a tax upon the coal miner and the consumer of both countries and will benefit both.

The sugar duties under existing law are maintained, except that the differential on the refined sugar is reduced by 5 cents a hundred. Whether or not gentlemen agree that there should be a differential, they must concede that the bill has made a substantial reduction from that allowed by existing law. The sugar refiner makes from 100 pounds of imported 96° sugar about 93 pounds of the refined. There is a waste of about 7 pounds in the refining. This waste, however, is also made by his foreign competitor, but the duty upon the 7 pounds wasted, which the American refiner pays, is about 11 cents, and that is an expense which the foreign refiner does not have to bear. It will thus be seen that the differential or the protection accorded the American refiner for refining sugar under existing law amounts to about 15 cents per 100 pounds. The bill must be credited with having reduced this protection by about 33 per cent.

Mr. Spreckels, of the Federal Sugar Company, has been quoted here as favoring the entire removal of the differential. What he said at the hearings is not susceptible of this construction. He declared that he thought he was "entitled to a moderate protection on refined sugars," but that he would prefer absolute free trade to the present schedule, which, of course, would mean the removal of all duty upon raw sugar. This duty upon raw sugar, he thought, gave the sugar trust especial advantages in Louisiana and Hawaiian sugar.

Now, a few words with regard to the maximum and minimum tariff. It seems to be generally conceded that some such system is desirable. It is quite commonly employed by other nations. If we have a single scale of duties which all may enjoy, whether they discriminate against us or not, they are likely to take what we give them and to disregard us if they can make advantageous trades with each other, although to the detriment of our own commerce. The maximum and minimum scale recognizes that there must be some weapons in our armory with which to wage a commercial warfare.

But which should be the regular everyday tariff—the maximum or the minimum? For my part, I can see no ground for the contention that the regular duties, adjusted upon thousands of articles, should be at a higher rate than is demanded by considerations either of revenue or of protection. I am not so enamored with tariffs as to create needless duties for everyday use. To have our maximum rate the regular rate would also be to proceed on the theory that war is the normal state of society, and that you must have resources with which to purchase a peace. The minimum tariff of this bill is given to all nations upon its enactment. The fact that the maximum may be put into effect will lead other nations to refrain from discrimination, but if they should discriminate against us, they then automatically set in motion against themselves the higher rates of our tariff.

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

Mr. McCALL. Certainly.

Mr. HARRISON. Under the provisions of the bill, does the gentleman see any means of getting a concession from other countries? Instead of reciprocity, this feature is to be used as a punishment.

Mr. McCALL. It leads to reciprocity. We do not punish them; they punish themselves. We establish two scales of duties, and we say to the whole world, You may have them. If they express a preference by saying, We will not use you as well as we do other nations, they express preference for our maximum scale.

Mr. HARRISON. But where is the opportunity for concession if you go at them with a threat?

Mr. McCALL. There is no threat about it. They declare their choice when they elect to discriminate against us, and thereby take advantage of the maximum duties of the tariff.

Mr. SHERLEY. Will the gentleman from Massachusetts yield for a question?

Mr. McCALL. I will yield to the gentleman from Kentucky.

Mr. SHERLEY. Any discrimination that might be made by a foreign nation would immediately, as it is said, automatically bring into effect our maximum rate.

Mr. McCALL. That is the object of the bill.

Mr. SHERLEY. Might not that preference given to another nation apply only to some article that we were wholly indifferent about?

Mr. McCALL. Oh, I think it must be something material, substantial.

Mr. SHERLEY. But the very fact that the provision is automatic in its working shows that the brains are taken out of it and it acts like a machine. It is not a question of whether the preferential rate is of any value or not; it is simply the fact of one.

Mr. McCALL. They are not under any other obligation to give any foreign nation the advantage of our Government.

Mr. SHERLEY. It is not that they should give to us the same rate as to another country, but they should not give such a rate to another country as would discriminate materially against us, and yet by the automatic arrangement the discrimination might be something that we cared nothing about, and yet that would put the maximum rates in effect and thus might punish ourselves instead of the foreign country.

Mr. McCALL. Possibly.

Mr. HITCHCOCK. I would like to ask the gentleman from Massachusetts a question.

Mr. McCALL. I will yield to the gentleman.

Mr. HITCHCOCK. I would like to ask the gentleman this question: The minimum tariff under the pledge of the Republican platform is to give such a protection as will compensate for the difference in cost in America and abroad and give a reasonable profit. I desire to ask the gentleman from Massachusetts, when we add the 20 per cent to create the maximum rate, what sort of a profit will be guaranteed to the American manufacturer?

Mr. McCALL. I ask any gentleman who contends that the maximum tariff should be arranged with reference to the difference in cost and the reasonable profit if he would not reach the same difficulty at the other end of the proposition?

Mr. HITCHCOCK. I ask further, if the maximum rate will not guarantee an unreasonable profit if the minimum guarantees a reasonable profit?

Mr. McCALL. It is not probable that our maximum tariffs are going to be enforced against every nation in the world at once. There is scarcely a possibility that it may ever be in force against Great Britain, which has made herself the clearing-house of the world's trade.

Mr. HITCHCOCK. The gentleman does not answer the question.

Mr. McCALL. And the result of the 20 per cent would have very little, if any, effect in most cases.

Mr. HITCHCOCK. It does not follow that if the minimum tariff——

Mr. McCALL. Oh, Mr. Chairman, I see the gentleman's point, and I think I answered it fairly. I have no objection, however, to the gentleman repeating his interrogatory.

Mr. HITCHCOCK. The interrogatory is this: That if the minimum tariff is sufficient to guarantee reasonable profits, as the Republican platform provides, will not the maximum tariff provide for unreasonable profits?

Mr. McCALL. I do not think it will. Now, let me say one thing further upon this question of the maximum and minimum, which will make my position clear. They should relate especially to luxuries, to the things in which those who may discriminate against us find a great profit, and which in an emergency we could get along without; but the maximum tariff should touch very lightly upon the necessaries, for if it is applied heavily to them we should be engaged in the sort of warfare where one fires into his own ranks. There is no general maximum levied in the bill. I would say that to my friend from Nebraska [Mr. HITCHCOCK]. Some of the schedules have no maximum at all. In my opinion, however, if the bill is to be amended in this regard, it should be to reduce the maximum in some cases and to remove it entirely in other cases.

Mr. SHERLEY. Mr. Chairman, I do not want to interrupt the gentleman if he does not desire to be interrupted——

Mr. McCALL. I wish to get through within my hour, but I will yield to the gentleman if he thinks it really important.

Mr. SHERLEY. I was simply going to ask the gentleman what his opinion was as to the maximum on lumber.

Mr. McCALL. Mr. Chairman, there should be no maximum on lumber at all. I think that is a case where we would punish ourselves more than we would punish anybody else. I think we should not levy any general maximums, but we should pick out those articles in which foreign nations get the most profit, and which we might in a pinch get along without.

Mr. Chairman, it is a habit gentlemen have, in discussing tariff bills, to declaim against New England, and especially Massachusetts, as if that part of the country was the chief author and beneficiary of the policy of protection, and that habit has been followed by some gentlemen taking part in the present debate. The precedents for this course are very ancient, and gentlemen fail to note both the absence of any reasonable ground for the precedents originally and the great change in conditions since they were established.

Invective against New England on account of the tariff is nearly as orthodox in some quarters as hostility to Great Britain was in this country prior to the present generation. It was a regular part of the training of the American youngster to teach him to declaim against England. This was taught in our schools, in our public discussions, and in our newspapers. If the colleges of the former times had been as responsive to the popular demands as they are to-day, they would very likely have had courses on "How most scientifically to hate England." The "lion's tail" then held the same place in our politics that is taken now by the trusts. And if a very recent régime had been in force a couple of generations ago, it is interesting to speculate upon what hair-raising situations might have been developed upon the British issue. [Laughter.]

Anyone to-day who keyed up his speech to this obsolete sentiment would be talking nonsense, but certainly not more so than to parade the ancient sectional denunciations of New England on account of the tariff.

Now, what are the facts?

In the first place, New England is not responsible for the adoption of the protective policy in the United States. The bill of 1816, which embarked the country decisively upon the policy of protection was enacted against the votes of the representatives of New England and found its strongest support among the southern Members. The forces of protection were led by two great southern statesmen, Henry Clay, of Kentucky, and John C. Calhoun, of South Carolina; and the forces of free trade were led by a great New England statesman, Daniel Webster, of New Hampshire. And the forces of the South, joined by those from the West, triumphed over New England. New England was lacking in the ordinary great natural resources. But she was admirably situated for commerce and she had a hardy and adventurous race of sailors eager to dare the perils of every sea.

As was said in the First Congress in debate, she ploughed the sea rather than the land. Her merchants had built up a flourishing trade extending to almost every portion of the globe. Her fishermen caught immense quantities of cod off the banks of Newfoundland and harpooned the whale in the far northern seas. They were especially the men upon whom Burke pronounced his splendid eulogy, and of whom he said:

> No sea but what is vexed by their fisheries; no clime that is not witness to their toils.

New England did not, as I have said, have the fertility and the great natural resources of other parts of the country, but she had one great natural advantage. She had the sea, and through commerce her people had attained remarkable prosperity. They did not wish to see the advantages of the sea taken away and their ports shut up by the imposition of high tariffs; but they submitted to the national decree firmly established against their protest, and they turned their attention to manufacture. And while they have followed them with great success, relatively to the rest of the country, New England is not as rich to-day as when she was chiefly a commercial community. Nor is it true that she is to-day especially the beneficiary of the tariff rather than the other parts of the country. I have already referred to the great increase in the manufacture of boots and shoes in the central part of the country, an increase which appears to a greater extent in Missouri than in any other State in the Union.

Take the cotton-manufacturing industry. It has taken hold with splendid vitality upon the soil out of which the cotton springs. Out of our 26,000,000 spindles more than 10,000,000 are in the cotton-growing States, and in less than twenty years the number of spindles in these States has increased 600 per cent, as against about 40 per cent for the rest of the country. The mills of the cotton States consume more than 2,000,000 bales of cotton each year, or about 200,000 more bales than is consumed by all New England.

We still export more than half of our cotton crop, but if the rapid growth of cotton manufacturing in the South shall continue it will not be long before the greater part of our cotton will be manufactured in the cotton-growing States. I think no southern gentleman will maintain that this industry does not have generous protection.

The pending bill also imposes protective duties upon fruits, tobacco grown under expensive roofs to protect it from the sun, sugar, lumber, and upon other important industries of the South. There are a multitude of protected industries in other parts of the country. There are enormous manufacturing industries, industries that have made single fortunes of more than a hundred million dollars, that have scarcely a representation in New England. She is remote from the domestic sources of the great elementary substances of manufacture and remote also from our great markets, and if she is interested in the policy of protection, the country as a whole is equally, or even more vitally, interested.

The only justifiable object of a protective tariff is to develop in our Nation the industries which it is naturally fitted to carry on. It should not have for an object to divert labor into channels where it would be employed at a disadvantage. The gospel that labor in itself is a blessing is preached by those who have practiced it but little. A country with poor natural resources and a sterile soil, where a man could wring from nature only with great difficulty the bare means of subsistence, would be the ideal sort of a country, according to some gentlemen's ideas of labor. There everyone would have an opportunity to work and to work hard. But such a country would be a proper home for a penal colony and not for a nation. [Applause.]

Blessed as we are with an unexampled variety of splendid natural resources we should not by legislation make our country to any degree the sort of a land to which I have just referred. We can employ our labor with profit upon those natural resources which are ours beyond question, and we do not need to go into the hothouse business and to divert the labor of America into doing those things which the sunshine and the climate of other lands would do for us with only a slight contribution from labor. Where we are fitted by nature to carry on an industry with a given amount of labor as well as it can be carried on abroad, we should develop and encourage such an industry; but when we embark upon lines which must be followed permanently at a disadvantage, we waste labor and do violence to the laws of nature. Where the difference in the labor cost of production is caused, not by the greater amount of labor required, but by the greater wage, there protective laws should intervene. Let us employ our labor in doing those things which we can do to the best advantage and permit foreign nations to do the work which they have greater natural advantages for doing, and then exchange our products with them. That is the sound basis for industry and for international trade. There is a great deal of truth in the celebrated saying of Bentham:

> Industry makes of government as modest a request as that of Diogenes to Alexander, "Stand out of my sunshine."

I believe that the schedules of this bill let in the sunshine upon many industries which need it. I believe that it will tend to foster the employment of American labor in the most profitable channels; that it will save labor now wasted or unprofitably employed; that it is against the interests of monopoly and in favor of the great mass of the people; and that if it shall be enacted into law it will be, on the whole, the most comprehensive and enlightened tariff law enacted in this country in a half century.

And now separate and apart from what I have been saying, I shall speak briefly upon those provisions of the bill which relate to the Philippine Islands. I think our relations with those islands should have been dealt with in a separate measure.

The bill provides practically for free trade under present conditions between them and the United States in their products and our own. As they are American territory, I hold to the opinion that the Constitution and the very genius of our institutions entitle them to free trade. As we are, in substance, providing free trade in their products by this bill, we should provide it ideally and with no technical limitation. It is repugnant to the spirit of American history that we should levy duties upon articles going from one portion of American territory to another portion. The free trade proposed by the bill is justified by this consideration rather than by any consideration of an economic

character. Those islands are upon the other side of the globe. They differ as radically in natural conditions from this country as does any country in the world. Their scale of wages is greatly lower than ours. Making laws for them and for this country presents radically different problems. We do not come naturally under the same fiscal system. Natural conditions and American political theories thus coincide in pointing the same way. We should levy our tax laws upon ourselves and permit them to levy their tax laws upon themselves.

Mr. HARRISON. I would like a question right on the point that the gentleman is referring to. I would like to know if he has received a letter, as I did, from Irving Winslow, secretary of the Anti-Imperialist League, from the gentleman's own State, in which the writer says that the Filipinos are resisting this proposed free trade with us on the ground that it will make them economic slaves to the United States? Mr. Winslow seems to side with the Filipinos. Will the gentleman say whether that is an expression of the popular opinion in Massachusetts or not?

Mr. McCALL. If you will permit me to go on, I was about to speak of that in another connection.

But we are practically extending them free trade. This provision will perhaps lead to investments in the islands by people in the United States and to the creation of new interests there. It seems to me, therefore, that it is important that we should accompany this provision with something that will serve as notice to the interests which will spring up and declare what our ultimate policy in the islands is to be. Otherwise, people becoming interested under the operation of this law will say they went there under the broad shield of the United States, and will ask that that shield be kept over them.

I have noticed the manner in which this bill has been received by the Philippine assembly. That is no revolutionary body, but it was set up under our auspices. So far as this country is concerned, it can not be suspected of having an unfriendly structure. And it is most significant of the aspiration of the people of those islands that, great as the advantages of this bill are to them, their assembly, constituted by us, puts above those great material advantages the cause of the independence of their country. Believing that free trade with this country will call into being powerful interests hostile to their independence, they do not wish to accept the gift. I believe we should heed their wish and couple this provision with an unequivocal declaration of our ultimate policy which will sanctify every schedule of this bill and make it one of the most glorious acts in our history. [Applause.]

There are only three solutions which we can avow. We can declare that we propose to hold them perpetually as vassals, passing their taxation laws at Washington, and conceding them now a little authority and now, perhaps, none at all; or that we will admit them some day as States into the American Union to take part in the common government; or that we will endeavor to fit them for self-government; and when that result shall have been accomplished will permit them to take their place among the free and independent nations. To my mind the first and second purposes are inadmissible. I have heard no one seriously avow either of them. Then why not, at the same time that we are granting them this extension of trade and calling new interests into being, why not declare that it is our purpose to fit them for self-government and then to grant them their freedom? [Applause.] Such a policy has been, in effect, approved by Mr. Taft before he became President and by his two predecessors in office. But the treaty of Paris imposes upon Congress the duty of fixing the status of the Philippines. Then let Congress at this fitting moment frankly declare, after ten years of drifting, just what we mean to do with those people. Let us make the declaration called for by American principles. Let us make it no less in their interests than in our own. [Loud applause.]

Mr. HARDY. Mr. Chairman, in what I shall say with reference to this measure I desire, if possible, first of all, to be fair, and next, to be clear. If possible, I would have every sentence contain some thought and every conclusion just. If I know my own convictions, I would not effect one change in this bill that was to the detriment of my country. And I go further and say, that if I believed by the infliction of a wrong on my country I could secure the triumph of the Democratic party, I would refuse to inflict that wrong. It seems to me, Mr. Chairman, that a little moderation, possibly, on each side of this Chamber might sometimes reach nearer the truth, and when I hear Members on that side proclaiming to the country that all is well, and that this country has had practically no panic and no hard times within the last eighteen months, I can not understand how they can bring themselves to such utterance. When I listened to the pæans in praise of the Dingley bill from the gentleman from Washington [Mr. CUSHMAN] the other day, who talked about the magnificent prosperity of his own section, and would not see the hardships, the bread lines, the laborers out of employment all over the country in other sections, it made me think just a little of a ride I took a day or two since. I went out on the Rockville road some distance, and while on a high hill, with a cold wind blowing in my face, with clouds gathering all around me, I happened to look over on the Capitol Dome. I saw a ray of sunlight make it all aglow; just that one spot of sunshine appeared in all the visible landscape. I wonder if any man, standing on the Dome, would say, like the gentleman from Washington, there were no clouds in all the heavens. Mr. Chairman, there was from 1892 to 1897 a great panic in this country. No honest man denies it. The poor suffered, the rich suffered, and it was all charged up to the Wilson bill, a Democratic measure. But there was also a great panic in 1907. This happened under the Dingley bill, a Republican measure; and we hear the gentleman from Washington [Mr. CUSHMAN] and the two gentlemen from Pennsylvania endeavoring to deny the panic of 1907, or, at least, any serious ills from it. To refute that denial, let me quote Senator ALDRICH's description of that panic. He said:

> The financial crisis from which the country has just emerged, which culminated in a serious panic in October, was the most acute and destructive in its immediate consequences of any which has occurred in the history of this country.

No Democrat could paint the picture stronger. No Democrat could use words more vigorous.

Says Mr. ALDRICH:

> The country was saved by the narrowest possible margin from an overwhelming catastrophy, the blighting effects of which would have been felt in every household. Although a total collapse was avoided, yet the injury to business amounted to thousands of millions of dollars.

Let the other side not undertake to squirm, not undertake to evade or avoid the fact that under a Republican administration, under a Republican tariff measure, the highest in its protective character any country ever knew, with no threatening cloud or menacing danger of Democratic victory, this country did run into a panic the like of which, says Mr. ALDRICH, was never encountered before. The great panic, not yet ended under a Republican administration, and after an unbroken Republican rule of eleven years, is a fact. By Republican logic, therefore, the Republican party ought to have been overthrown at the last election.

Their only argument in 1896 was that the depression and hard times that had occurred for the several years prior to that time did occur and exist under a Democratic administration. It was simply the argument, post hoc, propter hoc. They did not attempt to give any reason why or any policy of the Democratic party which produced the panic. On the contrary, they contented themselves with the statement that during the Democratic administration hard times were upon us and a panic came, and that therefore that administration was to blame.

Mr. Chairman, pardon me for just a moment to say, in a spirit of fairness, that if any person should look for the cause of the panic of 1893 he will not find it in any act or policy of the Democratic administration. I know it is customary now to say that it was a Democratic tariff panic. It was customary ten years ago to say that it was a free-silver panic, and now they frequently lump things together and say it was a four-year Democratic-administration panic, and they never honestly admit the truth that the panic was upon us when Cleveland was elected.

What did bring about hard times in 1892 and panic in 1893? I will tell you what it was, and there is not a man within the sound of my voice but knows that I speak the truth when I say that from 1881 to 1892, under the operation of a Republican administration, there had been a gradual contraction of the currency of this country, and labor and the products of labor fell from year to year and day to day in price. In my own State in 1892, before Mr. Cleveland was elected, cotton went down to the lowest price that it had reached in many years. The price of products were affected the same way in every State and the hard times were felt in every part of the country. We were right at the stage of a panic, or, as the gentleman from Mississippi [Mr. BYRD] the other night said, "A panic was unloaded on the Democratic party" when Mr. Cleveland was elected. [Loud applause.] That the panic of 1892-93 was brought on by Republican policies preceding it I think can be demonstrated, and I am willing to admit that under any party it was bound to continue until the silver question was settled; but the panic of 1907 was the product of Republicanism single-handed and alone, unless it was the unprovoked blow of fate blindly inflicted without cause.

HOW TARIFF REVISION WAS FORCED UPON THE REPUBLICANS.

What I wish to discuss, however, is not panics, but the question of reform and revision of the tariff. A tariff once fixed is likely to be fixed for a series of years for the reason that beneficiaries of it are anxious to retain the benefits they acquire and are fearful that any change will hurt them, and fight to postpone any revision, whatever inequalities or iniquities they themselves admit to exist in the tariff as it is. As early as 1891, Mr. Chairman, Republicans of reputation all over the country were declaring that the time had come when the tariff should be reformed, and the mutterings of discontent and the demand for revision have been growing louder and more insistent ever since. Not only do I find that the tariff question is one between the unfavored many and the favored few, but with the evidence in this House during the last few days, more than ever I know that the tariff fight is a Kilkenny cat fight of conflicting greeds of different grades. Each selfish interest gets all it can at each revision and holds all it gets. Each interest is against every other except where they combine for mutual aid against the balance of mankind.

When a tariff bill has been passed, each special interest opposes a revision for fear they might not be able, as I have said, to hold all they have, though all would be willing to revise if they could be assured they would hold their present advantage or get more and only cut down some other interest, but "conscience makes cowards of them all and makes them rather hold the ill-gotten gains they have than try for those they might not get." In 1901 Mr. Babcock, chairman of the Republican congressional campaign committee, declared:

> I maintain that it is a part of the policy of protection to protect the consumer. We can to-day produce and undersell the world. Shall we continue a tariff on articles that are, in fact, articles of export? *If Congress maintains* a tariff on such articles, the whole theory of protection falls to the ground, and it simply inures to the benefit of those who may secure control of any such commodity, since by its aid they can fix exorbitant prices in the domestic market. How can such a policy be defended?

The standpatters were unmoved, and Babcock is a sadder, if not a wiser, man to-day than when he used those words. They have sung him to rest, and the halls that knew him once know him no more. About that time, W. E. Chandler, of Vermont, strong Republican that he was, declared that enormous combinations of capital control the politics of the country, nominate the candidates, and later direct the legislation; and he, too, has found his political grave. About that time, George F. Hoar declared:

> We are dividing more and more the manufactures of this country between two classes; almost every profitable manufacture being engrossed, so far as the capital and management is concerned, by some single aggregation acting together without competition.

A few more words like that, and he would have found private life healthful; but the God who made him great and good, though not always right, took him first. The appeal of the masses for justice grew stronger, and in 1904 the Republicans promised revision.

But in 1905 the standpatters were immovable, and the governor of Massachusetts was writing the President urging his party to keep its pledge, and declaring they could not have carried Massachusetts but for that pledge in 1904. In 1906 Representative McCall, a Republican of the same State, was urging a Republican House, Senate, and President to keep the party pledge, but all in vain. The interests refused to permit revision, till now, driven by panic, by fear, and by shame, they enter on the task; how honestly and earnestly remains to be seen. They present us a bill. The country was assured before the election it would be a revision downward. Is it a revision up or down? Who can tell? Mr. PAYNE says it is down; Mr. CLARK says it is up. Just yesterday Mr. BATES, of Pennsylvania, argued at great length that the bill was revision downward, but in the very conclusion of his remarks he gave himself away when he asked:

> When was there ever a substantial reduction of tariff duties that it was not followed up by hard times and the outflow of gold in this country?

HUGE, GLEEFUL, MEPHISTOPHELIAN JOKER.

It is, Mr. Chairman, like our Texas railway commission's revision of freight rates on lumber some years ago. When it was done, one commissioner said it was up and the other said it was down, and the people to-day do not know which was right. I only know that this tariff bill was as hard to pull out of the Republican party as a healthy tooth from a sick man, and that in many things it raises and in many things lowers the present rate, with the statement of its compilers that it carries an average rate of 45.72 per cent, as against 44.16 under the present Dingley law, and I know that in many places reductions are empty pretense, leaving duties still completely prohibitive, and in many places raises are substantial, imposing heavier burdens than the present rate, and that many articles are scheduled free with a joker following by which they are not free, and that the commonest, coarsest, and cheapest articles that are consumed by the poor are still the heaviest taxed.

I know, further, that the Dingley bill fixed the maximum tax avowedly higher than necessary, to give opportunity to trade for lower rates in reciprocity treaties, while the Payne bill has fixed a minimum rate, most likely as high as the Dingley maximum, and then provided for its increase by 20 and 25 per cent under conditions almost sure to arise; and I know that Mr. BATES, who defended the bill, concluded his argument with the statement that every tariff that lowered the duties was followed by hard times and the withdrawal of gold, and from that statement we know how earnest he is in claiming that this bill is a revision downward and still supporting it. No; they intend in this bill to keep the promise in the letter, but break it in the spirit. In the language of "Uncle Joe," "The letter maketh alive, but the spirit killeth;" and I believe that the whole bill is one huge, gleeful, Mephistophelian joker.

GRINDS FACE OF THE POOR—GIVES "DRAWBACK" TO MONOPOLISTS.

Further, Mr. Chairman, not content with putting the heaviest tariff on the things needed by the poor, this bill takes special care of the beef packers and the Standard Oil by providing a drawback for their special benefit of practically all they pay in tariff; and all the great and wealthy manufacturers are given free import material to help them compete with the outside world, if any material imported by them or any like material is used in making their exports. But it does not give any drawback on the dinner pail of the workingman or the implements used by agricultural toilers in making the great bulk of the exports that keep up our trade balances. The agriculturist is not organized as the manufacturer.

MANUFACTURER AND ORGANIZED INTEREST ONLY CARED FOR.

Mr. Chairman, the agriculturist has exported from this country, under the Dingley law, $9,800,000,000, while the manufacturer exported $5,800,000,000. Of imports there have been of agricultural products and noncompeting manufactures $5,000,000,000 and of manufactured products $4,500,000,000. Our agricultural exports all sell higher abroad than at home, but 85 to 90 per cent of our manufactured products exported sell on an average of 20 per cent lower abroad than at home. Our imports sell higher here than abroad, whether they are agricultural or manufactured products, except to the manufacturer who gets them free of duty under the drawback. Everything tends to favor and protect the manufacturing capitalist, but the agricultural producer and consumer may pick up the crumbs that fall from the rich man's table, happy if he be above the dog that licks the sores of Lazarus. I know it is a favorite argument for protection that all men are producers and all men consumers, and therefore all men are equally blessed and equally burdened by protection. Mr. Chairman, if you give all producers equal protection, then all consumers will bear equal burdens; but you give all protection to that class of producers known as "manufacturers" and little or none to the others. That is why the farmers sell their products higher abroad than at home and the manufacturers sell their products higher at home than abroad, and I make the statement in the belief that it is absolutely true that no producer can sell cheaper abroad than at home unless he is robbing the home consumer. No commodity is a legitimate article of export unless we can make it as cheap as our competitors in the markets of the world; and if we can do that, the protection then only helps the producer to rob the home consumer by charging him higher prices. Yet we are told every day that the manufacturers of America are going out into the markets of the world, not simply to sell their surplus and remnants at less than cost, but to struggle for the mastery of those markets. They boast that they can and intend to undersell the world in the outside markets of the world, yet clamor for protection at home. The intent is plain. The manufacturer demands to be given the power to rob the people at home, or what amounts to the same thing, the power to charge the home consumer higher prices than he can and does sell for abroad.

A great deal is said about free raw material. The shrewd manufacturer has not been content to receive protection, but he has engrafted in the doctrine of protection for himself and his products the doctrine of free trade for what he buys, which he calls "raw material." This is called the "doctrine of free raw material;" but even this does not go far enough to suit him. An article placed on the free list as free raw material is always the product of the agriculturist or unorganized industries, and all consumers, even the plain, common workingman, gets the benefit of its cheapness; but there are other commodities produced by organized industries that the great manu-

facturer wants free of duty, without letting the common people have them free of duty. That is where the big fish fall afoul of the little fish inside the protective net. To accomplish this result—free trade for the manufacturer and protection against the common consumer—the doctrine of the drawback is brought into operation. Under that doctrine, just to illustrate, the great Standard Oil trust and the great canning-goods people and the great meat packers are allowed to buy Welsh tin free of duty, all they want and need of it free of duty; that is, all that they can use in exports. What they buy and resell to home consumers they do not mind the duty price on, because they simply charge it up to the consumer when they sell in the closed home market. For their export trade, in which they can not fix prices but must meet competition, they are allowed to go to Wales and buy their tin, where they can buy it cheapest, and to keep the common people from doing the same thing all tin brought into the United States must pay the tax; but when the Standard and the packer exports his tin, the United States pays him back 99 per cent of the import duties he paid. This is called the "drawback." Against this the tin man now is wailing, and he shows that in ten years, at 1½ cents per pound, duties amounting to $20,593,179 were collected on imported tin and $18,834,900 paid back in drawbacks, leaving $1,758,279 in the hands of the Government, and from this amount the cost to the Government from executing this law, both collecting the duty and repaying the drawback, must be taken. The tin-plate man, in the circular I have, assumes that the cost of collecting and rebating is 5 per cent of the amount rebated. This seems reasonable to me, and on that basis it is shown that the excess of cost over receipts to the Government on the tin imported for the manufacturer to use amounts, during ten years, to 4 per cent on $18,834,900, or $753,396.

In round figures, had the common consumer used the same amount of imported tin the manufacturer used he would have paid to the Treasury of the United States $19,000,000, but in order to give it to the manufacturer free the Government actually is out the net sum of $760,000. This is only one item under this drawback clause of the Dingley bill which is improved on in the Payne bill. How much the grand total is that it has cost the United States to give manufacturers free imports while taxing all other consumers perhaps has never been computed, but it runs into millions and makes no small part of that annual billion-dollar budget this country is so proud of. It will be more under the Payne law, because under it the manufacturer will not have to show that he exported the same article he imported, but only something like it, in order to draw his draft on the United States Treasury and have it honored. The tools a farmer uses in making the cotton or grain he exports are as much material used in producing the export as the tin used by the packer in encasing his exports, but no law ever gave the farmer any drawback for his tools or even for the bagging and ties he wraps his cotton in when he exports it. I am opposed to the doctrine of free raw material and the doctrine of drawback. If by raw material is meant the products of nature, untouched and unaided by the hand of man, I would favor free raw material, even though every product of man's labor were protected. I would not protect the forest of America against the foreign forests, or the iron, coal, oil, or other mineral of our country against others. Nature's resources are not inexhaustible. All that we can obtain from foreign lands is an addition to the store of our wealth. I would not shut our people out from all the bounties of Providence that are showered on other parts of the world and thereby force them to consume all our own supplies of mine and forest at great cost when in bounteous plenty and at little cost they might be had by us of other countries, because some present holder desires to convert his property into money and wring present millions out of the labor of his own countrymen. We are like the prodigal son, wasting our substance in riotous living, destroying the heritage of our children. If our neighbors would give us leave to go into their forests and their mines and gather all their riches absolutely free and bring them into our borders without money and without price, who would not vote to authorize another Jason to go out and bring in the "golden fleece?"

PROTECTION TO OIL AND LUMBER KINGS.

Yet just to prevent that is the purpose of the plan which prohibits bringing into our borders the oil and ore of Mexico and the timber of Canada. Our forests would stand a blessing to us and our children if Canada would give us theirs all free. Our forests would not decay; but more imperishable and indestructible are the riches of our mines, hid in the bowels of the earth to await the wants of future generations, if our improvident neighbors, from greed of present gain or ease of present production, will supply our wants for little or nothing now. The Texas and Louisiana forests were once richer than the mountains of Lebanon; their longleafed pine was the finest of the world. Forty years ago our little mills cut what we needed and sold it to us for what it cost, with fair compensation added for the labor required to convert it into lumber; and it seemed likely to last us for generations. But the eye of the cormorant speculator fell on it. He bought it for a song, and then formed his combinations and his plans. Protection on lumber was not dreamed of when our people owned their forests and mills and supplied our local lumber wants, but as soon as Kirby in Texas, Weyerhaeuser in the West, and others in Louisiana and Georgia and North Carolina bought up all the stumpage and organized large mill combines we heard the demand for a wall around the country, so they could keep out all foreign lumber and price their own to the home consumer. The great lumber interests in my State—the timber in my State, but the capital owning it in the East—said to the railroads: "If you will help us to enlarge the markets by lower long-distance freight rates, we will help you fix higher short-distance rates; we will multiply your freight and you will make the land we paid $3 per acre for bring us $100 per acre, and bring it right soon. We will price the lumber the people of Texas must have at the very last dollar they can pay for it and yet build their houses. We will build mills of enormous capacity, and the railroads and ships will take it for us to all the markets of the outside world at less than they charge to take it to the people of Texas." All this they have done; and I am not desirous of protecting these stump owners, mill owners, and speculators, to help them fix exorbitant prices upon our home builders. But the lumber schedule and the oil I will talk of specially later.

FREE RAW MATERIAL.

I wish to speak a little just now of the doctrine as it is taught of free raw material.

If protection is ever right in principle, every interest that can come within the principle, whatever it is that justfies it, has an equal rght to that protection, and therefore the doctrine of "free raw material" as defined by the manufacturer, with protection of the finished product when both come equally within the purview of the same principle of protection, is unjust and discriminates in favor of the manufacturer. The manufacturers' doctrine of free raw material simply grew out of the fact that those interested in what they call "finished products" have always been the wealthier, better organized, and better represented class of beneficiaries under the system of protection. If protection, incidental to a tariff for revenue, must be accepted at all, every stage in production from the lowest to the highest article made of a given material ought to be equally protected. If there be ten stages from lowest to highest product, each handled by a different interest, the last interest must first pay the protection received by all going before, and then, to be equally protected, must have an added tariff for the last product before he hands it on to the ultimate consumer, who must in the end sweat for all the protection of the whole long line. Protection is a spiral stair, mounting higher with every rise. The man on each rise is fighting all those who stand below him. I say, "is fighting;" I should say would be fighting all those below him were it not for the fact that community of greed binds them together and that the ultimate consumer, who pays all the tax and in his feeble way fights them all, holds them together. Therefore they lock shields and join in solid rank against the common foe—the ultimate consumer—and if he be patient or is conquered all is well and peace reigns in all the ranks and companies of the Janizaries that guard the palace of imperial protection. But, Mr. Chairman, what is the raw material of one producer is the finished product of another. Corn and cotton is the finished product of the farmer, but the raw material of the cattleman and the cloth maker. The plow and the reaper is the raw material of the farmer, but the finished product of the implement man. Hides are the raw material of the boot man, but the finished product of the cattleman. The finished product of every industry is the raw material of some other industry, and there is no sense of equity in urging that one product be free because it is raw material and that another be protected because it is a finished product. If we are to raise a revenue by tariff and the result is incidental protection, I will play no favorites.

I will not vote to give the manufacturer free raw material but the farmer tax-burdened material. I will not vote to give the boot man free hides, the finished product of the cattleman, with everything the cattleman must use while he produces hides protected by a tax, and give the boot man protection. If it would benefit the farmer, I would vote for a tariff on his

cotton as long as there was a tariff schedule on the statute books, save that if ever cotton got to be controlled by a trust and sold cheaper abroad than at home I should then vote to repeal the tariff on it; and I want it distinctly understood that I make this same exception as to all the products which are controlled by a trust or sold cheaper abroad than at home, whether they be hides, lumber, wool, oil, or cloth, or iron, steel, or machinery.

MY PLATFORM IN FEW WORDS.

Could I make the law, Mr. Chairman, just as I would have it, I would ignore protection; I would lay an equal, uniform ad valorem tax on every article that was imported into this country, except that I would admit free of duty every article the price of which was fixed by a trust in this country or which was sold cheaper abroad than at home, and I would place, perhaps, a lower scale of duty on those articles of prime necessity for the great masses of our people or admit them free.

FREE TRADE.

I am not afraid of the name of free trader. I would that our country could be a free-trade country; but we can not raise the monstrous sum our Government spends by direct taxation. Our country's history goes far to show that the whole doctrine of protection, even to infant industries, is error. Our prosperity is a monument to the glory of free trade and not protection. We have but to study our own States and their commerce with each other. Between them there can be no protection and no tariff to shield our younger States and communities, else had the selfish interests built up protective walls around each separate State to foster the puling babes of new industries and, later, the monopolies in those States. I sometimes wish that grand and beloved Texas, with an area imperial, resources equal to those of any kingdom in Europe, and a history brief, but more glorious than that of the United States itself, had followed the advice of Anson Jones, her President, and remained out of the Union.

What, then, would have been our condition to-day? Had we avoided the system of protection we could have conducted our Government with little more than our state government costs. Our cotton would go to the world in free exchange for the commodities of other countries, and receiving the same price for their cotton our people would have bought all the products of Europe and many of those of the United States for half or little more than half of what we now pay. Our farmers would have had cheaper plows and reapers, our factories cheaper machinery, our railroads cheaper rails, our women cheaper sewing machines from the United States as well as from the balance of the world, and 10,000,000 people would to-day swarm in our marts of trade and flourish in our plains and valleys in their country homes; but that was not to be. The inscrutable plans of Providence had it that we should link our destinies with the glorious land of Washington and Jefferson, and I am content. Doubtless we would have had protection in Texas and tariff barons there would have bestrode us as they do here. It may be as well as it is. What is held in the secret womb of "it might have been" even time will not tell; but we do know that, as it is, Texas and other younger States, under a Constitution which forbids a tariff between the States, has demonstrated and is demonstrating that free trade is not simply an idea of the schoolman, and that infant industries can rise and grow and flourish without protection, for they are doing it under a far greater handicap from competition with New England than would ever exist in free-trade competition with all the world. All the implements and instruments of our industry come to us taxed and double priced, and yet we prosper and compete unaided against the world.

PROSPERITY ARGUMENT.

No; the prosperity of our country is not an argument for protection. In great part, as I said, it is a monument to the wide free trade between the States, a hundred times greater than all our foreign trade, and could we but combine all Canada and all Mexico and all South America, one continent under one homogeneous general government, freely mixing and mingling and sharing the rich blessings that God has bestowed on all its several parts, we would be only the richer and the happier for that glorious free trade.

To-day, as a people, we bear on our broad shoulders the weight of the marble and gilded palaces of the billionaire and the inconceivable luxuries of the favored classes. We scatter our bounty through lordly tourists and castle builders over all seas and all lands, and yet, like a young giant, our Nation rears its stalwart form above all others. But the virus of selfish greed fills all our veins and with general prosperity we are building two classes, the extremely rich and the extremely poor. Thank God for those between the two, the middle class that yet love justice and know mercy. At the worst, protection can do no more than to shut us in and shut out all the world. Our Republican friends, many of them honest, boast of prosperity under protection. Our prosperity must come from what we make ourselves or what we take from others. We do not get it by taking it from the rest of the world. On the contrary, of and within ourselves, we have the resources, the industry, the genius, and the character that, in spite of greed and the burden of a thousand kings, make us prosper.

STANDARD OIL AND LUMBER.

But, Mr. Chairman, I intend to discuss especially the oil and the lumber features of this bill. When the gentleman from New York [Mr. VREELAND] was defending the countervailing duty on oil provided in this bill, for which he claims the credit or assumes the responsibility, he declared that he only wanted to address those Members who wished to act intelligently and conscientiously, and not those who desired to appeal to prejudice. Those who wished to know the facts; not those who do not want to understand. I shall not assume that the gentleman himself did not wish to know the facts or did not want to understand them. I do not assume, I do not believe that every man connected with Standard Oil is a thief; but I do not and will not shut my eyes to acts done by the Standard or to measures that seem to me shrewdly devised to clothe the Standard with greater power and advantage over the great American public than it has to-day. Let me be fair. The Standard Oil Company has done what, perhaps, 90 men out of 100, if they could, would have done. I am therefore not going into any tirade of abuse. They have availed themselves of the opportunity that they found. They have driven competition to the wall and practically acquired a monopoly of the greatest mineral product in the world because they were able to do it. There are very few men who would not have done the same thing under the same circumstances, but that does not change the proposition that they should not be allowed to maintain that monopoly to the detriment of the American people, if our common sense and strength can prevent it. I do not blame them so much for doing it as ourselves for permitting it.

I wish to state right here that I am one man from a district which produces a commodity upon which he does not seek to impose a duty to the detriment of all the people of the United States. I will go further. I myself have some of what is called "independent production." I would rather shut it down than to impose a burden of hundreds of millions of dollars upon all the consumers of America for the benefit of one gigantic monopoly, even though I myself should profit by the deal. I know something, from practical contact, of the operation of the Standard Oil. It has been stated that the Standard Company produces only about 20 per cent of the crude oil of this country, while the independent produces the rest. The gentleman from New York says in former times the Standard produced some 35 per cent of the crude oil, but they have lately gone out of the producing field and confined themselves to buying, refining, and marketing. He is right. In the early days the Standard had to produce in order to obtain the great supply they needed, but they have discovered two things; first, that exploiting for oil costs vast sums of money, frequently without any return; and as their power grew they discovered, second, that they could control the entire product without the necessity of taking chances on boring dry holes. The so-called "independent producer" does that for the Standard free of cost to it. Since this latter discovery, the Standard wisely refuses to exploit for oil at all, and I doubt if you can find where they have drilled a well in unproven territory for years. What we call "wildcatting" is done wholly by private individuals or little corporations, but the very minute a wildcat well in any part of the earth is begun the Standard has its representatives on the ground taking note, and when the well is complete the Standard has a full log of the well, with a fair estimate of the reasonable cost of drilling and the output of the well. As each succeeding well goes down the same thing is true, and when enough wells have been drilled to justify the laying of a pipe line and the erection of large steel oil tanks, the pipe line is laid, the tanks erected, and contracts entered into by which the original wildcatter delivers his oil into the pipe line at a price fixed by the pipe line alone.

I hope if there are any Members here whose constituents are some of these so-called "independent oil producers" they will bear these facts in mind. When the field is in this condition, it may be that for a little while the private well owners struggle against fate and endeavor to market their products, but sooner or later they come to find that every field they approach is preoccupied by some present power which is ready to under-

sell them in that market, and if by fortune they make a few contracts of sale, ere long their customers are taken from them by cheaper prices, and in the end the private well owner finds that it is best for him simply to submit and deliver his oil into the pipe-line company at his home, whatever name it goes under, and accept whatever price that pipe-line company arbitrarily sees proper to give him. The Standard Oil Company is thus the owner from the beginning, not of 20 per cent, but of 90 or 95 per cent of all the crude-oil production. [Applause on the Democratic side.]

The producer is as helpless as the weaver at the loom to fix the price of his product, because the Standard absolutely, arbitrarily fixes that price for him. The modus vivendi is simply this: The pipe-line company has its pipe line running to every well in a given field. No other company has, no other company dares. The pipe-line company has an office. In that office the head man is prepared to make contracts in writing signed by himself and the private well owner, simply agreeing that the company shall take all the oil from the private well at the price stated in the contract, just so long as both parties thereto are satisfied; that at any moment the well owner may refuse to accept the price named or to deliver the oil, and at any moment the pipe-line company may refuse to give the price named or receive the oil. The result of this nominally mutually free condition is simply this: That the pipe-line company from day to day freely changes the price it will give. At their office window, above the paying teller's head, is placed a card on which every morning the day of the month is written and the price which the company that day pays for oil. Upon sight of this the well owner may, if he sees fit, notify the company that he will not deliver at that price the full tank of oil that day ready for delivery at his well, but the practical effect is he is absolutely helpless and must deliver and accept the price noted on the placard. The result is that the private well owner is no more an independent producer than the man who works by the day or the job for some one who pays him what he pleases and no more. He does and can no more than the other control the price of his output. Sometimes these conditions become so oppressive and unjust that the private well owner attempts to rebel.

He attempts to combine with others, he attempts to lay pipe lines, he attempts to erect refineries, knowing that if he could be permitted to refine his own oil and sell it in the markets of the world for anything approximating the prices charged for the refined product by the Standard Oil or the Waters-Pierce Oil, or any of those companies, commonly deemed aliases of the Standard Oil, that he could make a rich profit, but the private owner finds that by being undersold or forestalled in any and every market of the world to which he may go, the life of his refinery and his own life would soon be made a burden; and so he goes back to the foot of his master with a pitiful surrender and the lowly cry, "Here am I, Lord; do with me what thou wilt." And if the master cuts down his price below the point at which he can realize any profit, like the day laborer on a strike, he simply stops producing. These are the independent producers, of whom I am one, in whose interests the advocates of the countervailing duty on oil and all its products so loudly cry. There is this addition to be made, that after a field has been going prosperously for some time it frequently happens that early producing companies or private well owners find in the field certain individuals buying up the output in gross; that is, trading for all the property of a certain company or producer or all the wells of certain individuals for a lump sum, and these purchasers seem to be closely allied with the great powers that be; and, as I understand it, about the only nominal production the Standard has comes from those purchases made by them, or for them, of flowing wells or interests in proven territory, where they have found it cheaper or more satisfactory to buy "en bloc" than to buy from day to day, even though they themselves fix the price.

Having in his power the interests and destinies of all the private producers about him, undoubtedly the representative of the Standard Oil or the pipe lines can influence those whose oil he is pricing daily to send their petitions in to their Members here to favor this feature or that feature of this bill.

Mr. CAMPBELL. Does the gentleman from Texas think that it would in any way benefit the Standard Oil Company to remove the countervailing duty?

Mr. HARDY. If the gentleman will permit, I have that very subject in view to discuss further along.

Mr. CAMPBELL. If the gentleman thinks it would——

Mr. HARDY. I say I will discuss that. I am not answering the question now, because it comes later in my remarks.

Mr. CAMPBELL. I wish the gentleman also, if he has not already decided to do so, would discuss this phase of the question: If, as the gentleman has stated, it is the fact, and I contend that it is, that the producer is at the mercy of the Standard Oil Company, if he becomes now at the mercy of an additional field, what position does that give him among the oil producers?

Mr. HARDY. Briefly, I will make this statement, that I never knew any way by which a square could become more square; and if we are absolutely at the mercy of the Standard to-day, we can not by any possible condition be more absolutely so.

Mr. CAMPBELL. I have discovered this, that the Standard has always made it an excuse to reduce the price of crude oil when it is found that oil has been discovered in another field.

Mr. HARDY. That is true, and they make other excuses, or no excuses, except that it pleases them, and, in my opinion, the reason they reduce the price of oil in your State to-day to some 42 cents a barrel is not because it is not worth more, but your State is fighting for the establishment of independent refineries. You are passing laws to prevent their cut-throat methods of competition, and you will find their hand laid upon your necks and thrusting down the price of your crude product, and you are helpless because you are afraid to undertake to antagonize and fight them——

Mr. CAMPBELL. We are not afraid to antagonize them, and we have not been afraid. We have antagonized them and we have done the best we could.

Mr. HARDY. I believe it, and I glory in your spunk, though doubtless you are suffering now for it. They will make you regret your fight on them if they can, and this lower price of oil is one of the ways they make you feel their displeasure.

Mr. CAMPBELL. We have established some 16 or 18 independent refineries in the State of Kansas since we have been fighting them.

Mr. HARDY. More power to your arm. Yet your independent refineries must be weak or they would raise the price of crude oil.

Mr. SMITH of California. I want to inquire if any of the independent producers in Texas have made any effort to get together themselves and agree not to deliver oil to the Standard Oil Company unless the price went up?

Mr. HARDY. I have not that in my remarks, but I am glad the gentleman has asked the question. In my home town we tried from year to year to do that, but we found that the men who wanted to make speedy sale for the oil said:

> If we could refine and market our refined oil at anywhere near what the Standard gets for it, we could make an independent fortune, and we know the Standard gets more profit out of it than the gross price received by the producer; but we know that in every market we went into we would find ourselves forestalled and undersold and driven out of the field.

Whether the gentleman from Kansas is right or not, our people were afraid to compete with that great company.

Mr. CAMPBELL. That just shows the difference between the people of Kansas and the people of Texas.

Mr. HARDY. It remains to be seen whether you were wise. The fact is, we, too, have fought the Standard. We have passed, I believe, the best and strongest antitrust laws in the Union, and our attorney-general has prosecuted them and gotten a final judgment against them in the United States Supreme Court for nearly $2,000,000, the most successful fight ever made against them in the courts.

Mr. SMITH of California. Will the gentleman allow me to make a statement as to what we did in California?

Mr. HARDY. I believe I have an hour; I will yield to the gentleman.

Mr. SMITH of California. The Standard ran the price of oil down in our State until it reached 17 cents a barrel at the well. The independent producers were rushing about, every fellow trying to sell his oil. They saw the folly of the situation, and they got together and organized the Independent Producers' Association and absolutely shut down the wells, and now the Standard Company is paying them 60 and 63 cents.

Mr. HARDY. Perhaps you are wiser than the independents of Kansas. You get more for your oil, but you sell it to the Standard, and they fix the price.

Mr. ADAIR. Will the gentleman from Texas yield to me?

Mr. HARDY. Certainly.

Mr. ADAIR. Does the gentleman believe the telegrams and letters that many of us are receiving in relation to retaining the countervailing duty come from the independent producers, or are they inspired by the Standard Oil Company, or do they actually fear the result of the elimination of that provision?

Mr. HARDY. My belief is that the independent producers actually fear it, but it may be that fear was started by the

whisperings of the representatives of the Standard Oil Company. That is mere conjecture, but I have this much to say: In my district there is what is supposed to be an independent refinery, but my people are not urging me with reference to this matter. I know how a shrewd whisper, telling every producer that if oil is admitted free from Mexico it will reduce the price of oil, would affect him. I know how it may come to him from the very man who buys the oil, and these men may think it is true and petition their Member.

Mr. ADAIR. And the gentleman thinks that some are acting in good faith?

Mr. HARDY. I believe all the real independent producers are acting in good faith.

Mr. BEALL of Texas. Will the gentleman yield to me for a question?

Mr. HARDY. With pleasure.

Mr. BEALL of Texas. The gentleman used the phrase a moment ago, "Alleged independent refinery." Does the gentleman entertain a suspicion that the alleged independent refinery might be a Standard Oil company?

Mr. HARDY. I do not know a thing in the world except that when it was first established we thought it was a Standard Oil concern, but no man could put his finger on an act or quote a single word that would prove it. Since then I think it has been reorganized, and it is, so far as I know, independent. You will notice none of my people are sending me petitions to retain this iniquitous countervailing duty.

Mr. BEALL of Texas. Does not the gentleman suspect that many of the so-called "independent refineries" throughout the country are in alliance, at least, with the Standard Oil Company?

Mr. HARDY. I have as much reason for believing that as to believe, from the purpose and design shown in the creation, that there is a God. [Applause.] I know, further, that if the Standard can erect refineries in Mexico and dictate prices there, as they do here, and control the legislative policy of Mexico, as hinted by the gentleman from New York, they will erect tariff walls around every nation and rob each nation in detail and to their satisfaction.

Mr. VREELAND. Will the gentleman from Texas permit a question?

Mr. HARDY. I am afraid that I will not get to the gentleman's argument, and I very much wish to get to that point. In fact, I wish right now to address myself to the gentleman's argument in favor of the countervailing duty on oil. I want to say that the other day we had a clear exposé of the joker in the lumber schedule, and ultimately the admission of the gentleman who drew that little joker of the fact that while it apparently provides for reducing the duty on lumber, it did not reduce it a single particle. I propose to show, and I believe I can show it more conclusively, that the countervailing duty in the Payne bill, here urged solely in the name of the independents, is absolutely for the benefit of the Standard Oil Company and for no one else. [Applause on the Democratic side.] I asked the gentleman from New York the other day practically one question, and that was whether the Standard was not to-day operating in every foreign field, and his reply was that in the end the Standard would control the production in Mexico and other foreign countries, and he went further and stated that Mr. Emery, an alleged independent producer and very hostile to the Standard, who was vigorously for the countervailing duty, was part owner of the greatest oil property in Mexico. Mr. Emery, too, he says, is a large exporter of oil. Please bear this or these facts in mind, as they have a strange bearing on the question involved. The gentleman from New York dwells on and elaborates the fact that both the Standard and its great Democratic foe, Mr. Emery, who is pushing this countervailing duty, have or will have unlimited oil in Mexico. Now, then, why do I say this countervailing duty would benefit the Standard, and the Standard alone?

There is another section of that law that comes in a different place, and I believe it is section 29, and it is called the "drawback" clause. It does not seem connected with oil. It is way toward the end of the bill; but it connects up with the Standard, all right, in this way and for this reason: When we adopt this countervailing duty and this drawback clause, as presented by the Payne bill and urged by the gentleman from New York, nobody in the United States except exporters of oil could ever import a barrel from Russia or Mexico or any other country, because the duty would be more than twice the price of our own oil. The American consumer, if he imported any oil from foreign nations, would have to pay as follows: On oil from Austria-Hungary, $2 per barrel approximately; from Roumania, 50 cents per barrel approximately; from Mexico, $2 per barrel approximately.

On crude oil this is absolutely prohibitive, other nations have similar duties, and this law would be equally prohibitive to the American consumer and nonexporter. But to the Standard and to Mr. Emory, the Democratic supporter of the gentleman from New York, the case is different. They, he tells us, are great exporters. They would get a drawback of 99 per cent of all the duty they paid. The Standard then would be out on every barrel they imported from Austria-Hungary or Mexico only 2 cents. The Standard Oil Company exports from this country every year, according to a statement I have—most accurately stated, as I believe—17,000,000 barrels of oil. They sell to the home trade 13,000,000 barrels. They could very easily import all the oil they wanted to from Mexico, Russia, or elsewhere and pay, at the most, 2 cents per barrel and use that to meet their export trade and use the oil they have already on top of the ground to supply their home trade. Nobody but they, perhaps, knows to-day how many million barrels of oil they have on top of the ground in this country.

They can shut down almost every well in the country tomorrow by refusing to take the oil and still not fail to keep any contract for the supply of either the crude oil for fuel or the refined oil for light that they have on their hands perhaps for the next ten years. They are to some extent interested, possibly, in keeping or continuing to keep a steady price for oil commodities, and so we find it happens now and then that when oil is plentiful in one section of the country they reduce prices in other sections to such a point that production must stop. They do not wish to tax their storage capacity too much. When the oil field was found in Beaumont and oil was sold at 3 cents per barrel by the millions of barrels, the freight cost more than 20 cents to get it to my town, but they reduced the heavier oil in my town to 20 cents per barrel, knowing that by that they would stop production of that oil there, and that that oil would remain stored in the earth for their benefit later when they saw fit to offer a price sufficient to bring it out and had ample time and were ready to store it. What then? The gentleman from New York [Mr. VREELAND] gave me, at my request, these figures and facts. First, he said that the Standard Oil Company went with its agent and purchasers into every new field of the known world. Their agents are in Mexico today ready to jump upon any field that is developed there. They have great properties and great refineries there now. With infinite resources they can go to the man who owns the leases, or to the company formed without much capital but holding thousands of acres of leases industriously procured, and buy all these leases.

Ten thousand acres of leases may be transferred to the Standard Oil Company to-morrow, and then the productions shut down in Mexico as it does sometimes here. What else? The Standard Oil Company knows that no oil can be shipped into Russia without the payment of 2.16 cents per gallon, and so long as they own oil in Russia, as stated by the gentleman from New York [Mr. VREELAND], they do not want any shipped there. They have that oil to refine and sell to the Russian trade, which they buy at their own price or produce there just as they do here. Russia's duty enables them to charge higher prices there, Mexico's duty enables them to charge higher prices there, and our duty enables them to charge higher prices here to the consumer, while the drawback feature of this bill enables them to import oil from Mexico, or anywhere else where they own wells or control the output, if necessary, free of duty, in order to beat down prices to the producer here. This is how this countervailing duty and drawback together operate solely for the benefit of the Standard, and for nobody else, unless it is for Mr. Emery, who is also a large exporter. I have thought that perhaps all the nations of the earth except us were afraid of the Standard, and that was the reason they imposed prohibitive duties on the importation of oil; but it looks more like the other nations, as we are asked now to do, are simply playing the game of the Standard for them. If a field in Mexico were to open to-morrow like the one that was in Beaumont five years ago; if oil was flowing to waste through the gutters in the streets and great ditches dug in order to carry it to earthen tanks; if 100 producers from 100 wells were each anxious to get the oil out of his well before his neighbor, and prices went down to 3 cents and 5 cents and 10 cents a barrel, then the Standard would buy that up just as readily in Mexico as in the United States. They would move all their tank builders there and store it, and lower the price of crude oil in the United States just as much as if the field had been in the United States, and whenever they wanted it import it into the United States at a duty of 2 cents per barrel. But

they do not even need to import it and pay that 2 cents per barrel. They would simply use it to fill their export trade, and fill our home demand with what they already have here.

But no reduction of refined oil to the consumer would take place. I have seen the price of crude oil go down from $1 to 50 cents per barrel, with no change in the price of refined oil. I have seen crude oil go down from 50 cents to 20 cents per barrel, with no reduction in the price of refined oil. Let me state it plainly again: Nobody could bring that oil in, either crude or refined, and sell it in competition with them on account of the duty; but the Standard brings it in, pays the $2 per barrel, and when it ships it out takes back 99 per cent of it. That leaves them 2 cents per barrel out that is paid to the Treasury of the United States. [Applause on the Democratic side.]

Can an independent refiner bring in that oil from Mexico in that way? No; for the simple reason that the independent refiner has not the facilities of transportation. He has not his great ocean carrying freight vessels to take this oil all over the world. He is not poor, but by the side of the Standard he is a pigmy, and any independent company that undertook to transport this oil into the markets of the world, if they began to get on their feet, would find the dirt cut from under them before they ever marketed enough to pay the expense of their carrying vessel.

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

Mr. HARDY. Yes.

Mr. WHEELER. Mr. Chairman, I happen to represent the district in which oil was first found. We were terribly afraid of the Standard Oil Company, and they did drive out the refiners, but now back in my district there are 17 independent refiners not connected with the Standard in any way. I am swamped with letters and petitions to keep that countervailing duty in the bill, and have one now 40 feet in length that I got to-day.

Mr. HARDY. To begin with, I know nothing about the independent refiners in the gentleman's district, but I want to say this: That they never did establish a refinery in Texas under the name of the Standard Oil Company.

They could never establish a refinery, perhaps, in Pennsylvania again under that name, and the independent companies, affiliated, associated, related, and combined all together, get together, and somehow or other the grasp of the Standard never relaxes itself from the throat of the people.

Mr. WHEELER. But these are bitterly opposed to the Standard.

Mr. HARDY. Excuse me; I understand that.

Mr. VREELAND. Mr. Chairman, I want to ask the gentleman if he is not familiar with the report of the Bureau of Corporations, in which a list of the independent refineries is given by name and their location at that time, obtained from evidence the same as the other information in the report?

Mr. HARDY. Yes. Our refinery is noted as an independent refinery at Corsicana, and this has been just the same as the Standard refinery has been. I do not say that it is not independent—I think it is—but I do not think it was some time ago.

Mr. VREELAND. May I ask the gentleman one more question while I am on my feet?

Mr. HARDY. Yes.

Mr. VREELAND. And that is to ask him if he will join in an effort to have petroleum and its products excepted from the operations of the drawback clause of the Payne bill?

Mr. HARDY. Most assuredly I will.

Mr. VREELAND. I want to say for his information that the gentlemen representing the producing and independent refining districts in the House have to-day addressed a letter signed by them to the chairman of the Committee on Ways and Means——

Mr. HARDY. You are going to include with that a repeal of the countervailing duty; let us put it all right——

Mr. VREELAND. We have addressed a letter, as I was saying, asking that petroleum and its products be excluded from the drawback part of the bill, especially for the reason stated by the gentleman that we are afraid the Standard Oil Company will bring in their oil from Mexico and take it to the refineries along the seaports and then get back its payment by the export of that oil.

Mr. HARDY. I do not know what showing there might be in that proposition. I want to wait and weigh and deliberate very well before I know just how I am going to feel on a proposition that comes——

Mr. SMITH of California. May I ask the gentleman a question on that point?

Mr. HARDY. Go ahead.

Mr. SMITH of California. If the provision which the gentleman from New York has suggested were put into the law, then would not the Standard go into Mexico and establish its refineries?

Mr. HARDY. Yes.

Mr. SMITH of California. I do not quite understand the logic that is bringing oil in free and taking it out again now, when the Standard could go down there and get labor cheaper and refine its oil cheaper than it can in this country.

Mr. HARDY. I will have this much to say in reference to that. The Standard Oil Company has a vast foreign trade. If it became necessary for them to manufacture their oil in Mexico and use Mexican oil for their foreign trade in order that it might supply the product cheaper, they could do as the gentleman from California suggested, by simply refining and exporting from Mexico, and in that way stop all their exports from this country and bring the price to the crude producers down with their present supply here and hold the price to the ultimate consumer up with their monopoly here, because with the high duty on imported oil under this bill no consumer could import it.

Mr. VREELAND. Will the gentleman permit me at that point? I will tell why it will be an advantage to us, because the Mexican oil at present, of which it has vast quantities, is like the Texan oil. Its quality is so low that it is not suitable for the export trade without being mixed with better oils of the United States; therefore the Standard can not refine Mexican oil to advantage alone any more than it can the Texan oil without mixing in the better oils that come from other States.

Mr. HARDY. I want to say that I heard the gentleman say something about the Standard Oil Company selling inferior oil that darkened the lamps in foreign countries and only water white in the United States. They sell a different oil than that down in Texas; they sell an oil which is not what it used to be. I think it is an inferior oil, but they sell it at the same price as your water-white oil. The Standard appears to have the absolute power to fix the price and quality of the oil as they sell it to the consumer and the price of the oil as they buy it from the producer.

Mr. SMITH of California. That is not true in California. Now, does the gentleman know whether the Standard has brought oil into this country from Mexico or any other country, refined it, exported it, and got its drawback?

Mr. HARDY. I think the Mexican oil field is a pure figment of the brain, based now upon the prospects that are there. There may be oil fields there, but there is very little of it barreled and possibly not a barrel of it shipped. It may be like the Beaumont field, that had a year of absolutely unlimited production; and if it were in this country I would call it a blessing to the people of our country that the wealth of nature was bestowed upon them. It is a strange thing to me that if there should be a boon of nature granted, we would want to cut our people off from the use of that fortunate gift of Providence and say that, though the oil were flowing in Mexico as freely as the waters of the Mississippi, we did not want the people of this country to get any of the benefits because we might have some oil producer in Texas or California or Pennsylvania who could not get as much for his oil. I have got this to say, for me and mine, that should God give us limitless supply of oil for a time, at least, in Mexico, I would be willing to shut my oil in the ground for a while and let that cheap oil come into the United States just as it would in all the balance of the world. [Applause on the Democratic side.]

Mr. SMITH of California. If it came in from Mexico cheap, and came in through the Standard, as you assert, would not the people get it cheap?

Mr. HARDY. I hope so, but I doubt it. In fact, if nobody else could import it, as I have shown, under this law, I hardly hope so.

Mr. SMITH of California. The gentleman does not think so, though.

Mr. HARDY. It certainly would not cost any more, if duty free.

Mr. SMITH of California. The gentleman does not think the Standard would give the people the benefit of the cheap oil, does he?

Mr. HARDY. I think if we passed the Kansas law, which I asked the gentleman about the other day, if in our righteous efforts to do something to break the throttling hold of the Standard, we will make it a crime for them to sell cheaper in one community than they do in another, in order to break down competition and to crowd out competitors, we may get cheaper oil.

Mr. CAMPBELL. Will the gentleman permit me? Why does not the State of Texas emulate the example set by the State of Kansas?

Mr. HARDY. My friend has put to me a question that involves my undertaking to tell him why human nature is human nature. I know we have been passing antitrust laws, perhaps the best of any State in the Union, and we have made the most successful prosecution under that law of a branch of the Standard Oil, but still I think your law, which I referred to, most peculiarly fits the case of the Standard. I know to-day that men here are mixed and confused upon every schedule of this tariff bill. I know it sometimes takes a long time to establish the simplest principles of truth and right. I know that so far as I am concerned I will do all I can to get this Congress to pass your Kansas law.

Mr. CAMPBELL. Does not the gentleman think it would be easier to educate the people of Texas than the people of the whole country?

Mr. HARDY. Well, I am going to do my best to educate them both. I know that a federal law will do more to break up interstate monopolies than any one State can. I hope I can do something along that line; and if the gentleman from Kansas will aid me, we will make it so warm, if we can get enough aid to do so, for the monopolists and the combinations that are crushing out the little interests all over this country that we will give some little opportunity for independent enterprise to live in the future, as it has in the past. [Applause on the Democratic side.] The time is coming when independent enterprise will not exist; but, as was said by Mr. Hoar years ago, aggregations of capital are getting control of all the great interests and industries in this country, and the little man must turn his face to the wall or bow in meek submission to the will of the greater ones. One thing more, Mr. Chairman, about this oil duty. It is the climax of protection. The Standard and Mr. Emery, two of the largest producers of oil in Mexico and in the United States, are asking that they be protected against themselves; that in Mexico they be protected against their own production in the United States; and that in the United States they be protected against their own production in Mexico.

It seems to me that what they want is simply to be permitted to dictate prices both to Mexico and to the United States.

I want to say one other word; that is, that not only your countervailing clause, but the drawback clause, applies not only to the Standard, but to the beef packeries. They are fixing the price of our cattle in this country. The cattle raiser can not import cattle for his benefit, but the beef packer and exporter can import them from Mexico, and just as soon as he puts them into beef and ships it abroad he gets his drawback.

Your packers in Chicago can import all the beef they want from Mexico and pay no taxes on it that they do not get back. Not only that, but your laborer pays the tariff on his tin dinner pail, but the Standard Oil Company and the beef packers pay no tariff on the tin that they use for putting up their packages. The provision as it is found in the Payne bill is worse than it was in the old law. Under the former law the manufacturer would have to identify the material he had imported as the very same he exported before he could get the drawback. When the Standard Oil used the tin it could not get the rebate until it traced each can of kerosene leaving the country. But now it imports a million barrels to-day, using it to compete with home production and to depress the price of the home market, and if at any time within three years it exports another million barrels of oil it gets back all that it has paid. The Standard Oil Company imports tin for any uses it sees proper to put it to, and then if it exports oil in tins in three years it gets back that much tariff. The packer imports beef cattle and uses that beef to depress the markets of the cattlemen, and if in three years he exports so many cans of beef he can get back all the tax he paid on the tin and all he paid on the beef. Your bill is to help the Standard Oil Company and the packers, but you forget the laboring man and his dinner pail. [Loud applause.]

Mr. Chairman, I do not know whether an academic discussion is worth a cent in this matter. I do not know whether the interest of the consumer, who never comes before your committee, is worth being discussed in this matter. I do not know whether it is worth while to discuss the interests of the farmer, who stays down yonder and pays twice as much for his farming implements as the farmer in Europe pays for the implements that are manufactured in this country. I do not know whether the bending sewing woman in the hovels of New York, in the dark hours of the night, who undertakes to eke out a miserable existence by sewing, is worth considering in this matter. I do not know, Mr. Chairman, what it is that is worth considering in this matter, except the bickerings of the favored interests, which would fight each other but for the fact that they must fight their common enemy, the common people of this country. [Loud applause.] I can not tell, but I am fearful that you have got something at last to divide the South. The tenth district of North Carolina sends now a Republican Member, because she has got some lumber and maybe some factories. If I had time I would talk a little about lumber. At the time the gentlemen were talking about there being no lumber trust, I remembered the time when a large owner of stumpage in my State came East, and when he returned it was reported that he had borrowed some $40,000,000 to develop Texas.

I knew that, just after that time, a price list of lumber was made up by a syndicate in St. Louis and sent out to retail lumber dealers. I knew that that was being done, as I had retail men show me that price list. It showed, for instance, that this month there was an advance of 50 cents all around on last month's prices, and the next month's circular would show, perhaps, an advance of a dollar, and in five years the rise on lumber from the time that our great financier had borrowed the money, was about $9 per thousand, on the average, and I had to pay, instead of $18, $20, and $22 per thousand for lumber, as high as $45 per thousand. What was the cause? It could not be on account of the wages, because the little mills were paying, thirty years ago, as high wages as are paid to-day, yet they sold lumber at $8 that sells for $18 now.

I know that I saw these circulars, and that the retail lumberman who brought them to me told me that since they sent these circulars out every retail dealer must buy all these materials at a price, and each large mill had the same price. It may have not been a trust. I do not know. In addition to that, when our state railway commission undertook to reduce the freight rates on lumber to points in Texas, the railroad men of course opposed it, and appeared before them for that purpose. But it was a strange fact that the big mill men who had the lumber to sell also appeared or were represented with the railroad men and opposed the reduction of rates on lumber to points in Texas. I can tell you now that my home is 294 miles from Beaumont, and the freight rate there is 18¾ cents a hundred pounds on lumber, and they ship the same lumber to Memphis at 16 cents. They ship it to Cairo at 17 cents, and 17½ cents to St. Louis. Now, what was the trouble? It was not that these lumber mills had their industries or interests injured by it, but they had made terms with the railroad; it was the railroads that gave them cheaper rates to the great corn belt in the Middle West, enlarging their market.

If they could have supplied nothing except Texas, they would have flooded that market and lowered prices or stopped production; but if they could get for a market the whole Middle West, they could saw all the pine in the State of Texas, raise the price higher and higher each year, put money in their pockets and destroy the patrimony that belonged once to the people of Texas, while they rob the home builders of my State. No wonder, then, they came with the railroad men to resist the reduction of freight on lumber to points in Texas. I do not know what it means, but I see that a great railroad man is here to-day, Mr. J. J. Hill, and it is said he is probably interested in the lumber question. He is helping the lumber men fight their battles in this city to-day. I want to say that when the lumber of my State belonged to my people we did not ask for protection. The little mills sawed our lumber and sold to us at reasonable prices. But eastern capital owns it to-day, strong hands have it in their possession. They are organized to help their cause, and they profess to need protection here while they sell our timber in lands abroad and compete with the world. What do they care if another generation gaze over a dreary waste, provided they have their millions?

APPEAL FOR JUSTICE AND MERCY.

My countrymen, I do not want to make any attempt at discussion in detail; but it is time for us to think of the people. We talk about there being no poverty, no hard times here. There may be sunlight in Washington, the State from which Mr. CUSHMAN comes. There is sunlight on my farm down yonder, where the dark-colored descendants of Africa work from day to day. They do not beg; they do not suffer for shelter or for bread. But when, after midnight, I walked through one of the open squares in New York City late in October, at 3 o'clock in the morning, I saw gathered on those benches the ghost-like figures of five hundred or a thousand people. Walking among them were the guardians of the night, the policemen of the great city, to see that order was maintained; and then, for the first time, I saw the daily newspaper used for a purpose I never had seen it used for before. Those people were without overcoats, and around their bodies they were pinning the sheets of the daily

newspapers to keep in the warmth and keep out the chilly night air. I was told that some of them were worthless and some were unfortunate; but all were like the Son of Man in that he, too, had not where to lay his head.

It may be that the Democratic party is dreaming when it talks of justice to the consumer and mercy to the poor. Aye, it may be that the fight is a lifelong one for Democracy and for me, and we may be hopeless. Emmet asked that his epitaph be written after Ireland was free. Hamilcar took his two sons and swore them on the altar forever to fight the ambitions of Rome. Ireland will be free some day. America will be relieved from the throttling grasp of greed some day. My countrymen, as I looked upon those people who were shelterless in the great city of New York I thought of all the dreams which men have dreamed—of Bunyan, who dreamed in colors of the sunset of Christian and of Faithful; of Rousseau, who dreamed of equality; of Jefferson, who had dreams of a republic of equal rights to all and special privileges to none—but it seemed to me dark, dark, and hard to hope for equality between men until they found it in the grave. I looked again on those chilled and restless sleeping and sometimes feebly groaning ghostlike forms and thought of Browning's lines:

God's in his heaven; all's well with the world.

This is the philosophy of the Republican party: "This country has prospered; let it go on in the old way." But it seemed to me as I looked, all is not well with the world. We will dream still of a better world and, as God would have us, we will work to destroy the dragon of all-conquering greed and still keep up the struggle for equality among men and equal rights to all mankind. [Applause on the Democratic side.]

I know it has been said that academic discussion of the tariff now is wasted, but I do not believe so. The tariff issue now is not altogether what it was one hundred years ago nor what it was twelve years ago. One hundred years ago protection was a question of being willing or unwilling to foster and maintain a struggling babe in industry against the greater resources of the same industry in the Old World so that the infant might grow in strength and become capable of self-preservation. There was no question of trust and monopoly entering into it. To-day the questions of tariff, transportation, and trusts are so related to each other that each involves the other, and altogether they constitute the greatest and livest subject for political study and governmental action of this day and generation. They involve the problems of capital and of labor, the questions of the rights of property and the rights of man, of personal rights and of vested rights, of socialism and of individualism. Apparently remote from my subject, but really closely connected with it, is the fact that special privilege is the most universally existing evil of all the ages, and equal rights to all, equality of opportunity, the good most desired and hardest to obtain since the beginning of human history. Privilege likewise is the chameleon of civilization, changing its hue and form with the change of tide and the temper of the times. It was born in the dawn of history, when the shepherd ordered his household and kinsmen and they obeyed, when Abraham and Lot divided their flocks and separated their servants, and looking, one to the south and the other to the north, were lords of all they surveyed. That old civilization reached its crowning glory or shame of privilege when the pyramids grew on the banks of the Nile and taskmaster bade the toilers make brick without straw and made them build treasure cities for the Pharaohs; then came revolt and flight of the bondsmen to a new world, the land of promise. For a while the Judges ruled in Israel under the laws and by the laws given by Moses, and maybe the people enjoyed something like equal rights, but privilege was not dead.

When the unclean spirit is gone out of a man he walketh through dry places seeking rest, and finding none, he saith, "I will return unto my house whence I came out," and when he cometh he findeth it swept and garnished. Then goeth he and taketh to him seven other spirits more wicked than himself, and they enter in and dwell there; and the last state of that man is worse than the first.

Soon the Israelites demanded—of course, it was the people demanded—that they be given a king; and then lords and princes and kings and privilege returned and oppressed and enslaved, as they did in Egypt. In the valleys of the Euphrates, the Tigris, and the Ganges the same thing happened, and the masses toiled and bowed their necks to the yoke of the few. Amid the Scottish hills the Highland chief and in our western forest the Indian chief bore sway. Perhaps in all these phases of privilege the most kindly was that of the patriarch and the chieftain, because the ties of blood and family and personal relation softened the edge of selfish greed and thirst for power. The Spartan mother rejoiced in the freedom and manhood of her son, and Grecian philosophers and statesmen prated of liberty and equality; but intellectual Greece submitted, too, to the tyrants, and the eloquence of Demosthenes quailed before the power of Philip. The Roman dethroned kings and established a republic, but the Patrician arose, and the people followed in the train of this powerful man or that, till a Cæsar grasped in a single hand all the powers of state, and statesman, philosopher, poet, and people groveled at his feet and trembled at his frown. Freedom had been won and lost; equality had been proclaimed and forgotten. The middle ages had their feudal systems, and, professedly, privileges abounded under the names of "knight," "earl," "baron," "duke," or "king." In the cities the transformation of the lowly, stigmatized tradesman into the merchant prince began, and the power and privilege of wealth, pure and simple, cold and bloodless, grew. Conflicting greed fought itself; castle was defended against castle; baron warred upon king and king warred against baron, while the people struggled under all for some breath of liberty, some lessening of the burdens which they were made to bear in order to provide feast and fine linen for their lords and masters. Everywhere, in all the ages, this struggle of the masses for something better has gone on, sometimes with almost expiring groans; but it has continued everywhere in all the ages.

But everywhere and at all times self-interest with sleepless vigilance has prompted, and superior strength and cunning has enabled the few to grasp and hold privilege and power and to rule. Titles, crowns, lordships are but names for privileges. Here the names are gone, but the struggle between the people and privilege still continues no less vigorously, no less viciously than in ages gone. Equality seems to be only the dream of the philosopher, the Utopia of the poet. We in 1776 declared there should be no more patriarch, chieftain, lord, or king. All men were and should be equal. We tore off the coronet and the crown and cried "Down with the tyrant, up with the man." We shouted "Eureka." "America, the land of the free." "All men are equal." A Cæsar would not, should not be king, and yet ere eight years of government went by shrewd scheming men had found a way to ride on the backs of their fellow-men and this way was through privileges by protective tariff. As the decades went by, under its baleful shadow we grew more and more to be man and master. We abolished slavery, but in the very doing of it we welded more strongly the fetters of the protective tariff. We added more rungs to that ladder up which the favored few may climb. We enlarged the favored classes and doubled the burdens upon the backs of the patient people. We have not found Utopia, but poverty, want, and hunger stalk in the land by the side of power, privilege, opulence, and ease. The king cares now in no fatherly way; in fact, cares naught for his subject except for the shekels he wrings from his sweat. The chieftain and the baron now feel no affection for the scowling toiler from whose labor he wrings the tribute that builds his palace and mans his yacht. To him the laborer, the toiler, his vassal is but a thing, and did I but judge all the future by all the past, I could but declare that all men are equal and all men will be equal only in the grave, for privilege to-day is more strongly intrenched, more impersonal and selfish in its power, more cold and cruel than ever before. But, thank God, the indomitable spirit that prompts the everlasting struggle for freedom is stronger than ever, and for one like Hamilcar of old, who swore his children on the altar of his country to eternal hostility to the dominion of Rome, I intend to swear my children to eternal hostility to the foul dominion of the tariff and trust masters of the world.

Bold as the statement may seem, I would not have dared address this House on the general question of protection if I did not hope to add some thought that is new to all that is old and has been so much better said before. The debates of this House show that greed, everlasting greed, grows on what it feeds upon, and that "the eyes of man are never satisfied; therefore hell and destruction are never full." Instead of infant industries in new countries seeking protection against powerful competition, against which, unaided, competition would be hopeless, we have all powerful industries in old countries and in new countries asking for protection, each against the other and all for tribute from the balance of mankind.

Despotic Russia, imperial Austria and Germany, republican France, and free Mexico are protected as we are. All over the world trust magnates are praying for protection and the privilege of riding their fellow-man, and artificial barriers against trade are raised at the borders of all lands not to bless, but to curse the common people.

All the nations of the earth, if the doctrine of protection prevails, must finally divide, not with a view of mutual help and international comity, but with a view of mutually striving to overreach one another. The far more important subsidiary

proposition to that is that in this international warfare and struggle the great, the powerful, and favored of each nation are to be the captains and commanders of the forces. They are to marshal their hosts and fight their battles for their own special benefit, and they are to support their cause by gathering tribute in each nation from the great masses who do not participate in their victories or in the spoils of their battlefield. France levies a tariff on everything that her wealthy factor makes, either for consumption at home or for distribution abroad; Germany does the same; Russia, Italy, Austria, and America likewise; so that the home peoples of all these nations must pay to their manufacturers, not what commodities can be reasonably produced for, but just what consumers can be forced to pay for them. The tariff baron is no more a patriot in France or Germany or Russia than here. He is cosmopolitan; his wealth is international, only he must extort it by provinces. One levies tribute on France, another on Germany, and another on America; but they gather at Rome and spread their feasts and mingle their wealth above the flags of nations.

I have tried to grasp clearly just what modern protection means. France and Germany are not trying to protect their high-priced labor against the pauper labor of America. France and Germany are not giving young and weak industries a chance to start. In all these nations and in ours, two facts give protection almost invincible strength. The first is, it is a stealthy way to raise enormous revenues and support extravagant administration. The second is, shrewd wealth has found that by it the protected industries, if they will combine, instead of fighting, can levy all the tribute they ask on the unprotected consumer. But these two reasons are the last to be publicly proclaimed. Protectionists here and everywhere are growing rich off of the high prices they are getting from their people at home. All of them have, like us, greater internal than foreign trade, and they persuade their unprotected classes that if they can make everything at home competition will keep down the price of manufactures, and that the little man—the chicken raiser, the truck farmer, and the like—will get a higher price in the home market for his product, and the clerk, the miner, the laborer, will get higher prices for his labor. Reduced to its last analysis, we have the wonderful, but new and up-to-date position of all these leading nations to be this—that each nation must produce all that can possibly be produced at home, whether it can be produced with ease or difficulty, with great or little expense, and that they must trust to competition among home manufacturers to keep down prices, and only sell abroad what they can not sell at robber prices at home. The selfish interests of France, Germany, Italy, Austria, Russia, Australia, Canada, and all the islands of the sea in the Old World and the new, have seen the beauty of this scheme.

England stands alone and firm as yet among the great nations of the earth against the greed of the selfish interests. She knows, and we know, too, that she can not enrich herself by trading with herself, and that she can not hold the markets of the outside world unless she can undersell the outside world, and she knows and we know that she can not undersell unless she can produce cheaper; but, more than that, England knows that if while not holding the markets of the world, she raises her home price above what is reasonable and makes the manufacturer's profits great thereby, that what she gives to the manufacturer she must take from the consumer, and we know this, too. England knows that while it may enrich a favored few, it does not add to the national wealth to take from one man or one class of her subjects and give to another. We know all this, too, and the other protection countries know it, but the loud-mouthed clamor of the favored interests dins in the ears of the people and drowns the loudest shouts of reason. They shout: "Look what great wealth we have accumulated! What wonderful progress we have made!" We have accumulated great wealth; we have made wonderful progress. Protection does not make one stroke of the ax cut less deeply, one ear of corn grow less full; does not shorten the lint of one lock of cotton, or injure the fleece of one sheep or the hide of one, or lessen the speed of one shuttle or the output of one loom. We can and do produce just as much and just as easily as we could if no tax were on us.

We could produce just the same if a tariff wall or a rock wall a thousand feet high were around us, but with that wall combinations and trusts can be more easily formed, and the boasted wealth of America shows that with virgin soil, with vast stores of mines and forest; with water, steam, and electricity to turn our spindles and oil and coal to fill our furnaces; with brain and brawn and sturdy industry we can and do produce more than any other people in the world, but we also see a strange distribution of the aggregate wealth produced. Through the tariff protection the first inequity was produced and the favored industries grew wealthy out of proportion to the prosperity of the rest of the people. Then came the power of steam, and transportation by water and by rail opened up a field not second to but superior to protection for the exercise of favor and the granting of privilege. The knight does not ride booted and spurred upon the mettled steed as of old, but the tariff baron, the trust magnate, the transportation lord sits in his gilded chair of state borne on the patient shoulders of the common man. The king is dead! Long live the king! Privilege is dead; privilege is alive again.

When the unclean spirit is gone out of a man, he walketh through dry places seeking rest, and finding none, he saith, "I will return unto my house whence I came out," and when he cometh he findeth it swept and garnished. Then goeth he and taketh to him seven other spirits more wicked than himself, and they enter in and dwell there; and the last state of that man is worse than the first.

APPENDIX.

To illustrate the Payne bill as compared with the Dingley law, I give this extract from the Washington Times of April 2:

HOSIERY SCHEDULE CAUSING TROUBLE.

It may be worth while to set out graphically the comparative duties imposed by the Dingley and the Payne bills. They are:

	Duty per dozen pairs.	
	Dingley.	Payne.
Cotton stockings, hose, and half hose, valued at not to exceed $1 per dozen pairs, 15 per cent ad valorem and also	$0.50	$0.70
Same, valued at $1 to $1.50 per dozen pairs	.60	.85
Same, valued at $1.50 to $2 per dozen pairs	.70	1.00
Same, valued at $2 to $3 per dozen pairs	1.20	1.50
Same, valued at $3 to $5 per dozen pairs	1.50	2.00

STRIKES THE POOR.

An advance all along the line, it will be observed, but heaviest on the cheapest grades—the ones the poor must use. Now note that when they get up to the stockings of the rich—"valued at more than $5 per dozen pairs," the bill says—the Payne bill makes no increase. The duty on these classes of stockings was 55 per cent under the Dingley and is continued at 55 per cent under the Payne measure. No increase on the stockings of the rich, but a rich increase on the stockings of the poor.

The way it works out is interesting. On the cheapest stockings the bill contemplates, costing $1 per dozen, the ad valorem tax would be 15 cents, plus a duty of 70 cents; total, 85 cents on a $1 purchase; that is, 85 per cent ad valorem on the poorest classes of stockings, against 55 per cent on the most expensive.

But the Members of the House will not get a chance to vote on it. The managers of the House have an idea that this increase of the taxes of the poor, while those of the rich remain stationary, would get a black eye; so there will be no vote.

To illustrate Standard Oil methods of destroying competition, which ought to be prohibited, I give this extract from argument of the government counsel in suit now being tried in United States court:

ALLEGED PRICE CUTTING.

Mr. Morrison described the various phases of alleged price cutting in which he declared the Standard indulged to put an end to competition. In many large cities, the attorney said, the Standard cut prices until it operated at a loss. This loss was made up, he explained, by higher prices obtained in adjacent towns, where no competition obtained. Many concrete examples were cited, including that of Springfield, Mass., where the business was conducted at a loss. In Fall River, Mass., a few miles distant and without competition, a profit of over 2 cents a gallon was made, more than equalizing the loss at Springfield, he declared.

Mr. YOUNG of Michigan. Mr. Chairman, the Committee on Ways and Means have had a most difficult task to perform. On the whole, I believe they have done well. They have tried faithfully to meet the demands of the country for lower duties without injuring any American industry or endangering the revenues of the Government. The committee is to be congratulated and the House and country are to be congratulated upon the fairness, the industry, and the wisdom which they have brought to their arduous task.

As to the bill itself, there are some features of it about which I feel a good deal like the man who said that he had not been as great a success in life as he expected and he never thought he would be. This bill has not been as satisfactory in some of its features as I expected, and I never thought it would be. [Laughter and applause.]

In the first place, a tax on tea and coffee seems to me not the ideal way of raising a revenue from a Republican standpoint. In some matters I believe the committee has pared too deep. I

do not understand upon what principle lead and zinc ore are placed on the dutiable list with high duties, and hides and coal and iron ore are placed upon the free list.

And let me say that I do not understand that kind of Republicanism which demands a prohibitive duty upon barley and hides and also free lumber and free iron ore. I do not understand that kind of Republicanism which demands a duty of 12 cents a pound on grease and dirt and 30 per cent of wool, and then, on "great economic principles," demands free lumber. For my part, I am willing to vote for full and adequate protection to the wool of Ohio and to the rice of Louisiana. I am willing, if I have an opportunity, to vote for an adequate tariff upon hides and upon coal, and I believe that there should be an adequate duty upon iron ore.

My belief in the doctrine of protection is not bounded by the confines of my district, but extends through every part and portion of the United States. [Applause on the Republican side.] I am not one of those protectionists who wish everything in my own district to be protected and regard with indifference the baring of the industries of all other districts to unlimited competition. Neither do I belong to that class of free traders who loudly demand free trade for the country at large and a prohibitive duty "for revenue" on peanuts, lumber, rice, or whatever their own districts happen to produce. Neither am I willing that the industries of my own district should be left like the shorn lamb, defenseless against the storm of unlimited foreign competition, while other industries are amply protected.

I would give, if I had my way, a fair and equal share of protection to every industry in this country which is in need of it.

My present criticism deals with the subject of iron ore. Under the Dingley law iron ore was subject to a duty of 40 cents a ton, with a rebate on Cuban ore of 20 per cent, leaving a net duty of 32 cents a ton as against Cuba. The present bill removes that duty altogether. This is a serious matter to one of the great industries of my State. How serious it is thought to be may be seen from the fact that it is the only subject in relation to the tariff upon which the legislature of Michigan has seen fit to act.

I hold in my hand a resolution passed by the legislature of Michigan calling upon their representatives in both Houses of Congress to use all honorable means to cause a restoration of the duty upon iron ore. I will not take the time of the House to read it, but I will insert it in the RECORD.

One of the principal reasons urged for placing iron ore on the free list is the assumed fact, based largely on some loose statements of Mr. Carnegie at the first conservation congress, that our supply of iron ore is approaching exhaustion. No greater mistake could be made. Instead of a scarcity of iron ore the amount known to exist in this country is so enormous as almost to stagger belief. A careful estimate, based upon examination, borings, and careful calculations made by the Geological Survey within the last two years, under the direction of Prof. C. W. Hayes, which is now in the hands of the printer and will soon be accessible to all, shows that the amount of iron ore known to exist in the three States of Michigan, Wisconsin, and Minnesota alone aggregates the enormous amount of 276,000,000,000 tons. This estimate is confined to three States. It takes no account of the great bodies of ore in the South and in the Rocky Mountain regions. It does not include the ores of New York, New Jersey, and Pennsylvania. Of course, much of this ore is too low in metallic iron to be commercially available at the present time, but all of it included in this estimate contains at least 30 per cent of metallic iron. Ores of the same iron content are being used to-day in Germany, and all these ores will be used here later on.

Mr. UNDERWOOD. Will the gentleman allow me to interrupt him a moment?

Mr. YOUNG of Michigan. Yes.

Mr. UNDERWOOD. I just wanted to suggest that the average run of the ore that is used in the Birmingham district is 33 per cent in metallic iron.

Mr. YOUNG of Michigan. That is true. So I say from what we now know of the vast deposits of the South and West, that a mining engineer who would risk his professional reputation upon the statement that there was in continental United States less than one thousand billion tons of iron ore capable of being used in time in the manufacture of iron would be a bold man indeed. As I said before, owing to commercial conditions a very large portion of this ore is not at present commercially available. It is the part of wisdom to encourage the use of the low-grade ores as a mixture for the richer grades; but if we are at this time to put our ores into direct competition with the rich and inexpensive ores of Cuba, only the very best of our high-grade ores can be used at all until the Cuban ores are exhausted. It is far wiser to conserve a portion of the higher grades by utilizing some of the lower grades.

But this can not be done under a policy of unlimited foreign competition. That policy will lead to the exhaustion of all the high-grade ores, while the lower grades will remain untouched. The same principle applies to iron ore that applies to lumber.

The district I represent comprises the entire northern peninsula of Michigan. It contains all of the iron ore found or likely to be found within that State. Since the beginning of the industry there have been mined and sent to market from this district 210,657,126 tons of iron ore. Its present known supply remaining is fixed by Professor Hayes in the statement that I have mentioned at 135,000,000,000 tons. Only some three hundred and odd million tons of this ore are at present commercially available. Although we have beeen mining in that district for more than half a century, the new discoveries have more than kept pace with the exhaustion. The amount of ore commercially available now known to exist in that district is greater than at any previous time in its history. This is true of every large iron-producing district in the United States.

Iron-ore mining began on the Marquette Range in the early fifties, and on all the Michigan ranges many years ago.

The exhaustion of these ores seemed so remote that stable communities have grown up around the mines. This industry in my district alone supports more than 100,000 people. Their business is entirely dependent upon the mines, whether connected with them directly or not. Thousands of miners own their own little homes. They have generally received fair wages. They are a thrifty, hardy, industrious, law-abiding people. What they have saved has been invested, for the most part, in the towns where they live. The transfer of the iron-ore industry, in whole or in part, to Cuba or other foreign country would mean to them serious loss and in many cases financial ruin. The same is true of the mechanics and the smaller business men and the owners of real estate in these towns. Their living comes directly or indirectly from the mining business. It is for these people that I am primarily interested. The great corporations, like the Steel Corporation, the Cambria, the Pennsylvania, and the concerns of that class, can all protect themselves by the purchase of Cuban mines. Some of them have done so already, and I have no doubt that all are trying to do so, and that all will succeed. They will not be seriously hurt; but what of the little communities that have grown up about these mines? They are entitled to some consideration from the Republican Congress of the United States. [Applause.]

To them the subject of the tariff is a vital question. It has been urged by some, who have only a half knowledge of conditions, that our mines are of such character that we can defy competition from all parts of the world. This is a mistake. None of the mines of Michigan are steam-shovel propositions. They are all deep mines. In some of them it is necessary to go down from 700 to 1,000 feet before the ore is encountered at all. Some of them are more than 2,000 feet in depth. To support the walls and roof of these mines great forests of timber are necessary, and this entails a great expense.

Mr. William G. Mather, who testified before the Committee on Ways and Means, and is a most competent and trustworthy, though interested, witness, fixes the—

	Per ton.
Cost of mining in the entire Michigan district at	$1.3846
Royalty	.3309
Transportation, rail and lake, to Lake Erie ports	1.2344
Administration, expenses, commissions, etc	.1096
Total	3.0595

Making a total cost at Lake Erie ports of $3.0595 per ton.

Judging from my own familiarity with this subject, I have no doubt as to the substantial correctness of these figures.

Mr. Mather fixes the average freight rates from Lake Erie ports to the furnaces, where the ore is used, as follows:

	Per ton.
Mahoning and Shenango Valley points	$0.65
Pittsburg and vicinity	1.05
Other western Pennsylvania points	1.25
Points east of the Allegheny Mountains	1.50

I think these figures are not far from correct, though they may be a trifle higher than those prevailing during the year 1908. This would make the cost at the furnaces as follows:

	Per ton.
Mahoning and Shenango Valley points	$3.71
Pittsburg	4.11
Other western Pennsylvania points	4.31
Points east of the Allegheny Mountains	4.56

Judge Gary, who testified before the Ways and Means Committee, fixed the cost of the ore of the Steel Corporation which was mined from the ranges in Minnesota, as well as those in Michigan, at $2.88 at Lake Erie ports, or about 18 cents less than the Michigan ore cost. This is probably correct for his company, which has unusual facilities for cheap mining, but it must be remembered that the ore from the Minnesota ranges is a little lower in quality than the Michigan ore, and that the freight is greater from the Minnesota mines than from the Michigan mines, so that the Michigan ores compete on equal terms with the Minnesota ores at Lake Erie ports and at eastern points.

Of course ore can be delivered at Lake Michigan and Lake Erie ports at less money per ton than it can be delivered in Pittsburg. But the coke costs enough more at Chicago and Lake Erie ports than it does in Pittsburg to entirely make up for this difference, and perhaps a trifle more.

And right here I wish to say a word about the item of "depreciation," mentioned in the cost of iron ore in Judge Gary's statement. On the first day of this debate the gentleman from Alabama [Mr. HOBSON] asked if depreciation was a legitimate item in the cost of iron ore in addition to the royalty paid. To this the gentleman from New York replied that he thought not. Both gentlemen, I think, misapprehended the facts.

With a very few exceptions no developed iron-ore mine in the Lake Superior region has ever been leased. Nearly all of the leases are of explored but wild and undeveloped lands. Royalty is the price fixed between the parties, to be paid by the lessee to the lessor as the value of the ore in the bed in the undeveloped land. The lessee assumes the burden of equipping the mine with machinery, houses for the employees, roads, and even railroads, and the development of the property. In this way large amounts of money, frequently running into millions, are expended. I have in mind at this moment a property upon the Mesaba, at Coleraine, upon which the lessee has expended, if my recollection serves me right—and I think it does—over eight millions of dollars, and the property is not yet developed sufficiently to permit the shipping of ore in any quantity. This great expenditure of money makes the ore available and greatly increases its value in the bed. It would be manifestly bad bookkeeping to charge up to the first year's product the expense of all this development which frequently extends over a series of years. Just how much should be charged to each ton depends upon how much ore there is in the mine, and this can never be determined with absolute accuracy, but in such mines as those on the Mesaba it can be very closely approximated.

It is the custom, therefore, of all mining companies in the Lake Superior district, with which I am familiar, to estimate as closely as they can the proportion of this expense which should be charged to each ton of ore mined, and this is generally charged together with some other items under the term "depreciation" as a part of the cost of production. If the estimate is fairly made, it is just as legitimate a charge as any of the rest of the mining expenses, because whenever the mine plays out or proves a failure, all of the money, practically, spent in equipment and development is gone.

There is no subject upon which there is more misinformation than upon the character of the Mesaba mines in Minnesota. These are represented as being all steam-shovel mines. I have heard the cost of mining actually stated to be as low as 6 cents per ton. Such figures were never correct in any step of development of even the most favorably situated of those mines. The ore in what is known as the "steam-shovel mines" is overlaid with a heavy burden of drift running from 3 to 4 to 100 feet in depth. The cost of the removal of this drift is very great. A large number of the Mesaba mines producing a great tonnage are not steam-shovel mines at all, but underground mines. However, the cost of mining in the Mesaba is much less than on the Vermilion or in Michigan. Judge Gary fixed it for the entire output of his company at exactly 73 cents per ton. This is the mining cost alone. This lower mining cost, however, is offset by a cheaper freight rate from Michigan mines and a higher average quality of ore.

It is seriously urged, however, that the iron-ore industry needs no protection. Neither the Committee on Ways and Means nor myself have obtained absolutely accurate figures as to the cost of Cuban ore laid down at Atlantic ports or at the different furnaces and mills of this country. Mr. Schwab, who owns large iron-ore mines in Cuba, was before the committee and testified at considerable length and apparently with great frankness, but the committee, through inadvertence probably, failed to question him on the subject of the exact cost of that ore, on which subject he could no doubt have given most satisfactory information. This is to be much regretted. Notwithstanding the lack of these figures, however, we are not at all at a loss for facts upon which to determine the need of protection for this great industry. Ever since the mines on the south shore of Cuba near Santiago were opened, the ore there produced has been shipped into this country and sold as far west as Pittsburg in competition with Lake Superior ores.

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

Mr. YOUNG of Michigan. I will.

Mr. SULZER. Is it not a fact that the iron ore from Cuba is of a higher quality or better quality than the iron ore from the Mesaba Range?

Mr. YOUNG of Michigan. In some respects it is. The fact that Cuban ore can be sold at Pittsburg as cheap as Lake ores was brought very sharply to my attention by a personal experience. Way back in the eighties, when the tariff on iron ore was 75 cents a ton, with some other gentlemen, I was operating a small mine in the Marquette Range. It produced what was then regarded as a low-grade ore, running 56 per cent in metallic iron. It would now be regarded as a pretty high-grade mine. Our chief customer was the Carnegie Company, at Pittsburg; but they found that Cuban ore, which suited their purpose, could be obtained for less money than we could furnish it. Our ore was of a kind not needed at that time in the West; so we were compelled to throw up the property, and it remained idle for many years.

From that day to this Cuban ore has been sold in this country as far west as Pittsburg in competition with domestic ore. But it may be asked, If this be true, why is it that competition has not been more injurious in the past? The question is most pertinent, but the answer is easy. Cuba shipped to this country all the ore she could then produce, but that amounted to only 500,000 or 600,000 tons per year. The greater part of this ore was absorbed by the furnaces east of the Alleghenies.

The capacity of her mines was small, and, as you all know, governmental conditions in Cuba were not such at that time as to induce men to make new investments along speculative lines. But now the situation has entirely changed. Great discoveries of high-grade iron ore have been made on the northern coast of Cuba. These deposits are believed to be as large as those of the Mesaba Range. They are more cheaply mined and of greater value, ton for ton, than the Lake Superior ores, because of their high iron content and the small percentage of nickel they contain, which enhances the quality of the steel produced from them.

Mr. Schwab, testifying before the Committee on Ways and Means, speaking of these deposits, said, and I wish to call your attention particularly to this testimony, for it is most valuable:

> There is a very large tonnage in sight. There is a peculiar condition that, to my mind, is going to make a radical change in the iron-ore situation. There has been discovered in Cuba within the last few years a very large deposit of ore. Indeed, some engineers estimate it quite as large as the Mesaba Range. It is of a different character, however, in that it is wet and needs drying before it can be transported.

Then Mr. LONGWORTH asked:

> How would it compare with the ore in the Mesaba Range in quantity?
> Mr. SCHWAB. I say some engineers I have had on the property estimate it to be about as large as the Mesaba Range.
> Mr. LONGWORTH. And in quality?
> Mr. SCHWAB. The quality is a totally different proposition; in some respects very much better, in that the ore contains nickel; and steel made from that ore contains from 1 to 3 per cent nickel; and that, of course, adds much to its value for certain purposes.
> Mr. LONGWORTH. At what figure can that ore be landed in Pittsburg to-day?
> Mr. SCHWAB. About the same as Lake ore.

Mr. Schwab further testified that in his great plant at Bethlehem, Pa., he had ceased to use domestic ores and was using nothing but Cuban ore. The statement made by Mr. Schwab that Cuban ores to-day, when they pay a duty of 32 cents a ton, can be laid down in Pittsburg as cheaply as Lake Superior ores ought to be trustworthy, because he is in the business of mining that ore himself and knows whereof he speaks. It ought to be peculiarly trustworthy, because it was a declaration against his own interest. He is a large owner of those ores, interested in introducing them into the United States without a duty.

And it was to his interest to show that they could not compete with domestic ores, and yet his statement is that, paying the duty, they can compete with those ores as far west as Pittsburg.

Now, Mr. Carnegie had something to say about this matter also. It was this:

> The Pennsylvania Steel Company has a mine of wealth in its ore in Cuba. They expect, and I believe they are going to make, a quality of steel so far superior to any made now, at a cost which no other can reach except that enterprising young man, Schwab, of the Bethlehem Company, for he also has a mine in Cuba. They are going to make a great fortune out of their ore.

I wish to call your attention to some other evidence as to the character of those deposits. I have here a letter written by William Kelly, one of the leading mining men of northern Michigan, who is well known to a number of gentlemen in this House. He is a man of the highest character and one of the best mining experts in the country. Writing to me last January, he said:

I visited some of the mines in Cuba last year and saw one of the new deposits on the north shore. This is really an enormous ore body. The owners give out their estimate as 500,000,000 tons, but it is quite possible that the total amount may be nearly, if not quite, double that quantity.

The ore is on the surface without cover, but supports a growth of pine of sufficient value probably to pay for loading the ore on the cars. The haul to tidewater is only about 10 or 15 miles. There is no royalty to pay on this ore. It is of peculiar texture, being in the form of an iron clay, and it will have to go through a sintering process, but which is not very expensive. There are other deposits of the same character, one of which is being exploited and others, I understand, are not so well known. In any event, this ore is going to be used in the United States, but if the tariff is taken off it will displace a certain additional amount of Lake Superior ore, and so far as this goes it will reduce the work to be done and the money to be distributed in this district and the revenue of the Government to the advantage of the low-priced Spanish labor of Cuba and the profits of the owners of the properties.

Our properties belong to Cambria Steel Company, and the ore from Vulcan is shipped to Johnstown, Pa., to be smelted. Without the tariff it is probable the Cuban ore will be cheaper at that point than ours.

If a reduction in the tariff on iron ore would result in a reduction in the cost of steel to consumers something might be said in its favor, but this is not the result to be expected for the reason that the country must still depend largely on our own ores. The result, as I see it, is that it will tend only to replace a greater amount of our own ore.

If this be true, the present tariff on iron ore is simply a fair revenue proposition.

Now, I want to call your attention to a little more information about these deposits, and this is contained in a document issued by the Geological Survey, No. 340 E, in which, upon page 22, they go on to state that these ore bodies are operated under concessions from the Cuban Government; that the price paid, not as a royalty, mind you, but for the land, is $2.86 per hectare, equivalent to 2.47 acres; that is, the Pennsylvania Steel Company and Mr. Schwab, who have obtained these large concessions there, paid just a trifle more than a dollar an acre for the land. Well might Mr. Carnegie say that they have a great fortune in their ore mines in Cuba. "It is the best thing that we have."

Mr. SLEMP. I just want you to read a statement about the annual taxes.

Mr. YOUNG of Michigan. Oh, there are no annual taxes upon these lands since 1901. They do not even tax them. They stopped taxing them in 1901.

Now, I hold in my hand a statement made by the Director of the Geological Survey. In speaking of these ores he says they run from 35 to 65 per cent, and that those being mined run from 50 to 60 per cent, which is as high in ore as our Lake Superior ore; nearer to the water than our ore, with lower freight charges.

A concern over here in Baltimore which is using these ores, states that the cost of transportation from Cuba to Baltimore is 85 cents a ton, and that the mining cost, when the mines are undeveloped, is about 75 cents, making $1.60, and, with the duty, $1.92 at Baltimore.

Mr. Mather, in speaking about this matter, also expressed the opinion that Cuban ores could be laid down in Pittsburg as cheaply as the Lake Superior ores. Well, there is no question about that fact, gentlemen, for they are doing it now, and have been doing it for twenty years. The reason that this competition has not been disastrous to our district is because in the past they were able to mine so small a quantity of ore. But, as Mr. Schwab well stated, we are now on the eve of a new era. The deposits on the northern shore of Cuba are as large as those in the Mesaba Range. In 1907 the Mesaba Range mined and sent to market 27,000,000 tons of iron ore.

There is no reason why the mines of Cuba can not within a few years send as large a product to the United States. It is this situation which alarms not only the producers of domestic ores, but the people who are dependent upon that industry, directly or indirectly, and which calls loudly for protection. The manufacturer of iron and steel in this country has had only to compete with the labor of Germany and England, the highest paid labor in Europe; but the producer of ore pays his labor $2.47 a day, and has to compete with the labor of Cuba and Spain, the cheapest labor in the world outside the Orient.

But it has been urged against the tariff on iron ore that the ore properties in this country are owned by large corporations; that many of them were obtained for a song, and by combination the owners have forced the price of ore up so high that fee holders in recent years have been enabled to obtain an unreasonable royalty for them, to maintain which unreasonable royalty they desire protection.

It has been freely asserted that the Mesaba ores are practically all owned by the United States Steel Corporation. The fact is that that company controls less than one-half of such ores. It is also assumed by some that the lands leased from the Great Northern Railroad Company, known as the "Hill lands," and for which a royalty of 85 cents a ton is paid, constitute the greater part of their holdings. They constitute, relatively, a very small part of such holdings, probably not over one-fifth. For the great bulk of their holdings a much lower royalty is paid.

Very few of the ores in the Michigan-Minnesota, Lake Superior district are owned by any large corporation, with the exception of those owned by the Great Northern Railroad or a subsidiary company thereof, which has leased them to the United States Steel Corporation. Nearly all of these ores are owned by private individuals and are leased to the great corporations under leases running for twenty or thirty years, occasionally for a little longer period. All of these leases which I have ever seen, and I have seen very many of them during my practice as a lawyer in that region, contain a provision permitting the lessee on notice of thirty or sixty days to throw up the lease. In a period of depression, when the demand does not justify the working of all the mines, fee owners who desire their mines operated usually make concessions in the rate of royalty, and in many instances where they are unwilling to make such concessions as the lessees deem reasonable, the latter abandon the lease under the right reserved so to do. In practice, the loss occurring from the existence of business depression or changed conditions, such as would be brought about by an entire abolition of the tariff on iron ore, would be borne first by the laborer, second by the fee owner, and if all had not been absorbed in this manner, then what is left by the lessee. Of course the latter would suffer severely in any event by any general depression of business, but it must not be thought for a moment that the mining corporation will bear the entire loss caused by a reduction of the tariff. It will be passed on to labor and the fee owner.

If the manufacturer of iron and steel needs protection, the producer of iron ore needs it doubly. Do not be deceived, my Republican friends, by reasoning from past conditions. These have been entirely revolutionized. Cuba can compete with Lake Superior ores on more than even terms at Pittsburg. Remove the duty and she will ship her ore into the Mahoning and Shenango valleys.

As I said before, the great corporations can protect themselves by the purchase of Cuban mines. But what of the little communities built up around the mines at the head of Lake Superior?

It was stated by the gentleman from New York, the chairman of the Committee on Ways and Means, in his opening speech upon the subject, that there had been a great advance in the rate of royalties paid during the last twelve years, and that much of the demand for protection to iron ore came from the fee owners, who did not wish to see the extravagant royalties of to-day lessened. If he himself did not draw the inference, at least others drew it that this advance which was claimed to have taken place had been brought about by a combination among the great corporations. All this is entirely misleading. The gentleman from New York quoted Judge Gary as having stated that twelve years ago the royalties paid were but 10 cents a ton.

I was surprised at such a statement from Judge Gary. After the gentleman made his speech I read the testimony of Judge Gary as published by the Ways and Means Committee from end to end, and there is not a single word to that effect in it, nor did Judge Gary testify upon that subject at all. The gentleman from New York was mistaken as to his source of information. He drew a conclusion from something that was said by Mr. Schwab. I wish to call your attention a little to his testimony.

Some of you remember that on May 15, 1899, Mr. Schwab wrote a somewhat famous letter, in which he stated that the Carnegie Steel Company could make rails at Pittsburg at less than $12 a ton. Of course when he was before the Committee on Ways and Means, his attention was called to this letter. It was read to him, and he was questioned in regard to it, and this is one of the things he said:

I want to explain the motive of that letter. The letter was written at Mr. Frick's solicitation. It was at a time when he was anxious to dispose of the Carnegie Company, and it was also written in an optimistic vein for the same reason. If you will bear that in mind in reading the letter, you will perhaps understand it better.

It was, therefore, simply the seller of property "puffing" that which he had to sell. Mr. Schwab testified that the Carnegie Company could not at that time manufacture steel rails at $12,

that the $12 only included the mill cost; but he said that as to mill cost, excluding all other costs, it was correct. By that statement he set himself the task of bringing the mill cost of steel rails within the $12; and in testifying on that subject he said:

We were leasing our ores at that time in the Northwest. We started out to buy them, but we were purchasing and leasing ores, as people familiar with the trade will recollect, at 10 and 15 cents.

Now, commenting on this testimony, the following colloquy occurred between the gentleman from Connecticut [Mr. HILL] and Mr. Carnegie:

Mr. HILL. Mr. Schwab started with iron ore, and said that at that time, when he made those figures, you were paying a royalty of 10 to 15 cents a ton, and that now the ore costs $1.

Mr. CARNEGIE. Excuse me, Mr. Hill. Mr. Carnegie told the committee the cost of iron ore to a private miner of ore in Pittsburg. The royalties on the steel ore we have sold, and there were hundreds of millions of tons, and it was 20 cents a ton, and that is the cost to-day to the United States Steel Company on that ore, and it is in perpetuity.

Again, referring to the same subject, he said that Mr. Schwab told him [Carnegie] that when he testified before the committee he was not speaking for any steel mill, but that he got this information as to the 10 or 15 cents from a private producer of ore in Pittsburg. And Mr. Carnegie then continued, as follows:

Mr. Chairman, upon the ore the United States Steel Company is smelting to-day to make a ton of rails in Pittsburg they pay royalties in perpetuity of 20 cents a ton.

But there was something as to the cost of that ore that Mr. Carnegie forgot to state. He did not tell the committee the real fact, that the Steel Corporation, in addition to that 20 cents a ton, paid large bonuses for every lease they obtained, and paid to the Carnegie Company sums running into the hundreds of millions of dollars for that very ore.

So you will see that the real cost of this ore was very much greater than 20 cents per ton. The simple truth about this whole matter of an advance in the cost of ore and royalties is that in boom years royalties have always been high, while in years of depression they have always been low. As long ago as the early eighties 75 cents was not infrequently paid as a royalty on iron ore, and this price, and even $1, was paid for ore on the Mesaba before the advent of the Steel Corporation.

A fair way to get at this question would be to look at the prices of iron ore. I hold in my hand a statement made from the figures obtained from the records of a large mining company at Cleveland, going back to 1857, and giving the average price each year, up to 1908. I will not delay the committee to read all these figures, but call attention to a few, which show that the tendency in the price of ore during long periods of time has been steadily downward, instead of there having been any great advance made because of any combination, or otherwise.

In 1857 ore sold at Cleveland for $8; in 1866 it had risen to $10.50; in 1873 to $12.17. From then it ran down to 1878, when it reached $5.37, rose in 1880 to $9.24, and then ran steadily downward until in the year 1898, the year upon which Mr. Schwab based his figures of a $12 steel rail, it reached the abnormally low price of $1.75, and then rose two years later to $4, and last year sold at $3.69. It will thus be seen that, taking long periods of time, the tendency of the price of ore has been steadily downward. It is true that from the low point in 1898 the price of royalties and ore has risen, and God be thanked that it is true.

I listened to that part of the testimony of Mr. Carnegie before the Committee on Ways and Means, where he said that it had been his custom whenever the demand fell off to lower the price and meet the situation in that way, with a great deal of interest. During the nineties he did sell steel rails in Pittsburg at $17.92 a ton. I listened with great interest to that statement, because I remember too well at what price in poverty and suffering in the Lake Superior region that result was obtained. To use his own phrase, that "pawky chiel," the laird of Skibo did not pay that price himself. There were many small mining companies in the Lake Superior region at that time, some not too strong financially, and by playing one against the other he forced down the price of ore, cent by cent, to the lowest point in its history.

The mining companies, so far as they could, recouped themselves, as they always will, by forcing down the price of labor until able-bodied, skillful miners were working in the Lake Superior mines at $1 a day. Even that did not meet the situation. In the paralysis of business at that time, even at the lowest wages, thousands of men in my district, honest, industrious, skillful men, who only asked the privilege of working, were denied it, and it became necessary for charitable people in other sections to send in provisions and clothing by the carload to prevent suffering and starvation. Such was the price our Lake Superior region paid for $18 steel rails.

God grant that through a well-meaning error of judgment of this House, or the other, in dealing with the tariff on iron ore, we may never be again called upon to pay that price in the degradation of our labor and the suffering of our people. [Loud applause on the Republican side.]

I append the following papers and tables referred to:

STATE OF MICHIGAN,
OFFICE OF THE SECRETARY OF THE SENATE,
Lansing, March 26, 1909.

Hon. H. O. YOUNG,
Member Congress, Washington, D. C.

DEAR SIR: I am directed by the senate to transmit to you the inclosed resolution, adopted by the senate on Wednesday, March 24.

Very respectfully,

E. V. CHILSON,
Secretary of the Senate.

Senate resolution 78.

Whereas there is at present, and has been since November, 1907, a great depression in the iron-ore market, which has resulted in practically closing the iron mines of Michigan; and

Whereas the operators of the iron mines will gladly operate their mines if they can do so without absolute loss, and are at present employing a small force of married men, so that men with families may be able to buy the necessaries of life for their families; and

Whereas if the duty is removed from iron ore and the ores of foreign countries are admitted free into the United States the loss will fall upon the men now engaged in iron mining: Therefore be it

Resolved by the senate (the house of representatives concurring), That all Members of Congress from this State, and also our United States Senators, are respectfully requested to use all honorable means to have the tariff or duty on iron ore maintained as at present: And be it further

Resolved, That the secretary of the senate be instructed to forward to each Member of Congress and United States Senator from Michigan a copy of these resolutions.

Prices or iron ore at Cleveland, Ohio, from 1857 to 1908, taken from the records kept by the Cleveland Iron Mining Company.

Year.	Specular non-Bessemer.	Hematite non-Bessemer.
1857	$8.00	
1858	6.41	
1859	6.07	
1860	5.41	
1861	5.04	
1862	5.73	
1863	7.56	
1864	9.13	
1865	8.08	
1866	10.50	
1867	9.76	
1868	8.19	
1869	8.36	
1870	8.59	
1871	8.20	
1872	9.12	
1873	12.17	
1874	8.87	
1875	6.96	
1876	6.73	
1877	6.43	
1878	5.37	
1879	$6.29	
1880	9.24	
1881	9.00	
1882	9.00	
1883	6.21	$5.25
1884	5.49	
1885	4.87	4.19
1886	5.63	5.15
1887	6.41	
1888	5.07	
1889	5.04	
1890	5.57	4.00
1891	4.50	3.60
1892	4.50	3.30
1893	3.40	2.60
1894	3.15	2.10
1895	3.00	2.00
1896	2.50	2.30
1897	2.35	2.00
1898		1.75
1899		1.87
1900		4.00
1901		3.00
1902		3.18
1903		3.65
1904		2.83
1905		3.20
1906		3.70
1907		4.27
1908		3.69

Statement showing shipments of Lake Superior iron ores by ranges from date of first shipment, 1855 to 1908, inclusive.

Year.	Miscellaneous (in Wisconsin).	Gogebic range.	Marquette range.	Menominee range.	Vermillion range.	Mesaba range.	Total all ranges.
	Tons.	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*	*Tons.*
Prior to 1870			2,980,271				2,980,271
1870			830,940				830,940
1871			779,607				779,607
1872			900,901				900,901
1873			1,162,458				1,162,458
1874			919,557				919,557
1875			891,257				891,257
1876			992,764				992,764
1877			1,010,494	4,593			1,015,087
1878			1,033,072	78,028			1,111,100
1879			1,130,019	245,672			1,375,691
1880			1,384,010	524,735			1,908,745
1881			1,579,834	727,171			2,307,005
1882			1,829,394	1,136,018			2,965,412
1883			1,305,425	1,047,415			2,352,840
1884	1,879	1,022	1,558,034	895,634	62,124		1,518,693
1886	441	119,860	1,430,422	690,435	225,484		2,466,642
1887		753,362	1,627,380	880,006	304,396		3,565,144
1885		1,322,878	1,851,634	1,193,343	394,252		4,762,107
1888		1,437,096	1,923,727	1,191,101	511,953		5,063,877
1889		2,008,394	2,642,813	1,796,754	844,682		7,292,643
1890		2,847,810	2,993,664	2,282,237	880,014		9,003,725
1891		1,839,574	2,512,242	1,824,619	894,618		7,071,053
1892		2,971,991	2,666,856	2,261,499	1,167,650	4,245	9,072,241
1893		1,329,385	1,835,893	1,466,197	820,621	613,620	6,065,716
1894		1,809,468	2,059,468	1,137,949	948,513	1,793,052	7,748,223
1895		2,547,976	2,097,838	1,923,798	1,077,828	2,781,587	10,429,037
1896		1,799,971	2,604,221	1,560,467	1,088,090	2,882,079	9,934,828
1897		2,258,236	2,715,035	1,987,013	1,278,481	4,275,809	12,464,574
1898		2,498,461	3,125,039	2,522,265	1,265,142	4,613,766	14,024,673
1899		2,795,856	3,757,010	3,301,052	1,771,502	6,626,384	18,251,804
1900		2,875,295	3,457,522	3,261,221	1,655,820	7,809,535	19,059,393
1901		2,938,155	3,245,346	3,619,053	1,786,063	9,004,890	20,593,507
1902		3,654,929	3,868,025	4,612,509	2,084,263	13,342,840	27,562,566
1903	17,913	2,912,708	3,040,245	3,749,567	1,676,699	12,892,542	24,289,674
1904	67,480	2,398,287	2,843,708	3,074,848	1,282,513	12,156,008	21,822,839
1905	111,391	3,706,736	4,210,522	4,495,451	1,677,186	20,153,699	34,354,985
1906	128,742	3,641,985	4,057,187	5,109,088	1,792,355	23,792,553	38,522,239
1907	76,146	3,637,907	4,388,073	4,964,728	1,685,267	27,492,949	42,245,070
1908	122,449	2,699,856	2,414,632	2,679,156	841,544	17,257,350	26,014,987
Grand total	526,441	56,807,198	87,656,306	66,195,622	28,017,060	167,492,908	406,693,535

Mr. FINLEY. Mr. Chairman, the bill under consideration is entitled "A bill to provide revenue, equalize duties, and encourage industries of the United States, and for other purposes."

The title of the bill should, properly speaking, state its purpose.

The condition that confronts the country to-day is that the Dingley tariff law, passed in 1897, does not raise sufficient revenue to meet the expenses of the Government. The appropriations made at the last session of Congress aggregate the enormous total of $1,044,014,298.23. The total estimated revenue for the next fiscal year, as stated by the chairman of the Committee on Appropriations in his speech delivered in the House March 4, 1909, is $825,340,712. This estimate is somewhat larger than the receipts amounted to in the past fiscal year. The report of the Secretary of the Treasury gives the receipts for the year ended June 30, 1908, as follows:

From customs	$286, 113, 130. 29
From internal revenue	251, 711, 126. 70
From sales of public land	9, 731, 560. 23
From miscellaneous	53, 510, 301. 31
Total	601, 126, 118. 53
From postal revenues	191, 478, 663. 41
Total revenue receipts, including postal, for the past fiscal year	792, 604, 781. 94

So that there is a difference in the receipts for the past fiscal year and the estimated receipts for the present fiscal year. From the amount appropriated certain deductions are to be made. It is evident, however, that by the end of the present year there will be a deficiency of between one hundred and fifty and one hundred and sixty millions of dollars, so that the bill under consideration should properly be one to provide revenue. Revenue is necessary to the proper conduct of any government.

In this connection it may not be out of place to remark that government by the Republican party in this country is the most extravagant proposition ever confronting any people. For the benefit of those who may be disposed to doubt this statement, I give the following table, taken from the remarks of the Hon. LEONIDAS F. LIVINGSTON, made in the House of Representatives March 4, 1909.

Comparative statement of the aggregate amount of each appropriation act for the second Cleveland administration, 1894–1897, and the second Roosevelt administration, 1907–1910.

	Fiscal years 1894–1897.	Fiscal years 1907–1910.
Agriculture	$13,106,405.06	$44,044,872.00
Army	94,349,535.28	347,031,465.78
Diplomatic and consular	6,338,381.28	13,339,744.49
District of Columbia	22,604,665.21	41,260,305.13
Fortifications	13,919,504.50	29,438,860.00
Indian	34,667,053.57	39,273,952.00
Legislative, executive, and judicial	86,582,428.89	126,619,650.60
Military Academy	1,752,878.47	6,971,567.29
Navy	107,410,094.36	460,649,262.29
Pensions	614,972,794.85	610,349,500.00
Post-office	253,358,475.85	861,720,453.75
River and harbor	61,915,595.00	46,543,833.00
Sundry civil	118,322,092.29	458,875,976.78
Deficiencies	44,805,651.46	128,503,173.11
Total	1,574,105,556.07	3,214,993,198.97

This table shows the cost of government for the years 1894, 1895, 1896, and 1897, under the last Democratic administration, to be $1,574,105,556.07, and for the fiscal years 1907, 1908, 1909, and appropriated for 1910, under a Republican administration, to be $3,214,993,198.98. This table shows a balance of $1,640,887,642.90 in favor of the last Democratic administration on the score of economy. It is true that the country is twelve years older, but on the score of economy and expenditure, not this much older. If this increased expenditure continues in the future as it has during the period mentioned, the time is short when the people of the United States will be unable to bear the burden. Government in this country by the Republican party costs too much—more, in fact, than it is worth.

A pertinent question at the outset in the discussion of the Payne bill is the question, Will the bill provide sufficient revenue to meet the expenses of the Government? To answer this question clearly it is necessary to consider the bill strictly from a revenue standpoint. The Dingley law at the time of its enactment was the extreme limit to which protectionists in this country up to that time had gone in levying a tax on goods imported into this country.

The Dingley law was primarily intended for the benefit of the manufacturers. Little or no consideration was given to the consumers in framing the bill. It is stated on good authority that many of the schedules in the Dingley law were intentionally placed too high for the purpose of furnishing a basis on which future reciprocity treaties with other countries might be framed. However this may be, it is true that in many of the schedules this law has been found too high, and in many other schedules it has been found prohibitive. This is particularly true of the steel schedule. Carrying this line of thought one step further, it may be said that the distinguished chairman of the Ways and Means Committee in all the years that have followed since the passage of the Dingley law in 1897 has stood as a bulwark against reciprocity treaties with other countries and all the efforts to lower the duties imposed by the Dingley law. Many efforts were made by the late President McKinley to make reciprocity treaties with other countries, and to this end a number of such treaties were negotiated, as I recollect, by the commissioner, Mr. Kasson, appointed by him. On one occasion in the House I remember asking the present chairman of the Ways and Means Committee some questions in reference to these treaties, why none of the treaties found favor with him.

He stated, in answer to my questions, that these treaties were "jug handled." No doubt he understands what this term implies. His position has been one of opposition to any reduction in the schedules of the Dingley law. Able and honest, as I cheerfully concede him to be, I may state that his action during the past twelve years on this question has been in accord with that of his party. The chairman of the Ways and Means Committee, in his report on the pending bill, states that during the time the Dingley law has been in existence it has produced a *surplus* of $25,411,929. In order to arrive at this remarkable conclusion, he deducts the sum of $99,143,479, the amount of the postal deficit during this period; that is, during this period the postal service has cost this amount more than the postal revenues amounted to. He also deducts $50,000,000 paid on the Panama Canal out of the Treasury of the United States. The two items together amount to a total deduction of $150,000,000.

I would like to inquire, Since when has the postal service of the United States not been a necessary and legitimate department of the Government, to be considered in calculating the revenues and expenditures of the Government for all practical purposes? Long ago there was an antiquated idea that the postal service should be self-supporting. This theory was founded in primeval ignorance, and never on any logical basis. If it had any foundation originally, it was in the minds of those who were entirely uninformed as to the necessity and purposes of a postal service and the benefits derived therefrom by the whole people.

It would be as legitimate to take the expenditures for the support of the War and Navy departments during the past twelve years and to deduct this amount from the total expenditures in order to strike a balance in favor of the Dingley law as it is to do what has been done in the majority report on the pending bill.

In this connection I wish to say that every dollar expended by the Government in extending and promoting the efficiency of the postal service and in paying the postal employees proper compensation yields a larger dividend to the Government, direct and indirect, than a dollar spent in any other way.

The one hindrance in developing the oldest, and in point of natural resources the greatest, country in the world—China—is a lack of postal facilities and communication with the outside world. A country with a larger area of tillable land than any in the world, with a larger number of great rivers, with as much or more water power, with probably more deposits of coal and iron than any country in the world, and with a supply of labor in numbers, practically speaking, equal to that of the balance of the world together, lags behind in the race of progress, mental, moral, and industrial, largely for the want of suitable postal facilities. When the development of China is complete, a New Zealander may possibly view the ruins of London Bridge.

In the struggle for supremacy amongst nations this country has nothing to fear from Japan, but to my mind the final contest for industrial supremacy amongst the nations of the world will be fought out between the captains of industry in the United States and those in China. This, however, is a digression, and I appreciate the patience of the committee.

The time has come when the Republican party, in control of the Government, as it has been since March 4, 1897, is met face to face with a deficiency, one so large that it can not be laughed down, and so serious that under existing conditions and a continuation of the Dingley law it must be considered permanent.

This year the expenses of the Government will exceed the revenues by more than $150,000,000, so that the Republican party must of necessity make an effort to do something to increase the revenue. They have a solemn declaration in the platform of the party in favor of tariff revision. Tariff revision, as properly understood, means a revision downward, but to the mind of one of the old guard, a veteran and stand-pat Republican, it means generally a revision upward. Will the bill under consideration raise the additional and needed revenue? Candidly speaking, I do not think so, for the reason that the Dingley law, framed as it was on a high protective basis and to a large extent on a prohibitive basis, has failed to do so.

The present bill, as I understand it, imposes a tax on consumers of something like 1½ per cent more than the Dingley law. If this be true, and no one has convincingly disputed the proposition, the Payne bill will result in a larger deficit than has the Dingley law.

The title of the bill further states the purpose to be "to equalize duties and encourage industries of the United States." This phrase sounds well, and, taken in connection with what precedes in the title, is calculated to strike one favorably. Does the pending bill equalize duties? If it does not there is no necessity to consider whether or not the bill will encourage the industries of the United States.

The trouble with the Republican party in framing tariff bills is that they have never counted the farmer and consumers in this country among those engaged in and interested in the industries of the United States. The truth of the matter is, if the American farmer had not proven himself to be the most industrious of all the classes engaged in industry he would have gone to the wall long ago. He has managed to live in spite of the Dingley law, notwithstanding the fact that he sells his products in an open market and buys in a highly protected one. There is little or no tariff on anything the farmer of the United States has to sell. On all that he buys he is compelled to pay on an average something like 45 per cent.

Many years ago a Republican beneficiary of Republican tariff laws made the statement that "the tariff is the mother of trusts." Great merriment was made of this statement at the time. Results have shown, however, that the statement is true. The Dingley law enables its beneficiaries to unjustly extort from the consumer more than a billion dollars annually. The exact amount can not be ascertained. The total production of this country is supposed to be twelve to fourteen billion dollars annually. Producers and consumers in this country are interested in taxation. Included in this class are the farmers, laborers, mechanics, and manufacturers. After the home market is supplied they must sell their surplus in a foreign market, reduce their production, or go out of business. The Secretary of Agriculture estimates the value of all products of 1908 at $7,778,000,000. Value of corn crop, $1,615,000,000; hay, $621,000,000; wheat, $620,000,000; barley, $86,000,000; rye, $22,000,000; rice, $18,000,000; potatoes, $190,000,000; sugar beets, $21,500,000; sugar-cane molasses and sirup, $34,000,000; tobacco, $70,000,000; value of cotton crop, 1907, $709,956,011.

It is an interesting fact that the total value of the cotton crop and cotton seed in South Carolina in 1907 equals the value of the tobacco crop in the United States.

Total value of agricultural exports, 1908	$1,017,000,000
Cotton exported in 1908	438,000,000
Value of grain products	214,000,000
Packing-house products	196,000,000

England to a large extent controls the manufacture of cotton for the reason that she places her manufacturers in position to compete in the cotton-goods trade of the world. In England a cotton mill may be built at a cost of from $13 to $15 per spindle. In the United States the same mill will cost, approximately, $20 per spindle. The Dingley law and the Payne bill have the same provision, imposing a tariff of 30 per cent on cotton-mill machinery, and it costs, approximately speaking, 30 per cent more to build a cotton mill in the United States than it does to build a mill in England. With this increase of cost of plant, the American manufacturer must make a greater profit on each pound of cotton manufactured than the English manufacturers make in order to compete. This effectually handicaps the American manufacturer in competition for the cotton-goods trade of the world.

The manufacturer, and this includes the laborer, like the farmer, must sell his surplus in foreign markets. The rates of the Dingley tariff law are so high—and the Payne tariff bill is framed even higher—that other nations can not trade with us on any reasonable basis. Not being able to sell their prod-

ucts to us, they can not and will not purchase from us to any large extent except in the matter of raw material, like grain, cotton, and so forth. At this time less than 4 per cent of manufactured articles consumed in this country are imported.

A reasonable tariff law would greatly increase the sale of American products. The manufacturers of cotton suffer more on this account than any other class, in my judgment. There is no reason why the cotton-goods trade of the world should not be monopolized by the United States, except that the Dingley law makes it impossible for us to do so. In the history of the Republic the tariff question has always been a most important one. Some people may have forgotten that at one time Calhoun was a protectionist and Webster a free trader. Clay was always a protectionist.

The time came when Calhoun and Webster changed positions. The proper settlement of this question should be from a national standpoint. General Hancock was defeated for the Presidency largely for the reason that he stated that the tariff question was a local issue. The contention of local interests in the consideration of this bill for recognition and consideration to some extent proves Hancock's statement to be true. The proper basis for a tariff law is one for revenue. If there be an industry in this country capable of supplying 50 per cent of the demand for that particular article, if a tariff of 100 per cent be placed on that article, then it must be that the consumer of this article pays approximately $2 for what he paid $1 before the tax was levied. At page 5290 of hearings before the Ways and Means Committee, Mr. Theodore Justice, a man evidently handicapped by profound ignorance and a disregard of the facts, announces the policy of the Democratic party, dominated and controlled by Southern representatives, to be one in favor of free raw material for the manufacturer. I denounce this statement as false. The Democratic party has never stood for this proposition. Individuals in the party may have taken this position. The truth is that the doctrine of free raw material for the manufacturer is the preachment of the New England protectionist. He wants free hides, protection for his shoes; free coal and iron ore, with protection for iron and steel; free lumber, and high protection on the manufactures of lumber. He wants free labor and high protection on the products of labor, without dividing the benefits of protection with labor, and, generally, free raw material and a protective tariff for everything that he does manufacture.

Under the policy that has been pursued by the National Government in raising revenue for more than a hundred years, by Democrats and Republicans, free trade and the discontinuance of custom-houses is an impossibility. In England, Germany, France, and other countries of Europe, much older than ours in point of development, a large part of the national revenue is raised from property and incomes. Great Britain raises annually $162,000,000 by an income tax. About one-fourth of this is derived from real-estate incomes, the other three-fourths from other sources. The British law reaches all incomes from $600 a year and upward, and is a straight 5 per cent rate. The German law is a graduated tax, ranging from 1 to 4 per cent, as I understand. There should be a graduated income tax in this country. But the chairman of the Ways and Means Committee says that the Supreme Court has declared the income-tax provision of the Wilson bill unconstitutional. To a certain extent this is a fact. But it is true, as believed by many lawyers in this country, that a proper income tax, one that will stand the test, can be framed. Whether this be true or not, the personnel of the court has been changed to some extent since the income-tax decision was rendered; and, even if that were not true, the court has been known to reverse itself on proper occasion. Notably was this done in the legal-tender decisions. Sections 34 to 38 in the bill under consideration provide for an inheritance tax. It is expected that this will yield $20,000,000. These sections of the bill are patterned after the inheritance-tax law of New York State.

I apprehend that this law will give great dissatisfaction. The majority of the States have such laws already. An inheritance tax more properly belongs to a State than it does to the National Government. Estates of deceased persons are administered in the courts of the States. An income tax by the National Government is preferable to an inheritance tax, and properly framed will raise a great deal more revenue. I suppose the reason the Republican party is in favor of an inheritance tax is that dead men can not vote, and they are afraid of an income tax, because of the votes and influence of those who would be called upon to pay the tax. The position of the Democratic party is that the tariff should be for revenue, and that in framing a tariff bill an effort should be made to equalize and distribute the benefits and burdens of the tax. The benefits range anywhere from free trade on a given article to a rate of tax so high as to yield the largest amount of revenue. If Congress may in its discretion levy a tax for revenue ranging as high as 50 per cent on a given article, then it is a question as to what rate within the limitations will produce the most revenue and at the same time equalize and distribute the benefits and burdens of the tax. As I have stated, the greater the amount of duty on an article produced in this country the greater will be the amount of benefit to the producer. If a tariff above 10 per cent on a given article amounts to prohibition on the importation of that article, then the tariff on that article is no longer on a revenue basis. To illustrate: If a 5 per cent duty on a given article will raise $1,000,000, a 10 per cent tax is prohibitive and will raise no revenue; then from a Democratic standpoint 10 per cent should not be levied. It is not to be conceded that in every instance Congress should levy the rate that will produce the greatest amount of revenue.

In framing a tariff bill Congress should bear in mind the amount of revenue to be raised, the ability of the various lines of industry to bear the burden, and also take into consideration the revenue necessary to give an efficient and economical administration of the Government. So that in all cases the highest producing rate should not necessarily be applied, and of course it is true that different rates should be applied to different articles. Some schedules should bear a higher rate than others. Where an article is one of the prime necessities of life, entering into general consumption, the rate should not be as high as where the article is a luxury. Congress should take into consideration the ability of the consumer to pay the tax, and in this connection I state frankly my belief that there should be a free list. In a case where a small revenue tax may be levied on two articles, one a necessity and the other a luxury, in most cases the former should be placed on the free list and the latter should be taxed. To illustrate: Coffee should be on the free list, and silks, and so forth, should be taxed. The time has come when the Republican party in carrying out its pledges and devotion to the trusts and trusts' interests in this country proposes to tax the breakfast table. Paragraph 553 of the pending bill provides that if any country, dependency, or colony shall impose an export tax or charge of any kind whatsoever, directly or indirectly, upon coffee exported to the United States, a duty equal to such export duty, tax, or charge shall be levied and collected and paid thereon. This will amount to imposing a tax ranging anywhere from four-tenths of a cent to 4 cents per pound on coffee. I will insert in my remarks the following article, taken from the Philadelphia Record, in its issue of the 23d instant, relative to the proposed tax on coffee:

TAX ON NEARLY ALL COFFEE—LITTLE CAN ESCAPE IF TARIFF BILL IS NOT CHANGED.

WASHINGTON, D. C., *March 22, 1909.*

Owing to the large amount of coffee being held in this country at present, much interest is being taken in the disposition that will be made of the countervailing duty clause on coffee in the Payne tariff bill.

The clause provides that a duty equal to the export tax of any country from which coffee is imported shall be imposed on that tariff.

The Bureau of Manufactures states that many countries besides Brazil impose an export tax on coffee. From the State of São Paulo, in Brazil, there is a duty of 5 cents per 100 pounds, and in addition to this tax a duty of 73 cents per 100 pounds is levied.

According to the decree of September 12, 1908, an additional tax of 20 per cent ad valorem is to be levied on all coffee exported from the State of São Paulo in excess of 9,000,000 bags during the crop year of 1908; in excess of 9,500,000 bags during the crop year beginning July 1, 1909; and in excess of 10,000,000 bags during succeeding crop years.

From the States of Rio de Janeiro and Minas Geraes, Brazil, impost duties of 41 cents per 100 pounds and 8½ per cent ad valorem are collected, respectively. Coffee from both these States is also subject to a duty of 73 cents per 100 pounds.

Other countries imposing an export tax are Ceylon, the duty being 2.9 cents per 100 pounds; Nicaragua and Salvador, 40 cents per 100 pounds; and numerous others.

Think of the iniquity of this proposition. Coffee may come in free, but if any coffee-producing country lays a tax on the coffee shipped out of the country, then the consumers of coffee in this country are to pay the penalty by paying an additional tax equal to the amount of the tax levied in the country producing the coffee. The proposition is monstrous. The bulk of coffee imported into the United States comes from Brazil. The coffee-producing countries that do not impose an export duty ship very little coffee.

The Republican party, rather than frame a bill on a revenue basis, and by this means raise money enough to defray the expenses of the Government, propose to tax coffee and tea. The tax on tea is fixed at 8 cents per pound. Whenever an article is taxed, the consumer pays the tax, it does not matter what the rate of taxation may be. If a reasonable tax for revenue, the money goes into the Treasury of the United States. If an unreasonable or prohibitive tax is levied and yields no revenue, the burden falls on the consumer and a special benefit is conferred on the beneficiary of the tax. Government is a restriction on the actions of the individual, and taxation is a

burden to a greater or less extent as the same may be levied wisely or unwisely. The interests of all the people in this country in the aggregate should be considered in framing a tariff law. It seems that the Republican party will never understand this proposition.

The Government has no right to tax any section of the country or class of citizens for the benefit of another section or class. If there is any class of citizens entitled to the highest consideration in framing a tariff law, it is those engaged in agriculture. I have not time to discuss this proposition fully, but it is true that every great country has had its rise to power marked by the advance of those engaged in agriculture, and in every country where agriculture has declined the prowess of that country has declined accordingly. But it may be argued that England is an exception to this rule. I answer, "No;" that the progress of agriculture, not only in England but throughout her possessions, is to be taken into account. When this is done my statement holds good. So that any tariff law that does not take into consideration the farmers of this country and the consumers generally is wrong in principle.

The present industrial depression is caused by the Dingley law. This law has failed to furnish the needed revenue for the Government, and under its operations the consumer has been robbed to the extent of billions of dollars. This money has gone into the coffers of trusts and combinations and has rendered them so powerful that to-day the business of the country is, practically speaking, in the hands of those who are the chief beneficiaries of the protective system. The condition that confronts us now is, Shall we reform the Dingley law to a revenue basis or issue bonds to make up the deficiency?

The pending bill contemplates a deficiency. Provision is made in section 40 for the issue of $250,000,000 of short-term bonds or certificates of indebtedness. Under the operations of the Dingley law thousands of manufacturing plants within the past two years have been closed down. Iron and coal mines by the hundred are no longer operated. More than three millions of workmen have been deprived of work. Consumption has been curtailed to the extent of billions of dollars. This business depression is chargeable solely to the Republican party, and the argument that the bill under consideration will better conditions and relieve the depression is, in my opinion, nonsense. There can be no doubt that the trouble with the law is that the duties are too high. Now, when the pending bill proposes to make the duties even higher, how can relief be expected? The only people who should be satisfied are the stand-pat Republicans. This bill satisfies them, because it is a revision upward. It is claimed by the advocates of the bill, "Oh, we have reduced schedules on steel and iron by 50 per cent." This schedule is a fraud. The iron ore, iron, steel, woolen, and sugar schedules in the Payne bill illustrate what is intended by the phrase "and for other purposes" in the title of the bill. Iron ore under the Dingley law is taxed 40 cents per ton. In paragraph 592 of the pending bill it is placed on the free list. There must be a reason for this. During the year 1907 we imported 1,096,717 tons of iron ore, valued at $3,360,449.

The revenue paid the Government amounted to $392,488.72. Of the total ore shipped into this country, Cuba furnished 584,670 tons. There is a belief in some quarters that the steel trust controls largely the iron-ore deposits in Cuba. Take this proposition in connection with the iron and steel schedules in the pending bill, and the conclusion is easy that the steel trust will be the beneficiary to the extent of 40 cents per ton on all iron ores imported by it into this country. The question may be asked, How is it possible to ship iron ore from Cuba, Russia, and elsewhere at prices mentioned? As I understand it, to a large extent the ore comes as ballast and costs very little for shipping charges. Under the Dingley law pig iron is taxed $4 per ton; under the Payne bill, $2.50 per ton. Steel rails under the Dingley law are taxed $7.84 per ton; under the pending bill, $3.92 per ton. These two items, comparatively speaking, represent the cut in steel and iron. Both schedules are practically prohibitive. Why pig iron and steel rails should be taxed and iron ore placed on the free list is more than I can understand. There is no necessity, from an industrial standpoint, for a tax on either. In 1907 we exported steel rails to the value of $8,384,241. In this connection, I think it shameful that the American Economist, the organ of the protectionists, reproduces with its approval an article from the Philadelphia Inquirer attacking Andrew Carnegie in its issue of March 19.

The article is headed "Mr. Carnegie as a nuisance." According to this organ, Mr. Carnegie is now a free trader. If there is any one man in the world who should know all about the steel and iron industry it is Andrew Carnegie. Starting in life a poor boy, he achieved the greatest prominence in the steel and iron industry not only in this country, but in the world. He accumulated more than $200,000,000 in this business. He has been the largest individual beneficiary of a tariff on steel and iron. Now, because his intelligence and honesty prompts him to tell the truth by stating, as he has stated in the hearings before the Ways and Means Committee, that the steel industry in this country does not need a protective tariff, he is denounced by the organ of the protectionists. It has come to pass that if a man is honest and tells the truth, in the eyes of the stand-pat Republicans he should be indicted and convicted on the charge of being "a national nuisance."

About 3,000,000 tons of sugar are annually consumed in the United States. The total amount produced in the United States is considerably less than one-half of this amount. In 1907 the total importation, including sugar, molasses, and sirup refined, were valued at $92,681,977.21; the duty collected, $60,284,059.14. It is claimed that sugar paid in one year $52,232,041. Market prices of sugar wholesale in 1908 were in London $2.70 per 100 pounds, and in New York $4.96 per 100 pounds. The tariff represents the difference in prices between the two markets. The American sugar trust controls the price of sugar in the United States, and the tariff enables them to do this. The profits of the trust are enormous. How much, the public is not permitted to know. It is stated on good authority that their profits annually are over 20 per cent. The tariff on sugar should be reduced, and particularly is this true of refined sugars.

Mr. JOHNSON of South Carolina. I will ask the gentleman what is the duty on refined sugar?

Mr. FINLEY. I believe——

Mr. JOHNSON of South Carolina (continuing). One dollar and ninety-five cents a hundred pounds, is it not?

Mr. FINLEY. Yes.

Mr. JOHNSON of South Carolina. Did I understand the gentleman to say that the average price of sugar in this country is $2 a hundred in excess of the average price in London?

Mr. FINLEY. Well, it is approximately that; that is, the wholesale price.

Mr. JOHNSON of South Carolina. This bill reduces the duty on refined sugar 5 cents a hundred pounds, does it not?

Mr. FINLEY. Yes; a reduction so small that the trust will never feel it, and the people will not be benefited by it.

Mr. JOHNSON of South Carolina. In other words, if the people were benefited by it, a man would have to buy 100 pounds of sugar in order to make 5 cents.

One other question: What does the sugar trust get in this bill in the way of raw sugar?

Mr. FINLEY. From the Hawaiian Islands it has come in free for a long time.

Mr. JOHNSON of South Carolina. That has always been free. Under this bill they will get sugar from the Philippine Islands, up to 300,000 tons a year, free of duty.

Mr. FINLEY. That is my understanding.

Mr. JOHNSON of South Carolina. And in addition they will get what comes in from Cuba, 700,000 or 800,000 tons a year, with a reduced duty?

Mr. CLARK of Missouri. It comes in at 80 per cent of other duties.

Mr. JOHNSON of South Carolina. Yes; a reduction of 20 per cent of other duty.

Mr. FINLEY. That is true.

It may not be out of place here to remark that for every dollar raised by the bill under consideration, five to six dollars will go into the coffers of the trusts and combinations.

The free list provided in the pending bill is an unfair one and is framed in the interests of the trusts. Paragraph 497 places binding twine on the free list. I am not criticising this provision. I think binding twine should be on the free list, but why not place bagging and ties for cotton on the free list? The wisdom and fairness of this can not be disputed. Paragraph 350 places a duty of six-tenths of 1 cent per square yard on bagging for cotton. On the crop of 1908 this amounts to a tax of nearly $500,000. Of this amount only $73,851.73 went into the Treasury of the United States, and approximately $325,000 was paid by the cotton farmers as tribute to the bagging trust. In addition to this, cotton ties or hoops used in baling cotton are to be taxed three-tenths of a cent per pound, amounting on last year's crop to about $600,000. The duty collected on cotton ties last year amounted to only a little over $24,000, so that at least $575,000 was paid by the cotton farmers as tribute to the steel trust. The grain growers of the United States have free binding twine, and the great majority of them live north of the thirty-fifth parallel. The cotton farmers are taxed more than a million of dollars a year on the bagging and ties for their cotton. The great majority of them live south of the thirty-fifth parallel. The tariff on bagging and ties yields very little revenue, and why not place them on the free list?

The United States produces more than 65 per cent of the world's cotton. The total value of the crop of 1906 was $721,647,237; the total value of the crop of 1907 was $700,956,011. The number of bales exported in 1906 was 6,763,004, of the value of $385,159,047; the number of bales exported in 1907, 8,503,265, of the value of $472,088,260. Cotton is exported in the raw state and paid for in gold. Without cotton the balance of trade would be against the United States. Why should the cotton farmer be discriminated against? Why should he be compelled to pay 8 cents on each bale of cotton he grows as tribute to the bagging trust and steel trust? Not only is it true that the cotton farmer pays for the bagging and ties to cover his cotton, but in selling this is a total loss to him, amounting approximately to $1 per bale, or practically 2 per cent on his cotton crop. I insist that he is entitled to the same consideration that is shown to the grain grower.

Petroleum oil is nominally placed on the free list, but it is provided in the Dingley bill, as well as in the Payne bill, 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 its products exported from the United States, there shall in such cases be collected a duty equal to the duty imposed by such country. Russia and the United States produce nearly all the mineral oils. The Standard Oil Company has small competition in this country. Russia imposes an import duty on oil.

The revenue on oil in this country amounts to nothing. There was collected last year $12,851.76. The tariff is a prohibitive one and can only benefit the oil trust. In the Dingley law cotton-seed oil is taxed 4 cents a gallon. Under the pending bill it is on the free list. Petroleum should also be on the free list, without any "joker" proviso.

The Payne bill reduces by one-half the tariff on lumber hewn, sided, or squared, round timber sawed, boards, planks, deals, and other timber of the white sycamore and basswood. This is nominally intended to let in a certain grade of Canadian lumber, white pine, and so forth. Canada does not produce yellow pine. The tariff on lumber is about 11 per cent. For the purpose of comparison, I will give paragraphs 196, 197, 200, and 201, Schedule D, of the Payne bill, and paragraphs 194, 195, 196, and 199, the corresponding sections in the Dingley law.

Schedule D of the Payne bill, paragraph 196:

Timber, hewn, sided, or squared otherwise than by sawing (not less than 8 inches square) and round timber used for spars or in building wharves, one-half of 1 cent per cubic foot.

Paragraph 197:

Sawed boards, planks, deals, and other lumber of whitewood, sycamore, and basswood, 50 cents per thousand feet, board measure; sawed lumber, not specially provided for in sections 1 or 2 of this act, $1 per thousand feet, board measure; but when lumber of any sort is planed or finished, in addition to the rates herein provided, there shall be levied and paid for each side so planed or finished 50 cents per thousand feet, board measure; and if planed on one side and tongued and grooved, $1.50 per thousand feet, board measure; and in estimating board measure under this schedule no deduction shall be made on board measure on account of planing, tonguing, and grooving: *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, 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 of the forest products of such country when imported into the United States the duties prescribed in section 3 of this act during the continuance of such export duties, charges, embargo, discrimination, or restriction.

Paragraph 200:

Paving posts, railroad ties, and telephone, trolley, electric light, and telegraph poles of cedar or other woods, 10 per cent ad valorem.

Paragraph 201:

Clapboards, $1 per thousand.

Schedule D of the Dingley law, paragraph 194:

Timber, hewn, sided, or squared (not less than 8 inches square), and round timber used for spars or in building wharves, 1 cent per cubic foot.

Paragraph 195:

Sawed boards, planks, deals, and other lumber of whitewood, sycamore, and basswood, $1 per thousand feet, board measure; sawed lumber, not specially provided for in this act, $2 per thousand feet, board measure; but when lumber of any sort is planed or finished, in addition to the rates herein provided, there shall be levied and paid for each side so planed or finished 50 cents per thousand feet, board measure; and if planed on one side and tongued and grooved, $1 per thousand feet, board measure; and if planed on two sides and tongued and grooved, $1.50 per thousand feet, board measure; and in estimating board measure under this schedule no deduction shall be made on board measure on account of planing, tongueing and grooving: *Provided*, That if any country or dependency shall impose an export duty upon saw logs, round unmanufactured timber, stave bolts, shingle bolts, or heading bolts exported to the United States, or a discriminating charge upon boom sticks, or chains used by American citizens in towing logs, the amount of such export duty, tax, or other charge, as the case may be, shall be added as an additional duty to the duties imposed upon the articles mentioned in this paragraph when imported from such country or dependency.

Paragraph 196:

Paving posts, railroad ties, and telephone, trolley, electric light, and telegraph poles of cedar or other woods, 20 per cent ad valorem.

Paragraph 199:

Clapboards, $1.50 per thousand.

In the remaining schedules of D, "Wood and the manufactures of wood," in the Payne bill, there is very little change from the present law. I do not think that the lumber interests of the United States have anything to fear. Canada is the only country from which lumber is shipped into this country. A very large part of this is from the western section of the Dominion of Canada, and will have no effect whatever on the lumber industries in the United States along the Gulf and Atlantic coast, freight rates being prohibitive. This section has a monopoly in yellow-pine lumber. Canada does not produce yellow pine. In 1907 we exported timber, boards, deals, and planks, joists, and scantlings of the value of $53,714,682. Our largest purchaser was Great Britain, taking more than $13,000,000 worth. If there is any competition between Canadian lumber and the yellow pine of the South, why does not Great Britain purchase from her colony, Canada? I am satisfied that it makes no difference whether lumber is taxed or is on the free list. The lumber interests of the United States, and particularly the lumber interests in the South, have nothing whatever to fear. A tariff on lumber will not hurt or help.

In addition to this, however, it is absolutely certain that the proviso in paragraph 197 shuts out all possibility of any reduction in the tariff on lumber as fixed by the Dingley law. This provides, that if any country, dependency, province, or other subdivision of the government shall impose an export duty or other export charge of any kind whatever upon, or discrimination against, any forest product exported to the United States, and so forth, shall pay the duties prescribed in section 3 of the Payne bill. Section 3 provides, "That upon each article enumerated in paragraphs 196, 197, 200, 201 of the schedule D"—and above mentioned—that the rate of duty shall be as is provided in the Dingley tariff law. So that I again repeat that the lumber interests of the United States, and especially the lumber interests of the South, have nothing to fear from the proposed reduction on lumber in the Payne bill, for the reason that the Dominion of Canada is divided into a number of Provinces. Some of these Provinces impose an export duty on lumber. The great bulk of the timber in Canada is on government lands. The policy of the government is to protect the standing timber and conserve the forests, and it is largely for this reason than an import duty is imposed on certain lumber.

Schedule K, wool and manufactures of wool, shows the value of merchandise shipped into the United States in 1907 to be $63,273,497.04; the amount of duty paid $37,973,891.34; equivalent ad valorem tariff under the Dingley law, 60.12 per cent; under Payne bill, 59.40 per cent. This schedule is one of the most iniquitous in the whole bill. When analyzed it will be seen that it imposes the greatest burden on the consumer without increasing the number of sheep in the United States. In the argument of Andrew J. Solis on the wool schedule the statement is made:

While the Dingley law gives wool the highest duty ever carried in a tariff bill, the result is that in 1893 the wool clipped in the United States was 348,000,000 pounds, in 1908, 298,000,000 pounds, a loss of 50,000,000 pounds.

The duty in the Dingley law and in the Payne bill on wool is 11 cents per pound. The duty on manufactures of wool is a great deal higher than the duty on wool: On yarns, 87.73 per cent to 121.09 per cent; on clothes, woolen or worsted, 61.50 per cent to 136.73 per cent; knit fabrics, not wearing apparel, from 96.91 per cent to 133 per cent; blankets, from 92.64 per cent to 180.53 per cent; dress goods, and so forth, from 94.11 per cent to 107.53 per cent. These are only a few of the items. The woolen schedule should be revised downward.

The estimated revenue under the proposed bill is $305,225,173. The estimate, in my opinion, is an extravagant one. The tendency in most schedules where the rate is high is that it produces less revenue as the years go by. As I have stated, what may be a reasonable tariff to-day and yield a large revenue may in time be a highly protective one and yield no revenue. I will insert in my remarks the table of estimated revenues, comparison of the Payne tariff bill with the present tariff law, prepared under the direction of the Committee on Ways and Means, by William W. Evans, assistant clerk.

Recapitulation.

[The ad valorems are based on the dutiable values.]

Schedules.	Value of merchandise (dutiable and free).	Revenue under—				Equivalent ad valorem.	
		Present law (act of 1897).	Proposed bill (H. R. 1438).	Increase.	Decrease.	Present.	Proposed.
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Per cent.*	*Per cent.*
A. Chemicals, oils, and paints	37,125,351.05	9,743,468.44	10,029,339.54	285,871.10		28.82	28.48
B. Earths, earthenware, and glassware	26,539,272.92	13,748,947.51	13,834,352.03	85,404.52		51.81	52.13
C. Metals, and manufactures of	51,405,153.57	18,702,890.19	17,597,278.47		1,105,611.72	36.96	36.15
D. Wood, and manufactures of	28,086,569.24	3,650,054.89	2,926,252.13		723,802.76	16.03	10.42
E. Sugar, molasses, and manufactures of	86,132,918.06	52,648,866.44	52,139,668.71		509,197.73	61.13	61.39
F. Tobacco, and manufactures of	22,916,119.01	23,927,700.96	23,918,459.68		9,241.28	104.41	104.31
G. Agricultural products and provisions	82,376,479.86	18,161,265.68	32,171,658.01	14,010,392.33		33.81	39.08
H. Spirits, wines, and other beverages	19,684,467.21	14,011,560.22	14,747,776.50	736,216.28		71.18	74.92
I. Cotton manufactures	26,543,211.53	12,286,499.08	13,343,346.15	1,056,847.07		46.29	50.27
J. Flax, hemp, and jute, and manufactures of	92,058,402.01	41,778,299.48	41,592,247.67		186,051.81	45.38	45.98
K. Wool, and manufactures of	63,273,497.04	37,973,801.34	37,583,491.96		387,399.38	60.02	59.40
L. Silks and silk goods	32,591,910.12	17,351,095.14	17,653,160.03	302,064.89		53.24	54.17
M. Pulp, papers, and books	14,154,482.06	3,020,980.92	3,274,865.19	253,884.27		21.34	25.35
N. Sundries	118,208,710.77	26,325,474.36	24,156,304.63		2,169,169.73	22.27	26.26
Sec. 9. Unenumerated articles	1,501,402.00	226,989.49	253,531.69	26,542.20			
Total from customs	702,597,946.45	293,557,984.14	305,224,732.39	16,757,222.66	5,090,474.41	44.16	45.72
Net increase from customs				11,666,478.25			
Internal revenue on legacies, etc			20,000,000.00				
Internal revenue on cigarettes, additional			1,500,000.00				
Total revenue by proposed bill			326,724,732.39				

Section 29 of the bill provides that to reimburse the Treasury of the United States in the sum of $40,000,000 paid for the Panama Canal, $40,000,000 of bonds shall be issued and the money paid into the Treasury. Section 40 of the bill amends section 32 of the war-revenue act. This act provides that the Secretary of the Treasury may in his discretion, from time to time, borrow at a rate of interest not to exceed 3 per cent such sum or sums as in his judgment may be necessary to meet public expenditures and limiting the amount outstanding at one time to $100,000,000. Section 40 increases this amount to $250,000,000 for the purpose of raising revenue to defray the ordinary expenses of the Government. The total amount of bond issue provided is $290,000,000. This is very strong evidence that it is not expected or intended that the Payne bill will provide revenue necessary to defray the expenses of the Government. It is not possible in a speech like this to point out all the objections to the Payne bill. I have mentioned only a few in detail. In my opinion the bill is wrong in principle, for the reason that it discriminates in the interests of the favored classes, because it imposes unnecessary burdens upon the American people. The bill discriminates between the sections of the country. It gives benefits to the favored few at the expense of the many.

The preparation of the bill has been partisan. After the bill was made up by the Republican members of the Ways and Means Committee, the Democratic members of the committee were invited to a meeting of the committee, at which, by a partisan vote, the bill was at once reported to the House. We are told that opportunity will not be given for amendments on the floor of the House, possibly with the exception of such amendments as may find favor with the Republican members of the committee. Why not give the membership of the House, Democrats and Republicans, the opportunity of offering amendments to the bill? Some of you may wish to know what amendments I would suggest to the bill. I will tell you briefly. First, I would revise the bill to a revenue basis. Second, I would provide a graduated income tax on all incomes above $2,500. This would be fair to the American people and would raise the needed revenue beyond question. And third, I would amend section 23 of the Payne bill by placing ships and vessels when purchased in foreign markets for use in the ocean-carrying trade of the United States by American citizens on the free list; give such vessels American registry under proper rules and regulations requiring them to be officered by American citizens. This would do much for American commerce, and then perhaps we would hear no more of the demand for a ship subsidy. The Payne bill is more objectionable than the Dingley law. The people have asked relief from the unjust burdens of taxation, and your reply is to increase their burdens. You are patterning after Solomon's son. He lost the greater part of his kingdom for threatening to do what you are doing. The people will hold you accountable. [Applause on the Democratic side.]

Mr. FLOYD of Arkansas. Mr. Chairman, it is not my purpose to enter into any theoretical discussion of the tariff question. I propose to address myself directly to the provisions of this bill and to call attention to certain defects, discriminations, and objectionable features contained therein. There has been for some time in the past a general demand for a revision of our present tariff laws. Notwithstanding the fact that for ten years the Republican party has boasted of the Dingley law as the ideal of the protectionist, the one law that had brought to this country the greatest prosperity, we have seen that party in its national platform forced to repudiate it and to declare for a revision of the tariff. Their candidate for the Presidency, Mr. Taft, in his letter of acceptance, declared that if elected he would call an extra session of Congress to revise the tariff. In keeping with that pledge President Taft called this extra session of Congress. This persistent demand for a revision of the tariff was deep rooted and widespread; it was confined to no locality and circumscribed by no party lines. The sentiment was rife in the Republican party, as well as in the Democratic party. Two causes contributed to bring about conditions which made imperative this demand. One cause for it is that the existing tariff law no longer affords sufficient revenue to maintain the expenses of the Government.

A deficit exists in the Treasury. From month to month this deficit has increased until now it is estimated by those in authority that it will reach by the end of the fiscal year one hundred to one hundred and fifty millions of dollars. This cause operated upon the administration and forced the President and the leaders of his party to advocate tariff revision for revenue purposes. But there was another deep underlying cause that contributed to this universal demand for tariff revision which no party would dare to ignore. Under the operations of the Dingley law, the highest protective law ever written upon our statute books, the living expenses of the American people have increased until they are to-day about 35 per cent higher on the average than they were when this law was first enacted. It was this prevailing condition of high prices and not the deficit in the Treasury that caused this popular demand among the people. The demand for the revision of the tariff downward was due to the exactions, the robberies, the extortions that the corporations of this country and the manufacturers of this country, have been levying as tribute upon the American people. That is what caused the popular demand for it, and nothing short of substantial reductions on all the necessaries of life will ever satisfy that popular demand.

Now, I want to direct my remarks particularly along this line of thought; that is, I want to discuss in the main those features of this bill which bear some relation to and in their operations affect the expenses of the American people. We have heard much said about the consumer during the course of this debate. I prefer to state the proposition in a little different way. I prefer, instead of referring to the consumers as a separate class, to speak of the effects of the present law and this proposed law upon the living expenses of the whole American people, because this increase in the cost of living has affected every man, every woman, and every child in the broad land, whether they be poor, whether they belong to the middle class, or whether they be rich. The rich can stand it, but it has been a burden to the poor and it has become a burden and annoyance to the middle classes. There is a general revolt against the present law throughout the length and breadth of the land. Is this proposed law an improvement? I answer no,

for in many respects it is infinitely worse than the Dingley law. Let us see what it proposes to do for the people, the whole people, in regard to living expenses. Let us take some of these schedules bearing upon the cost of living and compare them with the corresponding schedules in the existing law. Do not think that I am going to weary you, because the details are simple when you come to analyze and compare the two along this line.

In some respects I admit that this proposed Payne bill is as difficult and intricate as a problem in calculus, as hard to comprehend as the most abstruse proposition in mental philosophy, but when it comes to these schedules and items which relate to living expenses it is one of the most simple documents I ever saw penned upon paper. It is simply a repetition, item by item, of the present law, with a few slight reductions in the interest of manufacturers, and with a few marked increases on items of necessity. Let us take the cotton schedule. There has been some reduction in cotton thread, but if you will turn to those items relating to reductions on thread you will find that the proposed bill excepts spool thread of cotton. Spool thread, of common domestic use, used in every household, and used by the people generally, is not reduced, and yet there is a thread trust in this country that controls spool thread, and that thread trust not only fixes the wholesale price, but arrogates the right to fix the retail price of every spool of cotton thread sold throughout the country. In my district an incident occurred a year or two ago which illustrates their methods. It occurred at Bentonville, my old home town, and a town of about 3,000 inhabitants. An agent of the spool-thread trust was sent there from somewhere in the East, I do not know where, to tell the merchants of that little city to raise the price of cotton thread to 6 cents per spool. They had been selling it at 5 cents. One firm, an old-established firm in the town, refused to comply.

The agent of the trust returned to the East and then the thread trust sent the unwilling firm a notice, telling them that they had been dealing with them for many years and their business relations had been pleasant, but they would tolerate no price-breakers, and unless they changed the price of cotton thread from 5 cents to 6 cents per spool no more cotton thread would be shipped to that dry goods concern. That concern refused. They were indignant. They wrote in reply that they proposed to sell their goods at the prices they saw proper to sell them; that they bought them for cash, paid for them, and proposed to exercise the right of selling cotton thread as they deemed proper and for whatever price they saw fit. They further notified the concern making this unreasonable demand that they had never purchased one spool of cotton thread from their concern; that they had purchased their cotton thread from a certain wholesale house doing business in their home town. In a few days the wholesale house received a notice from the thread trust that if they sold any more spool cotton thread to this recalcitrant retail firm that no more spool cotton thread would be shipped to the wholesale house.

The wholesale house wrote them that their letter had been referred to the attorney-general of the State, and that was the last that was ever heard of the proposition from the thread trust, for I am proud to state that we have a vigorous anti-trust law in Arkansas, and to note in passing that its validity was recently upheld by the United States Supreme Court. I mention this simply to show you the method of these trusts, and yet you can read this bill through and compare every schedule and you will not find that they have touched or reduced one particle duties on this spool thread of cotton that is sold by this very trust. But what have they done? They have reduced duties on cotton thread other than spool thread of cotton—in other words, that cotton thread that is used as raw material of the manufacture—and they have given the manufacturer the advantage of buying in foreign markets if he can buy cheaper than it can be produced or purchased at home, and they have not given any relief to the seamstress, the working girl, who, on account of meager income, must needs do much of her own sewing, or the woman who makes the clothing for her children. They have given no relief to the great body of our people, all of whom use more or less of this thread for domestic purposes.

Mr. HARDY. Will the gentleman allow me just a question for information?

Mr. FLOYD of Arkansas. Certainly.

Mr. HARDY. Is this other than spool thread mostly made by the cotton factories of the South?

Mr. FLOYD of Arkansas. I can not answer that question. I only know that it is other than spool thread. I do not know whether it is made in the South or not; my investigations have not gone into that question.

Mr. JOHNSON of South Carolina. May I interrupt the gentleman? The South, I think, makes a little more than 60 per cent of the coarse yarn made in this country.

Mr. FLOYD of Arkansas. Now, Mr. Chairman, take these schedules and compare them; it is a simple proposition; run them down one by one, examine the several items, and you will find that I have called your attention to the only reduction that is made in the cotton schedule; and if you will compare in like manner the items relating to materials from which bedding, blankets, and clothing are made you will find that the duties on no kind or quality of cotton cloth are reduced. You will find that no reduction is made on ready-made clothing and that no reduction is made upon wearing apparel of any kind. You will find, on the contrary, that there is a positive increase in the rates of duty on stockings, hose and half hose, and other articles in the schedule. You will not find any relief for the American people on this item of cloth and clothing in the cotton schedule. When you take up and consider the woolen schedule, when you examine the duties proposed in the Payne bill on woolen goods, blankets, and woolen clothing universally used by the people, and including all ready-made wearing apparel, you will find no reduction of the rates in the Dingley law in this schedule of the Payne bill from one end to the other.

Compare the woolen schedules in the present laws with the woolen schedule in the Payne bill, item by item, and you will find that as to the specific items I have referred to no reduction is made. There are a few insignificant reductions in the woolen schedule, but none that will cause any substantial reduction in the high cost of woolen goods or that will lessen the expenses of the great body of the people.

Let us consider for a moment the proposed changes made by the committee of the duties on boots and shoes and leather. What have they done? They have reduced the tariff from 25 to 15 per cent upon boots and shoes, and they have taken the 15 per cent tariff off of hides and given it to the manufacturer of shoes, and the manufacturer of shoes will be in a better condition if the proposed bill becomes a law than he is under the present law. Now, will the 15 per cent tariff enable foreigners to compete with the manufacturers of the United States in the sale of boots and shoes? No. It matters not, so far as boots and shoes are concerned, whether the rate of duty be 15 or 25 per cent; any duty upon boots and shoes is prohibitive, because there is no country in the world that can compete with the manufacturers of the United States in this great American industry.

I received a letter this morning—I have it here in my pocket, but my time is limited, and I will not take the time to read it—from a great shoe concern of Columbus, Ohio—the Wolf Brothers Shoe Company—asking that boots and shoes be put upon the free list, stating that the American shoe manufacturer needs no protection; that with free hides and cheap raw material the American manufacturer can shoe the world. I have called your attention to the fact that there is no reduction in this bill of duties on articles of clothing and wearing apparel, household goods, bedding, blankets, and other articles of comfort, embracing all other things which go to make up the ordinary expenses of the home, the family, or the individual along this line.

The next great item in the cost of living is food and food products. Let us look at food products, as dealt with in the Payne bill, and see whether or not the American people are going to get any relief from this high cost of food and foodstuffs under this proposed law. Now, there is something remarkable about this bill. I have not much time, but I want to talk about a few of its worst features.

Let us first consider the free list, as proposed in the Payne bill, with special reference to food and food products. A close analysis of section 2, which comprises the free list, will disclose some wonderful things. There are 240 paragraphs describing articles on the free list, but there is nothing on the free list that man can eat; that is, no food or food product suitable for the use of man except four items. I think there are just four.

Now, notice them! Bear in mind that I do not count coffee as being on the free list. I want to talk about that later if I have time. I will give you the number of the paragraph so you can verify my statement. Paragraph 560. Fish caught out of the Great Lakes and brought to the American shore is one item. Is not that a wonderful concession? If you go out on Lake Michigan or Lake Huron or any of the other Great Lakes and catch fish, you can bring them into the United States free of duty. What other fish? Those of the American fisheries, but the American fisheries are protected from pauper fish and pauper fishermen of all the oceans, and if they bring them in and you buy from them, you must pay their price for them in a protected market.

What else? What other food product is on the free list? Paragraph 685—tapioca. I believe some one said the other day it is used for manufacturing purposes mainly, and not specially for purposes of food. What else? Paragraph 697—turtles. What else? Paragraph 663—bologna sausage. When I looked down the list and found these articles—only four in number—I must confess I was astonished and amazed.

Mr. JOHNSON of South Carolina. Acorns are on the list. I do not know what they are for.

Mr. FLOYD of Arkansas. Yes; acorns are on the free list, but we do not eat them in Arkansas. After I discovered that the Ways and Means Committee were going to allow fish—if we could catch them—tapioca for puddings, turtles for soup, bologna for meat, I ran down the list to see if I could not find something in the form of breadstuffs or bread with which to eat these delectable luxuries so generously provided for us, and when I ran down to paragraph 704, entitled "Wafers," I thought I had found it, but alas, I examined it a little more closely, and I found it said, "Wafers, unleavened; not edible."

My friends, on the other side of the Chamber you boast of high tariff schedules as being in the interest of the American people, and especially the laboring people, but there is nothing on the free list from one end of it to the other that the laboring man can use for food except the things just named, and there is nothing on this free list from one end to the other that by any process of reason, contortion of sophistry, legerdemain of fancy, or stretch of the imagination, that you could possibly construe as wearing apparel, unless it comes under that rather dubious title of "rags, not otherwise provided for in this bill." On the contrary, what is proposed in the Payne bill? It is proposed to take spices from the free list and transfer them to the dutiable list, and in this report which I hold in my hand of the estimated revenues which you expect to derive from the Payne bill, made by experts, it is shown that the revenues derived from this tax, duty, or tariff on spices would be $1,500,000 per annum, in round numbers.

It is proposed to take from the free list and put upon the dutiable list tea, used in every household in the land. And the estimated revenues which your experts expect to see derived from this item are in the neighborhood of $9,000,000 per annum on tea alone. You expect to derive $10,000,000 under the Payne bill from these two items. What industry, my Republican friends, is protected by these taxes? You say you are for a protective tariff in order to protect labor and industry. What industry? What labor? Spices and tea are not raised in this country. It is a tax for revenue and a tax upon the common necessities of life for revenue and for revenue alone.

Oh, but you say you have retained coffee on the free list. Yes; with a proviso. Coffee is nominally on the free list, but you provide that if any country that produces coffee places an export duty upon that coffee, there shall be levied in the United States a tax equal to the export duty imposed by the foreign country from which it is shipped. I can not too strongly condemn this provision of the proposed law. We are told that it is done in order to use a "big stick" over the foreign nations of the world. Now, gentlemen, it is the echo of the big stick," when the man who used the "big stick" effectively in this country has passed from power.

What do you propose in this Payne bill to do in retaliation for what a foreign government does, perhaps in the legitimate scope of its functions, perchance in raising revenues to maintain that government? Here is the proposition—listen: A foreign government, having a right under its constitution and under its laws to impose export duties, imposes an export duty on coffee. And are you going to retaliate against the foreign government? No; you are going to retaliate against the American people, every user of coffee in the United States, by doubling the tax and making him pay an import tax equal to the export tax that the mother country imposes upon it. What industry is protected by such a policy in the United States? How is labor protected thereby? You protectionists, what defense can you make to your people for this unjust and iniquitous coffee tax even upon the theories of the Republican party? I declare to you that this countervailing duty on coffee is a departure from every sane and sound principle of legislation and is indefensible from any standpoint.

But that is not all. There are some remarkable provisions to this bill. Sections 3 and 4 must be considered. Section 4 puts another restriction upon the importation of coffee and upon the importation of any other article that comes to the United States from any other country in the world.

It provides that if any country admits all of the products of the United States, that is, every product of the soil or of the industry of the United States, into their country on equal terms with those of every other nation of the world, then we shall give them the advantage of these high rates in the Payne bill; but if they discriminate in favor of any country on the face of the earth against any one of our products, then coffee, or any other article of their products, shall be subject to an additional duty of 20 per cent ad valorem in some instances, 25 per cent in others. Here we have another big-stick idea. We are going to make every nation in the world come to our terms by a threat. Now, what does that mean? Over in central Europe there is a little peaceful nation known as Switzerland. The people are great artisans, and yet if the great Empire of Germany, or Russia, or England, or any of the other great nations of the world have entered into some trade agreement with those industrious people of Switzerland, their neighbors for centuries, that is a little more favorable in some respects, in some one particular, than to the United States of America, then every article that comes from any of these great countries is to have imposed upon it an ad valorem duty of 20 per cent over and above the rates of duty fixed in the several schedules in the Payne bill.

Now, right in connection with that schedule I want to call attention to another thing. It takes a most careful analysis to see all that is in this bill. It is a study. Take farming tools. It is not proposed in the Payne bill to place farming tools on the free list. A 15 per cent duty is imposed on farming tools; but there is a provision that if any country in the world admits our farming tools free of duty, then farming tools shipped from such country may come into this country free. That would give us free farming tools upon its face; but when you examine sections 3 and 4, it is provided if there is any discrimination against any other product, then there is a duty of 25 per cent added against farming tools. This is not shown on the face of the bill without careful analysis, but under section 3, relating to paragraph 468 of section 1, which relates to farming tools, we find that if any country discriminates, not against our farming tools, but against any other product of soil or industry, then, under section 3, not only shall the 15 per cent ad valorem be paid, but there shall be added thereto 25 per cent ad valorem, making a tariff of 40 per cent against the people and in favor of the great harvester trust on farming tools. Such is the proposed tariff in the Payne bill relating to farming tools.

I defy anyone, here or elsewhere, to disprove the facts alleged or the conclusions drawn therefrom.

But there is another provision or paragraph to which, right in this connection, I must call your attention. Paragraph 462 fixes the tariff upon art, statuary, and paintings, and imposes certain duties upon all works of art, statuary, and paintings unless the paintings or works of art or pieces of statuary are 20 years old. If more than 20 years old, they are admitted free of duty.

Now, it is understood from newspaper reports in the past that Mr. J. Pierpont Morgan, one of the great financial men of this country, has been in Europe buying up paintings and statuary of value. No one criticises him for that. It is likely that other millionaires and capitalists of this country will follow his example, and in the end that there will be bought for American gold and brought to this country more fine paintings, statuary, and works of art than Napoleon brought from Egypt or from Italy to France after his triumphant invasion of those countries with which to decorate the imperial palace of his empire.

Now, is it proposed in this bill to treat this fine old statuary and these fine old paintings like they do farming tools? Section 3 provides, as to paragraph 462, that if any country discriminates against us in any respect, as provided in section 4, that then so far as this paragraph relating to statuary and paintings is concerned, there shall be levied an additional tariff of 20 per cent of the duties imposed in that paragraph. No duty is imposed on the old and valuable paintings and statuaries, and 20 per cent on nothing is nothing still.

I am unalterably opposed to the proposition to fix the maximum rate of our tariff at 20 per cent ad valorem higher than the rates fixed in the several schedules in the bill. I am also opposed to delegating to any foreign government the power, by discriminations against us, to take articles off of our free list or to raise our tariff duties, as provided in sections 3 and 4 of this bill. By virtue of the provisions of these two sections, 68 articles named on the free list may, if this bill becomes a law, be found upon the dutiable list; not by the will of Congress, but by discriminations against us imposed by other countries. I submit, Mr. Chairman, in all candor, that this is no proper way to legislate. In a matter of such high importance as the imposition of duties or taxes, the American Congress should legislate for the American people, should fix such rates of duty as

they deem just and proper to all interests concerned and for purposes of revenue, and should not leave it in the power of any nation on earth to raise those rates of duties by discriminations or otherwise.

In view of this general situation, I think this bill should be amended in a number of particulars looking to a substantial reduction in the living expenses of our people. The tariff on lumber has been reduced. In my judgment, the bill should be amended and lumber should be placed upon the free list. This would enable the people to build better homes and would encourage more people to own their own homes.

The home is the unit upon which states and nations are built. I know of no more patriotic sentiment than that uttered by the brilliant Mississippian, S. S. Prentiss, when he said:

> I am, first, for my own hearthstone, then for my county, then for my district, then for my State, then for my country, and last for the world.

The man who owns his own home, possessed of a happy and contented family, be that home "ever so humble," makes the best citizen in time of peace and the truest patriot in time of war.

Coffee should be restored to the free list. The proviso which calls for a countervailing duty on coffee should be stricken out. The provision in section 3, providing for an additional ad valorem duty of 20 per cent on conditions named in the bill, should be stricken out, and coffee should be placed unconditionally on the free list. Tea should be restored to the free list, as in the present law. The tariff on refined sugar should be substantially reduced in the interest of the 80,000,000 of our people all of whom are consumers of sugar. Farming tools should be placed on the free list in the interest of the great farming classes who, by their brawn, brain, and muscle, produce the breadstuffs for this country and a large per cent of the breadstuffs for all the great nations of Europe. This should be done, also, for another reason, and that is to check the power of the great harvester trust that to-day has a practical monopoly on all farming tools produced in this country.

If it is insisted that we must retain these tariffs for purposes of revenue, then my answer is: If revenue is the object, by reducing the highly protective and in many cases prohibitive duties on manufactured products, such as cloth, wearing apparel, ready-made clothing, hats, boots, and shoes, to a revenue basis you will secure an abundance of revenue. And who will be hurt? Will the laborer? No; not in the least. The laborer will still receive his wages, and the money paid for his labor will buy more and his condition will be improved. The general public, the State, and the Nation will be benefited, because that condition of severe tension and unrest in the minds of the poor, in their hard struggle for subsistence, which wrecks homes, encourages crime, incites anarchy, fosters socialism, threatens society, and multiplies suicides, would be removed and the blessings of contentment, industrial peace, plenty, and prosperity would again be restored in the land. Such a policy would in no way affect or destroy the legitimate profits of any industry. This, in my judgment, would be in keeping with the purposes of a tariff for revenues and in keeping with the great popular demand at this time for a reduction of the tariff in the interest of the masses. I believe a substantial revenue would be thus produced.

The necessity for a bond issue would be removed in the near future. The necessity for an issue of certificates of indebtedness bearing interest at the rate of 3 per cent per annum would be removed.

Thus, Mr. Chairman, from a careful examination of those schedules which relate to articles of food, articles of clothing, and to articles of ordinary comfort and necessity, it is clear that nothing has been done, nothing is proposed to be done in this bill which will lessen the high cost of living in the United States, which increase of cost of living is due in a large measure, if not wholly traceable to the high schedules and burdensome exactions of the Dingley law.

On the contrary, much has been done or proposed to be done herein that will greatly increase the living expenses of all of our people. This ought not to be. To the rich, to the well to do, this will perhaps matter but little; but to the poor, to the millions of our fellow-countrymen whose yearly income is less than $500 per annum, who are daily engaged in a hard struggle for bread and the ordinary necessities of life, the retention of the present tariff on some and an increased rate on other articles of daily comfort will add additional burdens and work untold hardships, which ought not to be imposed by the Representatives of this great country.

The treatment of women and children, as provided in these schedules, is equally indefensible. The increased duties on gloves, stockings, and other articles of dress are not confined to the poor, but are equally burdensome and unjust to the middle classes and to the rich. The proposal to increase the tariff on gloves places an additional tax upon the fair hand of woman. The proposal to further tax stockings, hose, and half hose is a proposition to lay an additional tribute on her feet and on the feet of her children. The excessive tariff on corsets is a proposition to impose a duty on the comeliness of woman's form.

By the tax on tea and spices, heretofore on the free list, it is proposed to exact the enormous sum of more than $9,000,000 annually from woman's kitchen and from woman's table. These proposed taxes are what I denominate "home taxes." They are taxes imposed upon the comforts of the home. Yes; unjust, indefensible home taxes. The American woman deserves no such treatment at the hands of this Congress. I enter my earnest protest against it and hope the bill will be so amended as to omit these obnoxious provisions. [Loud applause on the Democratic side.]

Mr. YOUNG of Michigan. I move that the committee do now rise.

The motion was agreed to.

The committee accordingly rose; and Mr. COLE having assumed the chair as Speaker pro tempore, Mr. OLMSTED, 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 come to no resolution thereon.

WITHDRAWAL OF PAPERS.

Mr. HUBBARD of West Virginia, by unanimous consent, obtained leave to withdraw from the files of the House, without leaving copies, the papers in the case of William H. Allison, Sixtieth Congress, no adverse report having been made thereon.

RECESS.

Mr. YOUNG of Michigan. I move that the House take a recess until 8 o'clock.

The motion was agreed to.

The SPEAKER pro tempore. Under previous order, the House will take a recess until 8 o'clock.

AFTER THE RECESS.

The recess having expired, at 8 o'clock p. m. the House was called to order by Mr. COLE, the Speaker pro tempore.

Mr. SCOTT. 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.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. OLMSTED in the chair.

Mr. THOMAS of Kentucky. Mr. Chairman, being a new Member of this House, I come with some hesitancy to make a few remarks concerning the pending measure which has been so ably discussed by older and more experienced men on both sides of this Chamber.

This bill is entitled "A bill to raise revenue, to equalize duties, to encourage industries, and for other purposes."

A casual examination of the bill, I think, discloses the apparent fact that at least one of its purposes is to so fix the tariff rates upon imports that the trusts and the monopolies of the country may continue to pillage the American people by raising the price upon commercial commodities and the necessaries of life.

The first purpose stated in this bill is that to raise revenue. The wisdom of man has never yet conceived or enacted a revenue measure that can produce sufficient revenue to meet the extravagances of a Republican administration. [Applause on the Democratic side.] It has never been done in the past and, unless the course of legislation is changed in regard to tariff taxation, it will never be done in the future.

I have heard a great deal in the discussion upon the floor of this House about the manufacturing industries of this country. I have heard a great deal about the consumers; but I have as yet heard nothing, except in a casual way, about the rights of that great class of producers, the laboring people, who produce every dollar of the wealth of the country. [Applause on the Democratic side.]

It has been claimed by the Republicans on the floor of this House that the main purpose of this bill, one of the chief objects of all protective tariffs, is to give better wages to the laborer, to afford protection to the labor of the country; and yet this bill does not, nor can any such bill, protect or increase the wages of the laboring element. On the contrary, high tariffs enable the manufacturer to enhance the value of the necessities of life that labor has to buy and live on, while it has been the continuous and unquestioned policy of the manufacturer and monopolist, supported by the Republican party, to bring into

this country in continually increasing hordes the worst element of pauper and criminal labor of southern and eastern Europe to compete with American labor.

It is a false pretext to keep out foreign manufactured goods for the purpose of protecting labor and at the same time open our doors to the foreign competing wage-earner, who works for nothing but his own betterment; who sends his wages abroad and competes unfairly with the American wage-earner, with no intention of making this land his home. The American wage-earner is of our highest type, the bone and sinew of our country, and the only way to protect our American wage-earner is to bar out all paupers and criminals of alien races and admit only those who declare their intention of becoming American citizens. The country must exclude all others or we shall in the end suffer demoralization and possible degradation and downfall.

This character of legislation alone will afford the American workman some measure of protection, which a tariff, be it ever so high, can never give.

To keep out the product of the cheap laborer and then admit him to this country to work in competition with American labor is an inconsistency. It has, however, always been the object of the monopolies of this country to obtain their labor as cheaply as possible, and in this they have to a great extent been aided by the Republican party. Years past that party negotiated the treaty that first brought Chinese labor into this country and flooded the western part of our domain with that character of workmen.

It was the same party—I presume in the avowed interest of labor—which passed the alien-labor contract law, by which for years the manufacturers and monopolists of the United States could go to Europe and there contract for pauper and criminal labor at the lowest rates to themselves and bring it here to compete with American labor.

The advocates of high protection argue that a high tariff raises the wages of labor. They say a high tariff is for the benefit of the laboring man. That is one of the great arguments for the passage of the bill, when, as a matter of fact, nearly every increase in the wages of labor has been in the face of lockouts and state and federal injunctions—those infamous instruments of monopoly to fasten the fetters of industrial slavery upon the laboring element. [Applause on the Democratic side.]

It has been frequently alleged upon the floor of this House that the wages of labor have been increased in the past few years by reason of the tariff. I say that this is not the case. I say, and I will demonstrate to any reasonable man, that the wages of labor in this country under a high protective tariff—the Dingley law—in the past twelve years have been reduced 30 per cent. [Applause on the Democratic side.]

Now, I shall make good that assertion: A dollar, it makes no difference whether it be a gold dollar, a silver dollar, or a paper dollar, or whatever character of dollar it may be, is worth just exactly what it will purchase of the commodities of the country. The value of the dollar is of necessity fluctuating, because the value of a commodity never remains quite the same for any great length of time. Its purchasing power is determined exactly by what it will buy. If the price of commodities, of manufactured goods, the necessaries of life, farm products, and the wages of labor could at all times maintain the same ratio of increase and decrease, then the purchasing price of a dollar would remain the same. But as there is, as stated, constant fluctuation in the prices of all these things, the value of the dollar must necessarily increase or decrease in proportion as the value of commercial commodities increases or decreases.

According to the reports of the Bureau of Labor of the Department of Commerce and Labor, in the four industries of cotton, wool, leather, and iron and steel, among the highest protected industries we have, the per cent of labor to the product—that is, the amount labor has received of its own product—is, in the cotton manufactories, 21.33 per cent. That is, every time a laboring man has produced a dollar's worth of that product, the part that he has received for his labor has been 21.33 per cent.

In wool, calculating upon the same basis, it has been 18.6 per cent.

Upon shoes it has been 21.57 per cent.

In the steel and iron industry, which has been one of the highest protected industries of the country, every time a laboring man has produced a dollar's worth of product he has received for his labor 15.6 per cent.

According to the Bureau of Labor there has been in the last twelve years an increase of 19.2 per cent in wages in these four industries, and the bureau calculates that in the last twelve years there has been a total increase of 19 per cent in the wages of labor in all departments. The increase in the wages of labor, therefore, it will be seen, has not kept pace with the increase in the cost of living.

Dun's commercial report estimates that in the last twelve years the cost of living in the United States has increased 49 per cent; 27 per cent of this increase is attributed to the increased production of gold and 22 per cent of that increase to the tariff trusts. Taking the dollar as the unit, it will cost the laboring man at the present time $1.49 to buy as many goods or as much of the necessaries of life as he could have bought twelve years ago for $1.

What has he got to buy it with? His wages have increased on an average of 19 per cent, and he has $1.19 to buy goods, where twelve years ago he had $1 to buy the same goods. But, at the same time that his wages have increased 19 per cent, his cost of living has increased at the much greater ratio of 49 per cent, so that it now takes $1.49 to buy as much of the necessaries of life as he could have bought with $1 twelve years ago, or, the increase of wages not having kept pace with the increased cost of living, he has only $1.19 to buy them with, a difference of 30 per cent. Therefore his wages instead of increasing have actually decreased 30 per cent, the difference between the increase of wages and the increased cost of living. [Applause on the Democratic side.]

The great trouble is that the laboring people are slow to learn that the value of their wage is measured by what it will buy. It seems difficult for them to know and understand that the policy of high protection is an absolute menace to their interests. They have not yet learned that a high protective tariff lowers their wages by increasing the cost of living. When they do learn this, as they finally will, their just indignation will bury Republicanism at the ballot box.

I have heard a number of speeches upon the pending bill during this session of Congress, and I have learned that up in the State of Washington—Republican and highly protective in its sentiments—they have a new breed of Republican high-tariff chickens, composed, as stated by the gentleman from that State [Mr. CUSHMAN], principally of neck and pinfeathers, which they sell to the laboring people, according to his declaration, at 65 cents apiece. At the present rate of wages the laboring man can not afford many of the pinfeathers, much less the necks.

No wonder, Mr. Chairman, that Coxey's army—which was recruited to a great extent from that part of our domain—appeared in Washington with patches and punctures about its clothes. Republican legislation and high tariff were directly responsible for that marching column of hungry tatterdemalions.

During this discussion I have heard from the other side of the Chamber something about panics. There has never been a financial panic in the United States that was not the result of Republican legislation and the legitimate offspring of a high tariff. [Applause from the Democratic side.]

In 1869 when Black Friday was given to the financial history of this country as one of the very darkest days of our national existence, the Republican party was in full power and had been for years, and there was at that time a high protective-tariff law in full operation. The Republican party continued in power, and in 1873 there was another great panic—the result of Republican legislation and policies. We than had a high protective tariff. Who of the middle-age generation does not remember the panic of 1873?

The banks and other financial institutions of the country toppled over like houses of cards. Three million men were out of work, and in many of the cities of this land were marching under banners demanding bread or blood. This result was brought about by Republican high tariff and other vicious Republican legislation.

I heard the gentleman from Washington [Mr. CUSHMAN] speak of the advent of Coxey's army—which was recruited, in part, at least, from his State—into Washington City, and he laid that to the effect of the Wilson bill and Democratic legislation.

Mr. Chairman, the tattered legions of Coxey's army marched into Washington City and were ordered to keep off the grass on the 1st day of May, 1893, while the McKinley tariff bill was in full operation and nearly seventeen months before the Wilson bill was enacted into law. [Applause on the Democratic side.]

Mr. SHERWOOD. That is right; I saw the army start.

Mr. THOMAS of Kentucky. Mr. Harrison went into the presidential office on the 4th of March, 1889. When he was inaugurated there was more money in the Treasury of the United States than there had ever been at the end of any administration. What was the result? When Mr. Harrison

was again succeeded by Mr. Cleveland the Treasury was bankrupt, there being a deficit of over $60,000,000.

Plates were prepared by that Republican administration for the purpose of a bond issue to cover the deficit, but were held up until Mr. Cleveland came into office, succeeding Mr. Harrison, and the Democratic party, under his administration, instead of creating the panic, inherited the panic created by the Harrison administration and the McKinley bill. [Applause on the Democratic side.]

There was not in operation a law enacted by the Democratic party when the panic of 1892—not of 1894, as the gentleman from Washington [Mr. CUSHMAN] asserted—began.

Good times and high wages, we are told by the opposition, result from a high tariff. When did the Homestead strike take place? Was that under the Wilson bill? The Homestead strike took place in 1892, when the McKinley bill was the law of the land and there still was not a single Democratic law in force. That bloody strike, that greatest industrial war that civilization ever witnessed, took place at Homestead, right within the fortification and citadel of high-protection Pennsylvania, in 1892, when the blood of the laboring man—shot down at the instigation of monopoly—colored the ground because he was striking for higher wages and better conditions. And yet Republicanism claims that its policies make for better times and higher wages.

Mr. MADDEN. What did they strike for when the Democrats were in power?

Mr. THOMAS of Kentucky. There have not been nearly so many strikes when the Democrats have been in power.

Mr. MADDEN. Of course not, because there was nothing to strike for. They are perfectly willing to take what they can get when the Democrats are in power, and are glad of whatever it is.

Mr. THOMAS of Kentucky. The Democratic party has not been in full power in the United States, except about two years, in nearly fifty years, and, of course, if there is nothing to strike for there will be no strike; but under a Republican administration there is always something to strike for, and it is generally bread for the workingman.

Mr. MADDEN. When the Democrats are in power, the workman is glad to strike for a job, and he does not care what kind of wages he gets.

Mr. HUGHES of New Jersey. Mr. Chairman, will the gentleman from Kentucky yield for an interruption?

Mr. THOMAS of Kentucky. Yes.

Mr. HUGHES of New Jersey. I will tell the gentleman why they struck when the Democrats were in power: Because the Democrats had not formulated the injunction issue which the Republicans have used so successfully to keep them from striking. [Applause on the Democratic side.]

Mr. MADDEN. Will the gentleman permit a reply?

Mr. THOMAS of Kentucky. Yes.

Mr. MADDEN. Who was it sent the United States troops to prevent the workmen from striking during Cleveland's administration?

Mr. THOMAS of Kentucky. And who was it sent troops to Colorado to shoot down the workingmen after they had struck for living wages? And who was it that established the "bull pen," second in infamy only to the "black hole" of Calcutta, in which laboring men were incarcerated like sheep in the shambles? And who was it that by the infamous process of injunction deprived labor leaders of the right of trial by jury and sentenced them to prison for exercising the right of free speech in behalf of labor?

Mr. Chairman, I want to go on record right now as being unalterably opposed to this process of injunction as a means to coerce labor. It is an encroachment of power by the "courts of equity," so called, upon the courts of common law, long since denounced by Lord Coke as courts of "criminal equity," the purpose of which in the hands of monopoly is to deprive the citizen of the right of trial by jury in labor disputes; and the high-tariff advocates of Republicanism have consistently sympathized with this instrument of oppression to keep down wages, while at the same time they have inconsistently sung the siren song of higer wages for the workingman. [Applause on the Democratic side.]

Mr. Chairman, the gentleman from Washington [Mr. CUSHMAN] was especially laudatory of the Dingley law—the antetype and model of the present bill. His encomiums of both measures have been fanciful and extravagant, and, I think, without the pale of fact. Intimating, if not directly asserting, that high protection—that Dingleyism, as expressed in the Dingley law—has been a panacea for all the ills that afflict the body politic, he declares he is the highest of high protectionists and entitled to a seat in the inner sanctum of the elect.

His declaration and the assertion of high protectionists that a high tariff makes high wages and good times are not borne out by the facts. The Dingley tariff is still the law. If that tariff is the producing cause, the same alleged good effects should result as long as the cause remains. But the industrial history of our country is filled with chapters of lockouts and strikes and reduced wages, while our soil has been reddened with the blood of men slain in a vain attempt to better their condition.

From 1901 to 1905, inclusive, there were in this country, as shown by the reports of the Bureau of Labor, 13,904 strikes, involving 2,033,196 strikers, and in these strikes 2,598,130 employees were thrown out of work.

I append here a table showing the official figures for each of the above years:

	Strikes.	Number of establishments.	Number of strikers.	Number of employees thrown out of work.
1901	2,924	10,908	396,280	543,386
1902	3,102	14,248	553,143	659,792
1903	3,494	20,248	531,682	656,055
1904	2,307	10,202	375,754	517,211
1905	2,077	8,292	176,337	221,686
Total	13,904	63,898	2,033,196	2,598,130

Mr. Chairman, if this record is good times and high wages for labor under Dingleyism, may the Lord God of Hosts deliver us from what Republicanism would denominate "hard times" and "low wages." And, added to this record, in all our large cities during the winter just passed the army of hungry, idle men has been unparalleled; and in the city of Chicago, according to newspaper reports, 15,000 hungry school children—the children of laboring people—had to be fed by public charity. And right now, almost within the shadow of the Capitol of this great Nation, in the city of Washington, the bread line is formed to feed the hungry and unemployed, while the "want employment" columns of all the great daily newspapers are lengthening in a daily increasing ratio.

Mr. Chairman, under the Dingley law, measured by commercial failures, closed industries, reduced wages, and the number of unemployed, we are passing through the most appalling financial panic of our history. [Applause on the Democratic side.]

From October 1, 1907, to August 1, 1908, the commercial failures amounted to $219,945,836, a period of ten months. This, at the same raito, in twelve months would amount to $263,935.002, as against $226,000,000 in 1896, being an excess of nearly $38,000,000 over the failures of 1896.

During the present panic commercial disaster has been more widespread than ever before. And this "Republican panic" is the only panic, so far as I know, in the history of civilization in which a man could not get his own money out of bank on his own check; the only panic in which banks were compelled to pay a premium to other banks in which they had deposited money in order to withdraw their deposits.

"By their fruits ye shall know them," and judged by this standard, the fruit of Republican high-tariff legislation is reduced wages, financial disaster, and general commercial unrest. [Applause on the Democratic side.]

To the Society of Equity, the tobacco associations, the United Mine Workers, the Federation of Labor, and organized labor of every character I take off my hat. They have accomplished more toward better prices and increase of wages, and the general good of the producers—the laboring element—than all other influences combined.

Mr. Chairman, the pending measure, taken as a whole, is, in my opinion, worse, if anything, than the Dingley law. Tariff taxation under Republican legislation, like a bill denounced by a Republican member of the Kentucky legislature, "gets wusser and wusser." This bill is legislation, not in the interest of the consumer, not in the interest of labor, but in the interests of the trusts and monopolies which supply the sinews of political war to the Republican party during every national campaign, and who demand to be remembered by legislative enactment in the passage of a tariff bill that will enable them to continue to pillage the American people to further enrich themselves.

Mr. Chairman, in the limited time I have at my disposal it is impossible for me to discuss at length even the more important schedules of this bill. It gives the same raw deal to the farmer and consumer that it does to the laboring man. It levies a tribute of 45 per cent or more on the necessary articles of consumption that enter into the daily life of the people, while nearly every product of the farmer must compete free in the open market of the world.

I know a tariff is fixed on wheat, hogs, mules, sheep, corn, poultry, bacon, cows, hay, and other farm products, but this tariff is the merest sham. It does not and can not protect the farmer, and can not even deceive any intelligent man. The farmer of the United States is an exporter and not an importer of farm products. He raises more than he can sell in the home market, and can feed the world, and must depend upon the foreign market for the sale of his surplus products; and therefore a tariff on farm products is of no benefit to him whatever. The price of many, if not all, of his products is fixed in the foreign market, and the price of his wheat is absolutely fixed and determined in the Liverpool market; so a tariff on wheat is not and can not be of any benefit to him.

While the Republican party is attempting to deceive the farmer by this sham tariff, which purports to protect his products against some imaginary competition, it is making him pay a tribute to the sugar trust, the wool trust, the cotton-goods trust, the shoe trust, the Standard Oil Company, and various other trusts, which for years, under Republican domination, like unclean birds of prey, have glutted their filthy beaks in the vitals of the industrial life of the country. [Applause on the Democratic side.]

A tax on cotton goods, a tax on woolen goods, a tax on shoes, a tax on sugar, coffee, and tea, and diamonds free, and the tax on the cheaper qualities of gloves that are used by the great mass of the people is raised from 58.13 per cent ad valorem to 132.86 per cent ad valorem.

Republicanism says it is for a protective tariff, to protect labor and encourage the industries of the country, and yet tea and coffee, used by four-fifths of the people of the country, are put on the protected list, when neither is grown in this country and no labor is engaged in their production.

Under the maximum and minimum clause of the Payne bill not even farming tools are exempt from tariff exactions, but are made the subject of a sliding tariff of from 15 to 40 per cent, in the interest of the American harvester trust and other dealers in farming implements. In addition to all this, the tax is retained on tobacco, in the interest of the great American tobacco trust, whose manipulations cornered and controlled the tobacco market of the world and "squeezed" down the price of tobacco in the hands of the farmer below the cost of production, and no relief was found except through the Society of Equity, the Dark Tobacco Association, and other associations of like purpose, which by persistent effort have been enabled to successfully grapple with this giant trust and restore the price of tobacco to living prices.

As the law now stands the tobacco tax prevents the free sale of leaf tobacco. Tobacco is the only product of the soil that bears this burden. It is true the farmer can sell his tobacco in the leaf to whomsoever he pleases, but the purchaser can not resell it without the payment of the tax, even to his own workmen. This greatly restricts the sale of leaf tobacco and enables the trust to demand and receive much higher prices for its product, especially in those sections where tobacco is not grown.

Years ago the Republican party in national convention promised to repeal this tax, but the shadow of its master and campaign contributor—the American tobacco trust—fell across its pathway, and it was afraid and broke its pledges to the American tobacco grower, and the tax remains.

Mr. Chairman, the tariff is a tax and can be justified on no ground save that of raising revenue. If the tax, now nearly or quite prohibitive, on many manufactured articles could be lowered to a revenue basis an abundance of revenue would be secured. The people would buy more, a greater number of workmen would be employed at more remunerative wages, labor would be better satisfied, and, at lower prices for manufactured articles, the demand would become greater, more would be sold, business would become more active, conditions would become greatly improved, and, in my opinion, a brighter era of national prosperity would result.

Mr. Chairman, justice and equality for all classes under the law should be the shibboleth of legislation in a free republic. To levy duties so that special benefits will inure to privileged classes is contrary to the spirit and intent of our institutions, and can be justified neither in law nor morals. The law of fair dealing, the law of compensation, that which renders to all men and all classes only that which is due them; that requires all to bear their just proportion of the burdens of taxation is the golden rule of good government, the divine and human law, and the only rule of conduct by which nations can long prosper and survive. This was the law in the beginning, when God said, "'Let there be light,' and there was light." This was the law when the inspired prophet proclaimed the Ten Commandments to man from the sacred Mount of Sinai; this was the law when the peaceful shepherds tended their flocks on Galilean hills, and the wise men from the East kept their nightly vigils under Judean stars; this was the law when Enoch walked with God and John saw the wonderful vision of celestial life—the law from the beginning of time, and it should be the law to the end of time; and under this law the one object of legislation—the fundamental purpose of just government—is to seek the greatest good to the greatest number, which can never be done while legislation continues to grant special privileges to favored classes. [Applause on the Democratic side.]

Mr. Chairman, I have heard it strongly intimated, if not positively asserted, on the floor of this House that Democracy is dead or dying. Democracy is neither dead nor dying, but if this bill is passed in its present shape Republicanism will soon be calling on the rocks and hills to fall on it and hide it from the righteous wrath of an outraged people. The cardinal principles of Democracy are immortal. They will remain vital and active as long as justice has a temple and liberty an abiding place. The religion of Jesus Christ survived the apostasy of Judas Iscariot, Scotland recovered from the disaster of Flodden Field, the American Revolution survived the treason of Benedict Arnold, France recovered from the shock of Sedan, and Democracy will always rise strong and aggressive from any temporary political defeat that can be administered to it. Its basic principle, its fundamental law, is equal rights to all and special privileges to none; and the light of Democracy, like vestal flames, will burn and brighten on the altars and hearthstones of every home in this land when the fallacies of Republicanism are lost in the forgotten past. [Great applause.]

Mr. HUGHES of West Virginia. Mr. Chairman, I had expected my colleague [Mr. GAINES], who was so able to do so, to tell this committee how this new tariff bill would affect the people of West Virginia with reference to coal, but he failed to do that, and I am now going to try to do so within the limited time allowed me, and give you the situation as this bill affects the people of West Virginia.

Inasmuch as this tariff bill is a general revision of the duties on all commodities and articles that enter into international commerce, I shall attempt to discuss no feature of it other than the clause which deals with coal and coke, an industry which so vitally affects all the people of the State of West Virginia.

The principal coal-producing States are Illinois, Indiana, Ohio, Pennsylvania, Virginia, and West Virginia. That you may understand the relative conditions of the bituminous-coal industry in each of those States, it is only necessary to call your attention to the fact that Illinois, Indiana, and Ohio are among the foremost of the agricultural States of the United States. Nature has endowed them with soil and climate peculiarly adapted to agricultural pursuits. Pennsylvania, likewise, is a great agricultural State. Take from those four States all of their mining and other industrial enterprises, and still their people would be happy and prosperous on the products of the soil and their business of stock raising.

Every one of those States is rich in oil, gas, and especially coal deposits. This bountiful supply of fuel has so attracted manufacturing industries that they have become the great industrial centers of this Nation. Their factories are located, in a great measure, in the midst of their coal fields, and their fuel supply has a market and consumption almost at the mine mouth unsurpassed in magnitude by any section of the whole earth.

The contrast in West Virginia to her sister States is most striking. With the exception of some narrow bottoms along the banks of two or three of our largest streams, our lands are not suitable for profitable cultivation. From one end of the State to the other is a continuous chain of hills and mountains which at best can be made to yield barely a living for a small population. The fact is the larger portion of the State is not a farming section and never can be. Our people must engage in pursuits other than agriculture before we can hope to grow and be prosperous. We are not a manufacturing State in any sense of the word, in comparison with other coal-producing States. Not more than 10 per cent of the coal mined in West Virginia is consumed in that State; the other 90 per cent must find a market in other States. Our timber resources will soon be exhausted, and our lumber industry will cease to exist, in all probability, before another tariff bill will be considered by Congress.

Our hope for future prosperity is centered almost exclusively in this coal industry of the State. Fully 90 per cent of our people are dependent, directly and indirectly, upon our coal business. It is the coal operator that our merchants, wholesale and retail, must go to in order to find a purchaser for their merchandise. It is to him the farmer goes to sell his little surplus. Our railroads will go into receivers' hands if our mines are crippled. A

blow to the coal mines injures every industry in the State. When the mines are prosperous, all of our people are active and employed; when that business is depressed every industry we have feels the paralysis. It is the lifeblood of our whole industrial system. No State in this Union is so dependent upon one industry for its commercial success as West Virginia is dependent upon that of coal.

Permit me to call your attention to the fierce competition that we must meet from other sections of the country. The market for the larger part of our coal is in the Northwest. West Virginia coal is 300 miles farther away from this market than the coals in Indiana and Illinois, and in reaching the market our coal must be handled through the coal fields of those States. In the Lake country our coal comes into a competition with Ohio and Pennsylvania coals that is always at white heat. The average West Virginia coal is 450 miles from the Lakes, and pays a freight to Lake points of $1.12 per ton, and must be hauled across the State of Ohio, while the Ohio coal is only 155 miles from the Lakes, and pays a freight rate of only 85 cents per ton. The Pittsburg coal district is only 190 miles from the Lake points, and pays a freight rate of only 88 cents per ton.

There is in the Lake market a differential against West Virginia coal of 27 cents per ton in favor of Ohio and 24 cents in favor of Pittsburg coal, in the matter of freight rates alone, against the higher grades of West Virginia coal in the New River and Pocahontas districts. On the splint coal from the Kanawha, Guyan, and Thacker districts the differential against West Virginia coal is 11 cents per ton in favor of Ohio and 9 cents in favor of the Pittsburg coal.

The necessary consequences of this discrimination against West Virginia coal have been to drive many small operators out of the business and compel them to sell their mines to larger companies who were able in a measure to meet this competition, although under this great disadvantage. Not satisfied, however, with existing conditions, the coal operators from Ohio (No. 8) and the Pittsburg districts have gone to the railroads that haul coal from West Virginia, Ohio, and Pennsylvania to these Lake points, viz, Toledo, Sandusky, and Lorain, as well as Cleveland and Buffalo, and under threat of court proceedings and the precipitation of a rate war, have induced the railroads hauling coal from West Virginia to these Lake points to agree to raise the rates on West Virginia coal, and to retain the rates on Ohio and Pittsburg coal. The railroads agreed to raise the rates on West Virginia coal so that the differential against West Virginia and in favor of Ohio and Pittsburg coal would hereafter be 36¼ cents on New River and Pocahontas districts and 18¼ cents per ton on Kanawha, Guyan, and Thacker districts. A conference among the coal operators of these various districts and the carriers is being held this week in New York to see if the railroads can be pursuaded to withhold the putting of this proposed rate into effect.

If this schedule goes into effect, not a pound of West Virginia coal can go to this Lake market in competition with the Ohio and Pittsburg coals, and our people will be compelled to go out of the Lake business, and then Ohio and Pittsburg mines will have a complete and perfect monopoly of this Lake trade, which amounts, in round numbers, to 15,000,000 tons per year.

The Ohio and Pittsburg mines sent their representatives before the Ways and Means Committee and urged the adoption of reciprocity between Canada and the United States in the coal trades, and they have succeeded in persuading the committee to make a report and introduce a bill announcing this principle. If this feature of the bill should prevail and become a law the consequences to flow from it should be understood by every Member of this House, and more particularly by the distinguished gentlemen composing the Ways and Means Committee.

Reciprocity in general may be a good principle if the terms thereunder are fixed and definite, but it is unsound as a business proposition as applied to coal in the Payne bill. The extensive bituminous-coal operations in West Virginia and other States are adjusted to the present 67-cent rate on coal and shale, and 15 cents on slack or culm, and contracts would continue to be made upon those bases so long as those rates remained in effect. The coal business might adjust itself to a different definite rate, but if this reciprocal provision should be adopted it would make uncertain the tariff and render unstable the business of domestic coal operations. Assuming that Canada would immediately remove the duty on coal imported from the United States, our contracts would then have to be made upon that basis. Then, if Canada or any of its Provinces, for any reason, and summarily, should restore her duty, our duty upon like articles imported from Canada would forthwith be restored to the present rate, and vice versa. Thus domestic coal operators constantly would be in a quandary in the making of contracts and their transactions rendered unstable and chaotic. With fluctuations in tariff rates from zero to 67 cents on coal, slack, culm, and shale dependent upon the business necessities or caprice of Canada or any one of its Provinces, our own coal people would not know what to expect and practically would be at the mercy of their foreign competitors. If we must have reciprocity in coal, let it be of a kind that will not impair contract relations and unsettle our domestic industry; let us not depend upon a foreign country, but fix our own tariff rates upon these important products. But I am unalterably opposed to the reciprocal feature of this bill altogether.

In the very able explanation of the bill made to this House by the chairman of this committee, it is made evident that the reason for proposing the new coal schedule is based upon misinformation. It may be the fault of my own people, in that they permitted the committee to remain under a misapprehension as to the facts and actual conditions of the coal trade.

I beg your attention for a short while that I may point out the particulars in which the committee was misled.

First,

THE COST OF PRODUCTION.

In his explanation of the reason for putting coal on the free list, the chairman of this committee said (p. 183, CONGRESSIONAL RECORD):

> Early in the hearings the miners of bituminous coal in Pennsylvania appeared, and asked that this paragraph be inserted in the bill. It appeared from the evidence—I forget now the principal witness—that coal at the mouth of the mine in Pennsylvania costs $1.30 per ton and that coal at the mouth of the mine in Nova Scotia costs $1.40 a ton.

Please keep in mind that this information came from Pennsylvania miners, about the cost of mining in Pennsylvania, and by Pennsylvania he really means the Pittsburg district.

Instead of costing the Pennsylvania operator $1.30 per ton to mine his coal, he is actually selling coal f. o. b. cars at the mine at the following prices, viz:

	Per ton.
For Buffalo shipments	$1.10
For Toledo shipments	.95
For Pittsburg shipments	1.15
For Chicago shipments	1.10
For Cincinnati shipments	.90
For New York shipments	90 cents to 1.30

These are the actual selling prices of these coals at the mines as taken from price list printed in the Black Diamond Journal of March 6, 1909.

The average selling price of the Pennsylvania or Pittsburg coals at the mine mouth is $1.04 per ton, and when this witness, whose name the chairman did not remember, said that it cost $1.30 a ton for the operator to mine this coal at Pittsburg, he simply added 25 per cent to the selling price as it actually is, and by so doing imposed upon the committee and caused them to make a serious mistake.

The chairman says it was shown by this witness that Pennsylvania coal could be laid down in Boston for $3.65 per ton, and Nova Scotia coal could be laid down in Boston for $2.50 per ton. In other words, the consumer of coal in New England can procure it delivered from the Nova Scotia mines at $1.15 cheaper than he can get it from the miners of Pennsylvania; but this difference in cost, he says, is overcome by superior quality. This greater efficiency will amount, he says, to 70 cents per ton, and this fact has been judicially determined.

Grant all of this to be true, and then the consumer will find it to his interest to accept the Nova Scotia coal, because he will save on every ton of coal he uses the difference between 70 cents a ton for greater efficiency and $1.15 per ton, the difference in price, or 45 cents per ton.

It takes neither a philosopher nor a prophet to understand that the difference of 45 cents in favor of Nova Scotia coal, as against our own coal, must necessarily drive our coal out of the New England market. The cost of laying West Virginia coal down at Boston is about the same as that of the Pennsylvania coals.

But the truth is, it does not cost the Canadian miner $2.50 per ton to lay his coal down in Boston. The Dominion Coal Company, the largest producer in Nova Scotia, has stated in its circulars that it could load vessels with coal at Cape Breton at a cost of $1 a ton, and these vessels carry this coal to New England points for 75 cents per ton; and allowing a margin of 50 cents per ton, they can realize a splendid profit, and sell their coal to the New England consumer for $2.25 per ton delivered to points of distribution. Instead of Nova Scotia coal costing $1.40 per ton at the mine mouth, as the committee has been misled into believing, it actually costs no more than $1 per ton loaded onto the vessels. But the real purpose and object that the Pittsburg miners had in view when they misled the committee was to incorporate in this bill, and have en-

acted into law, a provision whereby they could trade off the New England coal market to the Nova Scotia coal miners in return for a translake market in central Canada, and this shall have been accomplished when this provision becomes a law.

The chairman of the Ways and Means Committee frankly admits this to be true when he says:

The idea of these gentlemen from Pennsylvania was that, while they allowed the Nova Scotia coal to come into Boston (meaning, of course, all New England) free of duty, under such an arrangement they would get a greater market in lower Canada than they would lose in New England. In other words, that they would sell more American coal in Canada than could possibly come into the United States, under this reciprocal arrangement.

The Pittsburg coal operators are very anxious to turn over the New England coal trades to Nova Scotia, in order that they might ship, free of duty, their coal into central Canada. Why are they so anxious to make this deal? Why are they willing that the consumer of coal in New England may be supplied exclusively by the miners of Nova Scotia? The reason is so apparent that I wonder that the committee did not see it at once. Two of the largest coal-producing districts in West Virginia supply to New England consumers about 6,000,000 tons of coal per annum. The coal supplied by these districts—Pocahontas and New River—is a soft, bituminous coal, possessing great heating properties, and is smokeless. On account of these characteristics it is peculiarly adapted to the New England cities, where smoke ordinances prevail almost universally, and, in consequence, it has established itself in that territory.

The Pittsburg coal, not being a smokeless coal, has found but little favor in the cities and towns of New England. By giving up the New England market to Canada, this Pittsburg miner is driving West Virginia coal out of that market, and but little of his own. This West Virginia coal so displaced from New England will not find a corresponding benefit of an enlarged market in central Canada, for a reason which is known to every coal man in the United States and Canada, namely, that this coal is so soft that it will not bear trans-Lake shipments to be again loaded into cars for distribution. This coal is not and can not be a competitor with the Pittsburg coal for Lake business. Under this reciprocal arrangement the Pittsburg miner gets all the benefit without suffering any losses, while the West Virginia miner receives no benefits whatever and suffers all the losses. Already these West Virginia coals must go to Lake points with a differential against them of $0.27 per ton in favor of Ohio coal and $0.24 per ton in favor of Pittsburg, and they have influenced the carriers to agree to increase these differentials to $0.36¼ per ton and $0.33¼ per ton, respectively, knowing that if this proposition to have free trade with Canada should become a law that the West Virginia coals displaced by Nova Scotia would have to seek a market in the West or cease to be mined. This must close down the mines in West Virginia and destroy practically the only industry in that State upon which the people are dependent for their livelihood.

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

Mr. HUGHES of West Virginia. Certainly.

Mr. COX of Indiana. For information. Is there any export duty on coal shipped from Nova Scotia into the United States?

Mr. HUGHES of West Virginia. No; there is no export duty, but an import duty of 53 cents a ton.

Mr. COX of Indiana. Well, then, under the bill as it is now prepared there will be a duty upon your coal equal to that, will there not?

Mr. HUGHES of West Virginia. No. If they retain a duty at all on coal then the present duty remains as it is, 67 cents a ton. If they put as much duty as 10 cents a ton on coal coming from the United States, then in that event our coal rate would remain as it is now.

Mr. COX of Indiana. Then, as I understand you, though Nova Scotia has an export duty of 53 cents a ton under the bill as it is now prepared, there will be the same rate of duty, 67 cents a ton, on coal. Is that correct?

Mr. HUGHES of West Virginia. Their duty is on imported coal. If they keep their duty, we keep ours; but in case they have no duty at all we have no duty.

Mr. COX of Indiana. Is there any coal mined in any other place in the Dominion of Canada except Nova Scotia which comes in competition with coal in the United States?

Mr. HUGHES of West Virginia. Yes; at Vancouver, and at Crowsnest Pass, and Lethbridge, in western Canada.

Mr. COX of Indiana. And there is an export duty on that?

Mr. HUGHES of West Virginia. No; they have an import duty of 53 cents a ton, and the advantage that they have over the United States is this, that their coal operations in Nova Scotia and Vancouver are right along the coast, reaching from 2 to 20 miles, and they have their railroads running from the coast back to their mines. At Crowsnest and Lethbridge their mines are near our border, and their rate of wages is less than ours.

Mr. COX of Indiana. Now, one more question for information. On reading the paragraph relating to the duty on coal I find a drawback for all coal that is used upon American vessels engaged in foreign trade——

Mr. HUGHES of West Virginia. Yes.

Mr. COX of Indiana (continuing). Equal to the amount of duty paid upon it. That is correct?

Mr. HUGHES of West Virginia. That is correct.

Mr. COX of Indiana. Does the gentleman approve of that?

Mr. HUGHES of West Virginia. No; I do not approve of that. I think they should pay the duty.

Mr. O'CONNELL. Will the gentleman yield for a question?

Mr. HUGHES of West Virginia. Certainly.

Mr. O'CONNELL. I notice you want to have this duty kept on principally because of the Boston market. Would not the haul from the West Virginia fields to the Lakes be less than from West Virginia to the seaboard to-day?

Mr. HUGHES of West Virginia. No; not in the particular territory I am speaking about. There is a small part of the territory it would; and, as I gave the figures here, we have a differential now against us of 9 and 11 cents, and if the coal operators do not succeed in getting the railroad companies to withdraw the bulletin they have already issued we will then have a differential against us of 36¼ and 33¼, which practically puts us out of the coal business.

Mr. O'CONNELL. Would not there be just as big a market in the Canadian Northwest as in Boston to-day——

Mr. HUGHES of West Virginia. Well, we can not ship our coal to the Canadian Northwest, because our coal is a soft coal and will not stand reshipment.

Mr. O'CONNELL. But the shipment from Norfolk to Boston by the Atlantic Ocean will be as much as on the Great Lakes.

Mr. HUGHES of West Virginia. Well, but if we make a reshipment of this soft coal it all goes to pieces.

Mr. O'CONNELL. But do not you have a reshipment from Norfolk?

Mr. HUGHES of West Virginia. We can stand one reshipment, but not two.

Mr. O'CONNELL. Where do you get two?

Mr. HUGHES of West Virginia. If we would reship from the vessels and then distribute by rail into Canada, then that would make another handling of the coal.

West Virginia is to become bankrupt in order that Pittsburg miners may have a monopoly on the Lake and Canadian business, and by this scheme multiply the value of coal properties in the Pittsburg district seven or eight times. Already Pittsburg coal lands are selling for $1,000 per acre and more, while West Virginia coal lands, equally as good and often better, will not average $100 per acre.

Mr. John W. Boilean, coal expert for western Pennsylvania, published a book on the value of coal properties in the Pittsburg district some months ago, in which he said:

It is clear that rates must decrease on Pittsburg coal to the Lake, the demand for which is enormous and is growing at the rate of 20 per cent annually. The readjustment of freight rates is imperative and will add from $1,000 to $2,000 per acre to present values. * * * The difference in favor of Pittsburg district coal for any point on Lake Michigan or Lake Superior against other coal suitable for by-product coke on present freight rates amounts to $5,500 per acre in favor of Pittsburg district coal, as against an all-rail haul for competitive coal. With an adjustment of freight rates, which is not far distant, the Pittsburg district would have an advantage to Lake route of approximately $7,500 per acre of all-rail coal from Kanawha, Thacker, and Big Sandy to Chicago and vicinity, and from $8,500 to $10,000 per acre over the Pocahontas and New River districts, if all the latter districts competed by the water routes, each district paying the same rate per ton per mile to the lake front. (Pp. 36–37.)

The fact is that it is the deliberate purpose of the Pittsburg coal interests to drive West Virginia coal out of the market and close down every mine in the State. This they know can be accomplished by having free trade with Canada and have the railroads put into effect schedules that have already been agreed upon.

I want to say that no more striking exhibition of the cruelty of human greed has ever been witnessed on this continent than this effort of these miners to despoil the people of a whole State.

West Virginia is a Republican State because our people believe that the Republican party stands committed to the principles of protection to American industries and American labor. She cast her vote for President Taft because our people believed in the promises that in the revision of the tariff no industry in this country should be injured, much less destroyed. When the national convention declared in effect—

That tariff taxes must be kept so high as not only to equal the differences in the cost of production at home and abroad, but to guarantee a profit to American industries—

the people of West Virginia had faith in the integrity of that declaration and cast their votes accordingly. If the calamity

which is to be inflicted upon my State were necessary in order to secure revenue for the Government, we would bear it with patriotic fortitude, but from this measure it is admitted that not one cent of revenue will be received. We have relied upon protection; when it has been withdrawn we have suffered. It is a principle when applied to coal that with us is nonpartisan, and we have looked to the Government to maintain in good faith a tariff on coal just as it would keep faith with a foreign nation.

For the Republican Members of this House to enact this proposition into law is to repudiate your platform and pervert the fundamental principles of protection. When has the suggestion ever been made before, in all the history of our tariff legislation, that one American industry may be stricken down and that other Americans engaged in the same industry may have a monopoly in that same line of business? My understanding of protection has always been that it was a weapon leveled at the foreign manufacturer and the foreign laborer for the benefit of all Americans alike. Protection was never intended to foster one section of the United States to the detriment of another section engaged in the same industrial pursuits.

It has been frequently stated upon the floor of this House that coal was a raw material and therefore should not be placed upon the free list. One of these gentlemen [Mr. CRUMPACKER] has told us that by crude or raw material was meant such material as requires relatively a small amount of labor in their production. There is scarcely a commodity produced in this country where the labor cost—about 85 per cent—forms so great a percentage of the total cost as coal. Nearly every man engaged about a modern mine is a skilled mechanic.

The laws of different States actually require them to be. The mine boss and his assistants and the shot firers must all be men of great experience. The men who run the cutting machines and those who do the hauling by electric motors and the drillers, and the electrical engineer and the mining engineers and their assistants are all men of technical knowledge and skill of the highest degree. The up-to-date mine does not use picks and mules any more, but the work of mining is done almost entirely by skilled workmen. Coal is as much a finished product as the finished locomotive engine which burns it. It can not be denied that every pound of coal used for domestic purposes in stoves and grates is a finished product. It is consumed in this use without entering into the production of other commodities as much as a suit of clothes or a pair of shoes. No one yet has ever advanced the idea that the coal consumed by locomotive engines and steam-vessel boilers is raw material. There is no article known that is made out of coal or coal products except artificial gas, coal tar, and ammonia. The whole idea of coal being one of the raw materials, like iron ore, hides, and rough lumber, is a misconception of the use of coal.

The distinguished chairman, induced thereto no doubt by statements from the Pittsburg miners, attempts to hold out to West Virginia miners the hope that they may still reach the New England market by an all-rail route. This is what he says:

> They—the West Virginia operators—were afraid they might lose the sale of some tons of coal in the New England States if this arrangement was made. Yet they failed to take into consideration the question whether this all-rail hauling of the American coal to Boston at $2.25 a ton by the American railroads would not be reduced so as to meet Canadian competition on coal, the railroads much better affording to take off 25 cents a ton of the haulage than to lose the entire tonnage or any part of it, and whether that would not make up the difference, even in the Boston market, as between American and Canadian coal.

This suggestion of a lower rail rate that American coals may compete with Canadian coals in New England commends itself strongly to the Pittsburg operator, and he has taken it into very serious consideration, for he can ship his coal by all rail into the New England market, but not a ton of West Virginia coal can go to New England by this all-rail route. The coal-hauling railroads from this Pittsburg district will not permit West Virginia coal to go to New England, except by water from Norfolk and Baltimore. Every pound of coal produced on the Chesapeake and Ohio and the Norfolk and Western railroads is excluded from the markets of Washington, Baltimore, Philadelphia, and New York. Fairmont district, in the northern part of the State, ships some coal to Washington and Baltimore markets, and with that exception the Pittsburg coal-hauling railroads exclude West Virginia coal from those four great cities and their harbors. Whatever advantage may result from a reduction of all-rail rates on coal to the New England States will be enjoyed by the Pittsburg people alone, and West Virginia will receive no part of such imaginary benefits, for we have no railroads that run into New England, and the railroad connections that do serve that territory have placed an embargo upon our coal.

Those who expect that New England will be greatly benefited by free coal from Nova Scotia will be sorely disappointed. The Nova Scotia miners under this arrangement will do exactly as did the British Columbia miners under the Wilson bill. They reduced the price of the coal sent by them into the United States to a point where American miners could not compete with them. The result was that the American mines shut down and their working organizations disintegrated. Then the Canadian miner raised the price to that at which American coal had formerly sold, and the American consumer paid the same price for Canadian coal that he formerly paid for the American coals. The American miners could not afford to start their operations, for if they had the Canadians would have immediately lowered the prices and closed them up again. This is exactly what will occur to the New England coal consumer under free trade with Canada. As soon as this arrangement goes into effect Nova Scotia operators will reduce the price until the American now furnishing that market will close his mines. After this occurs the price of Nova Scotia coal will go up, and all New England will be paying as much for Nova Scotia coal as they now pay for American coal.

And the money they now pay to American miners and laboring men engaged in digging and transporting this coal will be paid to foreigners, while they will have the questionable satisfaction of seeing the West Virginia operators and laboring men driven out of business, just as was done with the State of Washington under the Wilson bill. The Nova Scotia mines are inexhaustible. They have the advantage of cheap labor from England and Wales, with which they can contract without violating an alien contract-labor law, such as we have in the United States. They have the advantage in transportation charges, being so favorably located as to be able to ship to New England cities in English tramp colliers at minimum rates. To these advantages shall we add the 67 cents a ton protection we now have on our domestic coal, and thus increase the value of the Nova Scotia mines by many millions of dollars, and at the same time strike down our own coal industry? I answer emphatically in the negative.

It may be that Congress, under its taxing authority, has the power to destroy the industry of a whole State and bankrupt its people; but if such power does exist, it certainly ought never to be exercised. Whenever the functions of this Government are so manipulated that its powers are directed so as to destroy the industries of one of the States, then the whole purpose of the Government has failed. [Loud applause.]

Mr. BURNETT. Mr. Chairman, the report of those members of the Ways and Means Committee who are entitled to be called Democrats starts out with this statement:

> A tariff is a tax paid by the consumer. The only proper and legitimate function of a tariff law is to raise revenue to supply the needs of the Government economically and effectively administered.

This has been the doctrine of the Democratic party since its foundation, and is the only tariff authorized by the Constitution.

A revenue-producing tariff is the only one for which any sound Democrat can stand, and when the tax becomes so high that it is prohibitory and produces no revenue it can find no warrant in Democratic principles or in the fundamental law. That a moderate degree of protection often results from such a tariff can not be denied, and does not militate against Democratic ideas.

The report of the Republican members of the Committee on Ways and Means says that the main reasons for the revision of the tariff at this time are two:

> First. That after twelve years of the operation of the present tariff many new conditions have arisen which render it advisable that the rates be readjusted.
>
> Second. Since the passage of the Dingley Act a large number of foreign countries have adopted tariffs with a maximum and minimum rate, and it has been found that section 3 of the present act was not sufficiently broad in its scope to meet these changed conditions.

Neither of these is the real reason why this revision is undertaken. There were, indeed, two reasons which drove the unwilling leaders of the Republican party to report this bill, but they were not the ones assigned in their report. They were: First, Republican extravagance and incompetency had piled up expenditures until a deficit of $150,000,000 in the Treasury stared them in the face. Second, they heard the voice of growing discontent and distrust of the American people demanding that the tariff should be reduced and the heels of the trusts taken off the necks of the people. At first a mild protest, it had grown to a demand, then to a clamor, and finally to a threat. Republican leaders then saw that it was time to take heed, and, for the first time in the history of the party's platforms, this declaration was made:

> The Republican party declares unequivocally for a revision of the tariff by a special session of Congress immediately following the next presidential inauguration.

Although time and again you have deceived the people by specious promises, followed by their immediate repudiation, they decided at the election to trust you once more. Gentlemen,

have you given them what you promised? You were too cunning to state in your platform whether you intended to revise the tariff upward or downward, but upon every stump you avowed your intention of reducing instead of raising it. The gentleman from Minnesota [Mr. NYE] was honest enough the other night to admit this. [Applause on the Democratic side.] Would one of you have dared to predict that when you made up your bill for consideration in the House it would show a net increase of 1.56 per cent over the average in the Dingley bill? And the Lord only knows how much higher it will be when the Senate is through with it. Would one of you have dared to say to the stock raiser of the West that you would put hides on the free list and allow the New England shoemaker to continue to rob him with high-priced shoes?

Would one of you have had the temerity to tell the West Virginia or Pennsylvania coal miner that you intended to put the product of his labor on the free list and let the sugar trust continue to plunder him at its own sweet will? Who of you would have been bold enough to have said to the Alabama and Lake Superior iron miner that you intended to put his sweat and brawn on the free list and tax the coffee and tea which his children drink? [Applause on the Democratic side.]

Gentlemen, your bill is a tissue of deception from title to index. [Applause on the Democratic side.] Did you expect to conciliate the farmer, who constitutes the large majority of our country's population, by giving him free acorns and asafetida, as you do in your bill [applause on the Democratic side], while you permit the Standard Oil Company to extort blood money from him to furnish oil to light his early morning meal? If you did, why were you not honest enough to tell him so before you got his vote? A man with half an eye can now see why you told him to vote the Republican ticket then and wait till after the election to have the tariff revised by its friends. [Applause on the Democratic side.]

Are you now paying your campaign debts, or fulfilling your campaign promises? Gentlemen, did you let old "Money Bags" write this bill, or did you heed the cry of those whose votes you secured by evasion and deceit? [Applause on the Democratic side.]

You put balm of Gilead on the free list. Do you in that way expect to salve the poor man's wounds while you rub salt on those wounds at the rate of 12 cents per hundred pounds? I see that you put arsenic on the free list. Do you intend by that to say to the workingman: "If you can not afford to buy protected woolen goods to shield the shivering limbs of your wife and children from the winter's blast, we will give you cheap arsenic with which to hunt a suicide's grave?" [Applause on the Democratic side.]

I see that you put apatite—whatever that is—on the free list. In looking up the derivation of this word, I note that in the original it meant deceit, to deceive, being a mineral often mistaken for other minerals; and what could be more like the very irony of appropriateness than for your bill to encourage the importation of deceit? [Applause on the Democratic side.] Was that because the sugar trust had hired you to see that the appetite of toiling millions for sugar was not too much indulged? Or was it to further encourage the Republican appetite for pie? [Laughter.] If either were true, why did you not tell him before he voted that you intended so to do?

I see you put divi-divi on the free list. Was that because you held up the great corporations with bludgeons during your campaign and forced them to "divi" their plunder with you in order that you might buy a fair election? [Applause on the Democratic side.] If so, you made a howling success of it; for the report of your campaign committee after the election shows that you extorted over $3,000,000 to accomplish your designs. Gentlemen, I see you have put dragon's blood on the free list, and well you did; for when you meet the indignant millions whom you have betrayed you will need oceans of dragon's blood to keep you from cowering before their outraged gaze. [Applause on the Democratic side.]

You put ipecac on the free list. This you need not have done, for when the poor man sees his child's bare feet, made bare because of your iniquitous tax on shoes, it will require no ipecac to cause him to spew you out from the very nausea your tainted schedules bring. [Laughter and applause on the Democratic side.] Besides, after two years' trial of this bill, should it become a law in its present form, the sight of any man who supports it will act as an emetic more powerful than all the ipecac in the land. You let leeches in free. This again was "love's labor lost;" for no leeches were needed to help Republicans and the bloated favorites suck the lifeblood of an outraged people. [Applause on the Democratic side.]

I see you make lifeboats free. In this, gentlemen, you are wise, because when increased prices come, as they will, to those who have to toil, you will need lifeboats to save you from those who, in their righteous wrath, will cast you overboard. [Laughter and applause on the Democratic side.]

You put rough, or uncut, diamonds on the free list. Why did you do this? Evidently to fill the coffers of those who cut and polish and set the diamonds after they come here in the rough. But the very tariff you put on diamonds shows the irony of your report, in which you say that one of the cardinal principles of your party is the protection of American workmen. [Applause on the Democratic side.]

You leave polished diamonds and jewelry at the same rate as in the Dingley bill, while you increase cheap stockings for the limbs of the American working girl more than 20 per cent. In this were you trying to protect those who work on the farm, in the mills, and in the mines, or those who spend the summers working up divorce suits at Newport and Long Branch? [Applause on the Democratic side.] In this stocking schedule you again show that you labored overtime while the yearnings of your heart went out to the toilers of the country. You increase the duty on stockings valued at not more than $1 per dozen pairs from 68.39 per cent ad valorem to 89.75 per cent, while you leave those valued at more than $5 per dozen pairs at 55 per cent. In the case of cheap stockings you claim that you will realize an increased revenue of $500,000, while in some of the finer grades you do not realize an additional cent.

While you are shedding crocodile tears for the American workingman, please tell us who pays this additional half million. Is it the woman in the automobile or the woman at the loom? Is it the woman with the golf stick or the woman at the beatling stick? [Applause on the Democratic side.] Is it the parlor boarder at the Waldorf-Astoria or is it the chambermaid? Is it the woman intriguing for a disgraceful alliance with a foreign duke or is it the toil-worn farmer's wife? [Applause on the Democratic side.] Is it the virtuous shop girl working at $6 per week to buy protected tea for an aged parent or is it the high-priced ballet dancer who parades her silk stockings at so much per night? [Laughter and applause on the Democratic side.]

Your committee in their report tell us that most of the articles on which the duty is increased are luxuries. No doubt, gentlemen, you were sincere in that. No doubt a party dependent upon the silk-stocking gentry for its lease of power believes that any kind of stockings is luxury for those who toil. Another one of your "luxuries," so called, is the cheap glove worn by the poor women of the country. In this connection, I ask to read the following article, which recently appeared in the Washington Times:

TAX ON CHEAP GLOVES.

The gloves which now pay $1.75 duty is the schmaschen glace-finish sheep glove, unlined, not over 14 inches long. It is the cheap glove which is worn by the woman of modest means who commonly owns a "best pair" and an "every-day pair" of gloves, and sometimes does without the "best pair."

Gloves, however, are set down by the Payne bill as a luxury. They are taxed for revenue on that ground. The Payne bill has some odd notions of what constitute luxuries.

The glove which is now taxed $1.75 per dozen at the custom-house—the cheap glove of the working girl and the woman of limited means—costs about $3 per dozen in the country where it is made. Under the Dingley Act the importer paid a duty which figured out 58 per cent in order to get that glove into the country.

Under the Payne bill he will pay a duty of 133 per cent to get it in. The duty on the poor woman's glove is raised considerably more than 100 per cent.

RICH WOMAN FAVORED.

But the duty on the rich woman's $7-per-pair glove is raised only from 84 to 108 per cent.

Seems like a curious way of taxing luxuries, to raise the poor woman from 58 to 133, while the rich woman is raised from 84 to 108 per cent.

This glove schedule is rich in illustrations of how the necessaries of the poor are to be made to bear the burdens of raising revenue, while the necessaries of the rich, which would be luxuries to the poor, escape with a small part. Three millions of pairs of the gloves taxed 90 per cent are imported annually. Only 28,000 pairs of the high-priced glove, taxed 44 per cent, come in in a year. The tax on the poor woman's glove will make a contribution of $930,025 per year toward the Government's revenues, and two or three times that much will be added to the cost in order to enable the importer, wholesaler, and retailer to handle it. On the other hand, the rich woman's glove, just described, will contribute $12,749 to the Government's revenue.

And this sort of comparison might be carried on ad nauseam from the marvelous glove schedule of this bill. The cases cited are typical. The question is, What caused the Payne committee to make this glove schedule in this way?

The "Duke of Gloversville," Mr. Littauer, at whose factory thousands of pairs of gloves are manufactured every year, haunted this House for several days in the early part of the session. He left with a happy, satisfied look; and it has been hinted that he took great interest in seeing that the old rules were adopted. [Applause on the Democratic side.] But perhaps I had better not say anything about the question of the rules, because it has gotten to be a very sensitive subject, even to a few Democrats. [Applause on the Democratic side.]

Looking through the list of over ninety different qualities of gloves we see that there is not a single reduction, but there is

an actual increase on all but eleven. No wonder the "Duke of Gloversville" wore that "smile that won't come off" as he went away from the House. There is one ponderous and momentous fact in connection with the duty on gloves which no doubt cost the committee days of conscientious toil to work out. That is, they increased the gross annual revenue from 64 cents to 82 cents by increasing the duty $1 per dozen on one particular kind of gloves. Think of it, gentlemen! A deficit of $150,000,000 to be met, and a great committee has piled up 18 cents of that amount by taxing one quality of cheap gloves. No wonder the leader of the minority felt impelled to compliment the chairman of the committee on his insatiable appetite for work. [Applause on the Democratic side.]

Republican farmers in the South will no doubt throw up their hats in approval of the labors of this nonsectional committee when they see that you have put cotton-seed oil on the free list along with divi-divi and have left the bagging for their cotton with the same high tariff that existed under the Dingley law. [Applause on the Democratic side.] Such magnanimous treatment as this will break up the solid South with a vengeance. The Republican stock raiser of the West will no doubt thank God that he is not as other men, even as his benighted Democratic neighbor [laughter] when he contemplates the justice of his party in putting hides on the free list along with dragon's blood and asafetida, while it continues an outrageous tariff on wire with which to fence his stock. Suffragettes will no doubt be tumbling over each other to vote with the "G. O. P." when they gird themselves with corset covers on which they must still pay the same old Dingley tax. [Laughter and applause.]

Mr. Chairman, it seems to me that the Republican members of the Ways and Means Committee, in the preparation of this bill, aimed a deliberate and premeditated blow at the American woman. As to the course of some of the more ancient members of the committee, I am not surprised. The warm blood of youth has long since ceased to course through their veins, and they have passed the age where life's "gravitation shifting turns the other way." [Laughter.] But the unprovoked treatment accorded women all through this bill by the princely young gentleman from Ohio [Mr. LONGWORTH], the gallant and chivalrous gentleman from West Virginia [Mr. GAINES], the fiery and impetuous youth from Michigan [Mr. FORDNEY], and the committee baby from Washington [Mr. CUSHMAN], has filled me with sorrow and brought consternation to every woman's club in the land. [Applause on the Democratic side.]

It was bad enough for these gentlemen to go to fooling with hosiery and union suits and corset covers [loud laughter and applause], but when they went out of their way to put false teeth on the free list [laughter] and a high protective tariff on garters, I, a mere man, think they passed the limit. [Laughter.] It is an awful shock to my modesty to have to discuss such things in this presence, but these gentlemen have unblushingly put them in the bill, and I would be recreant to my duty to American womanhood were I not to hold the offenders up to their righteous indignation and scorn. [Laughter and applause.]

Mr. Chairman, it seems that during the early days of the session some vital changes were made in the bill. The Standard Oil Company, in some mysterious way, appears to have gotten in its deadly work. If there is any well-defined trust in this country, that is one. The last administration believed this to be the fact, for the Department of Justice was especially industrious in trying to destroy it. A Republican judge, under the developments of the Government's attorneys, tried his hand by the imposition of a little fine of $29,000,000. Of course nobody believed that fine would ever be collected. The fine became as great a joke as the oil joker in the Dingley bill. But there was enough shown up to satisfy everyone that the Standard Oil was a monstrous trust, and nobody thought the same joker would be found lurking in the Payne bill. But when the bill comes in, the Standard Oil serenely bobs up with the goods. [Applause on the Democratic side.]

That splendid, independent Republican Congressman, Mr. KÜSTERMANN, of Wisconsin, in a speech on the floor a few days ago, used this language:

> I had positive assurance that the cunning little proviso, which served its purpose so many years, had been put out of existence by the Ways and Means Committee and buried, and now you may imagine my astonishment when, in looking over the new tariff bill, I found the joker resurrected again, standing before me in all its wickedness. Yes; the little joker is again in evidence, ready to continue the work of taking twelve to fifteen millions of dollars out of the pockets of our people every single year and adding it to the vast profits of the greatest trust on earth.

[Applause on the Democratic side.]

The Republican platform declares for such protection as will cover the difference in the price of labor in this country and of other countries where the article is produced, together with a fair profit to the producer. Can gentlemen by any juggling with figures say that the countervailing duty put on crude petroleum in that paragraph represents any such thing? If not, has not the committee abandoned the platform and perpetrated a deception on a long-suffering and credulous people?

I might take up many other items in the bill and show them to be an abandonment of your platform declarations and a repudiation of your preelection promises. During this debate many gentlemen have shed such showers of tears over the protection of American labor as to bring consternation to the Weather Bureau. Are you really as interested in the protection of American labor as you pretend? If so, I have a little amendment which I will offer at the proper time, if permitted to do so, that will more effectively reach that end than any paragraph in your bill. It is an amendment that will receive the indorsement of millions of farmers and laboring men all over the country. It is an amendment that will, in its effect, meet the approval of 2,000,000 members of the Farmers' Union, hundreds of thousands of members of the labor organizations, and hundreds of thousands of citizens who belong to no labor organization, but share with them their love for American institutions and shudder for the future of our common country. It is as follows:

> Add after section 11, as a new section, to be numbered section 11½, the following:
>
> "Any alien over 16 years of age who is unable to read his own language or dialect shall, before entering this country, pay the sum of $25 head tax, and the Secretary of Commerce and Labor shall prescribe the necessary rules and regulations to carry out the provisions of this section."

[Applause on the Democratic side.]

> "*Provided*, If any wife or dependent father or mother otherwise admissible accompany a husband or son who is admissible they may be admitted by paying the head tax now provided by law."

Mr. Chairman, the argument heretofore made by those who opposed an increased head tax was that it would work a hardship on immigrants from northwestern Europe, who usually come with their families, while it would not so affect the undesirable classes from eastern and southern Europe, who usually come alone. No such argument as that can be made against this amendment. As a matter of fact, it would not touch more than 3 per cent of the Germans and less than 2 per cent of the Bohemians, Scandinavians, English, Irish, Scotch, and other immigrants from northwestern Europe. True, it would keep out many thousand Italians, Greeks, Syrians, and others of the ignorant and undesirable kind, and that is one of the very ends that I want to reach. The Italians will be especially affected and more particularly those from Sicily and south Italy.

But a few days ago the country was shocked by the news that Joe Petrosino had been assassinated in Palermo, Sicily, by these very fellows. He was at the head of the Italian detective agency of New York, and had been sent to Sicily to try to run down a lot of Italian criminals. While there he was shot from ambush by adherents or friends of the "Black Hand." The way his death was received by these people will be seen by the following press dispatch sent out from New York some days ago:

> IMMIGRANTS APPROVE KILLING—ITALIAN NEW ARRIVALS APPLAUD NEWS OF PETROSINO'S DEATH.
>
> NEW YORK, *March 18, 1909.*
>
> "Petrosino is killed."
>
> "Bravo!" came the cry from 400 Neapolitans viewing for the first time the shores of the United States from the main deck of the *Europa*, of the Italian line, which had just been warped into the pier at West Thirty-fourth street this afternoon.
>
> The announcement of the assassination of the detective from friends in small boats which had circled about the liner to welcome their kinsmen from across the water acted like a stimulant on the immigrants. The news that the foremost enemy of the Black Hand had been slain was seemingly the best that these people had heard in many days. They knew Petrosino. They not only knew him before he arrived in Italy, but he had been there several weeks before they had sailed, and they had learned what his business was.

Such men entail upon our people more trouble and expense than all others who reach our shores. Then should they not help to pay this additional expense? The reports of alienists in some of the hospitals and lunatic asylums of our country show that more of that class are being treated there than aliens from all other countries combined. They pay no taxes scarcely, and yet their sick and insane and paupers bring heavy burdens to every State where they are found. In New York a special detective agency has to be kept up to check their crimes, and thousands of dollars are spent on courts and jails on account of the criminals they bring and the crimes they commit. The extract which I read from a Washington paper gives some idea of the enormous expense which their criminals entail:

> ONE HUNDRED THOUSAND DOLLAR SECRET FUND ASKED BY BINGHAM—WANTS BIG SUM TO KEEP TRACK OF FOREIGN CRIMINALS COMING HERE.
>
> [Washington Times, March 22, 1909.]
>
> NEW YORK, *March 22, 1909.*
>
> Police Commissioner Bingham to-day renewed his recommendation to the board of aldermen for $100,000 with which to establish a secret-service fund to use in investigations under his direction.
>
> He wants the money to keep track of foreign criminals who might come to this country, especially those from Latin countries.

They live like scavengers on scant, cheap food, and yet they are brought to fill the coffers of steamship companies and to press down the price of the brawn and brain of the man who toils. [Applause on the Democratic side.] I will put you to the test as to whether you speak the truth when you say you are the friend of the American workingman. [Applause on the Democratic side.] If your Committee on Rules will let me offer this amendment and give me a record vote on the same, we will see who tells the truth when he declares that he wants to protect American labor. If it does not, then cease your hypocritical cant and admit that you spurn the rights of labor, and despise the man who toils. [Applause on the Democratic side.] You offer a sop in the way of an inheritance tax, and your President favors an income tax. He is a great lawyer, and knows that an income tax can be so framed as to meet constitutional objections, and yet you are so subservient to the living rich that you will not touch his hoarded gains till his head is laid beneath the sod. I am for both taxes, and yet I believe the income tax is the fairer of the two.

In 36 States the inheritance tax prevails, and I believe in none is an income tax levied. By an income tax, you do not duplicate those of so many States, and do not follow the hearse of the dead to pick his bones. [Applause on the Democratic side.]

Mr. Chairman, I come from a section of Alabama where the coal and iron industries have been greatly developed. Until this Republican panic came my people were upon the very crest of the wave of prosperity. You heralded abroad that as soon as Mr. Taft was elected the rainbow of prosperity would again span the heavens and the sun of progress and development would again shed its lustrous rays upon the country. Some of your emissaries came to my town and announced that the election of Taft would unlock the wheels of industry, and that even cotton would go back to its normal price. In this, as usual, you have proven false. [Applause on the Democratic side.]

There were some of my people, even Democrats, who listened to your siren notes. Some of these very people are now appealing to Democrats to save them from the Republican party. [Applause on the Democratic side.] This bill is your bantling. You did not even call in the Democratic members of your Ways and Means Committee to confer in regard to it. The responsibility for results is yours, and yours only, and if the panic which your incompetency and extravagance has brought upon the country is not relieved by this bill, 80,000,000 American people will shake their gory locks at you and say you did it, and at the ballot box next year you must answer for your offspring. [Loud applause on the Democratic side.]

Mr. REYNOLDS. Mr. Chairman, I heartily join with the others who have spoken in this House in commending to the country the industry and conscientious zeal which have characterized the labors of the gentlemen of the Ways and Means Committee in the discharge of the delicate trust committed to them. The patience and intelligence which they have shown in the collection of the mass of information bearing on this subject is unprecedented in volume and value.

I am glad to say that the great industrial center which I represent, in its railroads, mines, steel and iron works, and its agricultural interests, views the task before Congress as a work in hand, in response to the demands of the country and the pledges of the respective political parties, and that the Congress has undertaken the execution of this trust with a conscientious desire to respond to the sentiment of the different sections of our country in an effort to adjust rates in harmony with the general welfare and the needs of individual interests and communities, to the end that no growing and important industry in the Nation's development shall be imperiled and that the consuming public shall not be unduly burdened. In harmony with this sentiment, it is essential that the task be approached in the spirit of concession and compromise, for otherwise tariff legislation will be impossible in a domain stretching from ocean to ocean, with every variety of soil, climate, and production, with industries so diversified over a wide expanse of territory, in which the matter of transportation is an element of such transcendent importance as here.

In anything I may have to say I shall try to keep out of the realm of theories, leaving the course of our industrial development and the general happiness and advancement of our people as living and eternal witnesses to the wisdom of the policy of protection. The opposition, our friends on the other side of the House, while conceding the necessity of raising revenue by duties laid upon imports, through long years have wavered over terms and policies, often ignoring conditions for theories, standing one time for tariff for revenue, next for tariff for revenue only, then for tariff for revenue with incidental protection. If to them the term "protection" is a hated word, and the line of demarcation be drawn at this day between "tariff for protection" and "tariff for revenue," I may confidently ask at this hour, when theories play such an unimportant part, that we meet upon common ground and enact a law which we shall call a "tariff for prosperity." But I remind you, so you may not be deceived, that in the Republican nomenclature it will be classed as "a tariff for protection." [Applause.]

THE GENERAL PROSPERITY.

In its last national convention the Republican party made no declaration for a downward revision of the tariff. It simply declared for revision, but on the principle that "protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries." The revision must be made upon the principle of protection. Any surrender to the doctrine of a tariff for revenue would be a base betrayal of party pledges. It would be ignoring the blessings that the protective policy, through all its years, had brought to the Nation at large. It would be sinning against the light and knowledge that our country's development had revealed, and which in the years from 1903 to 1907 are shown in the following, furnished by the Bureau of Statistics:

Commercial, industrial, and financial statistics of the United States for 1907 compared with 1903.

Items.	1907.	Increase over 1903.
National wealth	[a] $107,104,000,000	[b] $18,587,000,000
Total bank deposits	$13,100,000,000	$3,546,000,000
Value of live stock	$4,331,000,000	$1,228,000,000
Savings bank deposits [c]	$3,690,000,000	$755,000,000
Depositors in savings banks [c] ..... No.	8,589,000	1,554,000
Gold production	$90,436,000	$16,844,000
Coal production ..... long tons	428,896,000	109,828,000
Wealth production on farms [d]	$7,488,000,000	$1,571,000,000
Cotton consumed ..... 500-pound bales	4,493,000	512,000
Cotton spindles in operation ..... No.	25,750,000	3,750,000
Imports of raw silk ..... pounds	18,744,000	3,473,000
Pig-iron production ..... long tons	25,781,000	7,772,000
Population of the United States [e]	85,817,000	5,445,000
Gold coined	$131,907,000	$88,223,000
Money in circulation	[f] $2,773,000,000	$405,000,000
Circulation per capita	[f] $32.22	$2.80
Bank clearings	$154,477,000,000	$40,514,000,000
National banks ..... No.	6,429	1,490
Capital, surplus, and undivided profits	$1,604,000,000	$318,000,000
Individual deposits	$4,323,000,000	$1,122,000,000
Loans and discounts	$4,631,000,000	$1,216,000,000
Customs revenues	$322,000,000	$148,000,000
Internal-revenue receipts	$270,000,000	$39,000,000
Total imports	$1,434,000,000	$408,000,000
Free of duty	$644,000,000	$218,000,000
Dutiable	$790,000,000	$190,000,000
Imports of raw material for use in manufacturing	$477,000,000	$147,000,000
Total exports	$1,881,000,000	$461,000,000
Exports of domestic manufactures	$740,000,000	$272,000,000
Exports of domestic manufactures of iron and steel	$182,000,000	$85,000,000
Exports of domestic raw cotton	$481,000,000	$165,000,000
Exports of domestic foodstuffs	$513,000,000	$4,000,000
Cotton produced ..... 500-pound bales	11,375,000	1,329,000
Mineral production	$2,069,000,000	$577,000,000
Value of products of manufacture [g]	[a] $14,802,000,000	[b] $3,391,000,000
Wages paid in manufactures [g]	[a] $2,612,000,000	[b] $290,000,000
Newspapers and periodicals published ..... No.	21,735	1,250
Receipts of Post-Office Department	$183,585,000	$49,361,000
Salaries paid public-school superintendents and teachers	$196,981,000	$39,345,000

[a] 1904.
[b] Increase in four years.
[c] Inclusive of Illinois state banks having savings departments.
[d] As estimated by the Department of Agriculture.
[e] Exclusive of outlying possessions.
[f] As the result of special investigation by the Director of the Mint, a reduction of $135,000,000 was made in the estimate of gold coin in circulation on July 1, 1907, as compared with the basis of previous years.
[g] Exclusive of neighborhood industries and hand trades.

THE FARMER'S PROSPERITY.

In the general prosperity no class has fared better than the farmer. True, conditions have favored him, independent of the influences of party action, but if God gave the rain and the sunshine to grow the crops, the Republican party opened the markets for them, and organized and sustained a Department of Agriculture to teach him the methods of raising and protecting his products. From 1897 to 1907—

Cattle increased in number	26,083,864
Horses increased in number	5,627,333
Sheep increased in number	17,431,639
Wool increased in pounds	39,141,499
Wheat increased in bushels	104,257,832
Corn increased in bushels	689,352,067

And so through the list of all farm products; and this wonderful development afforded him a market at highly remunerative prices, which enabled him to pay his debts, open his bank accounts, and enjoy the comforts and luxuries unheard of till the return of prosperity under the Dingley bill.

PROTECTION THE TRUE POLICY.

I rejoice that in the discussion of the great problem before us of making a tariff bill on which shall depend the happiness and prosperity of our people, and in the schedules of which I hope shall prevail the principles of the golden rule, that the bitterness of party politics has not been awakened. It shows that revision of our tariff laws is becoming year by year more and more a purely economic proposition, looking to just dealing of one man toward another and to the general welfare of all our people. I remember as a schoolboy reading in a speech of Patrick Henry that he had no lamp by which his feet were guided but the lamp of experience, and I shall call up the experiences of my country in its industrial evolution to determine what course we should take in revising our work of the past. Twelve years of protection under the Dingley bill have been the marvel of the century. It has awakened and astounded the world in the magnitude of its achievements. It seems as if in the providence of God William McKinley was the chosen instrument of the hour to allay the distrust and suspicion which up to then appeared between the two sections, North and South, of our beloved country and who, with an exalted patriotism, wrought the work of reconciliation through the strife and conflict of a war with Spain which carried the old flag to Cuba and Porto Rico, and finally, in triumph to the cause of liberty and humanity, to the Philippines, where I trust it shall never go down till it has fulfilled its mission, if then.

The Dingley tariff bill, with reciprocity and the gold standard, has been the bed rock of our economic policy in the McKinley and succeeding administrations, under which prosperity took the place of depression and adversity, and through which confidence was restored, our markets extended world-wide, the boundaries of the Republic enlarged, an open door made for our commerce in the Orient, and for the first time in our history this mighty Republic recognized as a world power among the nations of the earth. There were doubtless causes world-wide in their operations tending to produce the conditions the country saw in 1893, but the threat to revise the tariff brought us face to face with a panic when business and trade were suspended, just as they are now, awaiting the work of revision, which in my judgment has been forced upon the country at an inopportune moment. But there are some general truths that I do not believe can be successfully controverted; and, first, that if there is one fact more firmly stamped than any other upon the memories of men, it is: That wherever in this country our population is the most dense, happy and prosperous; and wherever there is the greatest degree of individual and local wealth; wherever savings banks have their biggest balances and most numerous depositors; wherever there are the most fertile farms, busy markets, numerous manufactures, and an industrious and God-loving army of employed laboring men—in that broad stretch of country embracing the East, North, Middle West, and Northwest—there the protective idea has taken a firm and lasting root, and Republican principles have become the dominant force in the affairs of government. [Applause.]

Among the discordant elements holding views opposite our own upon the subject of the tariff, whether North, East, South, or West, the central thought of their creed is that protection is robbery, and that our home market, which has placed the factory by the farm, and through which we are able to pay the best wages anywhere on earth, and to compete with the strongest nations in the markets of the world, should be thrown open to the products of European factories to feed their cheap and king-ridden labor in competition with our own. But has protection been a robbery? I think not, when in the European steel mills we find women wheeling the coke, while here they are the heads of happy homes sustained by remunerative toil. Protection is no robbery in a country whose exports of 1892, amounting to $1,015,732,011, grew till in 1908 they were $1,834,786,357, principally under the operations of the Dingley law, providing a balance to the Nation's credit over imports of $640,445,565. Protection is no robbery where the internal commerce or home market, as with us, exceeds the entire international commerce of the world. Nor is it, where the laboring people, as in our mines, mills, and factories, receive wages higher than those paid anywhere else. No; protection is not robbery where the aggregate of our national wealth increased from 1900 to 1904 in the sum of nearly $20,000,000,000, nor when we realize that the value of farm animals rose from $2,228,123,134 in 1900 to $4,331,230,000 in 1908, nor when the 5,000,000 depositors in savings banks in 1897 grew to over eight and one-half millions in 1907, with increased deposits in the same period of over $1,500,000,000, nor in a Nation which in 1875 stood fourth in the list in the extent of its foreign commerce, and in 1903 passed to the first rank, which it has since maintained.

This unheard-of prosperity has resulted in giving employment to every man who wanted it, in starting every furnace, factory, and mill, and increasing the wages of labor and the prices of all farm products. It, too, has paid off the western farm mortgages and made us a Nation of lenders and not of borrowers. Well has it been truly said that in the midst of our industrial development, while we were feeding the mouths of European workmen with the products of our farms, we found a market for our coal to feed her industrial fires. Our economic system has so highly developed the skill of our workmen that whenever the word "American" is stamped upon our products of the mill and factory, it indicates that the purchaser has at hand the finest finished products in the markets of the world, and this combined with cheapness through the various means of production and distribution is the guaranty that through our present economic and industrial policy, inaugurated and fostered by the Republican party, a wide field has been opened up which shall sustain for all time our industrial life, and render remunerative the earnings of the laborer and the products of the farm; and so long as the superiority in quality is maintained, so long will America be the mistress of the industrial world. If the results of protection here attained are not satisfactory to the tariff reformer, he need only compare England with protected Germany, where, in the former, in 1851, after adopting free trade in 1846, the numbers engaged in agricultural pursuits within her limits and Wales, were 1,767,900, while fifty years later they were 50 per cent less.

Germany looked abroad for a market for her grain in 1875, before she adopted protection, when she shipped 11,000,000 bushels of wheat to Great Britain; later she was using it all at home. The most thoughtful Englishmen have acknowledged that "the golden age of free trade disappeared forever before the iron age of competition when America and Germany after their wars set up for themselves." No wonder Bismarck, with prophetic words, in 1879, when appealing for the protective system, said that protective countries were prospering while free-trade countries were dying. Five years thereafter, when protection became enthroned in Germany's industrial system, he exultantly exclaimed over his country's returning prosperity, "Germany fears no power save God."

The protective-tariff system has vindicated its claim to be the permanent policy of this country. It has placed the farm and the factory side by side, furnished a remunerative market for the products of the former, and thereby promoted and sustained the interests of agriculture. It has provided for our people work and wages, homes and education, and all the comforts of life, and falsified all the doctrines of free traders since the days of Richard Cobden. It has kept the balance of trade with us and demonstrated by experience that under low tariffs that balance has been against us. It makes the home market our own and sustains our industrial strength, cheapens the products to the consumer, diversifies our industries, thereby employing our capital and labor and furnishing opportunities for the brain and energy of every man seeking employment.

Yes; as has been well said, it has given our laboring people homes and land and filled them with hope for themselves and their children. In Great Britain and continental Europe the scant wages of the workingman leaves to him intemperance and pauperism as his only refuge, whereas from the conclusions of the Mosely commission, composed of officers of the leading labor unions of England, which visited the United States in 1902, we were proud to note the statement that the American workingman was better paid, better clothed, better housed, and withal infinitely more sober than his British neighbor. [Applause.]

IRON AND STEEL SCHEDULES.

I suppose there is hardly a section of the country from which some complaint does not come relative to the proposed duties in this bill, and under our diversified industries it is natural it should be so. And while I concede the intelligence and good intentions of its framers, yet I feel it my duty, out of regard to the industries of my section, to say a few words relative to free ore, the reduced duty on pig iron and steel and iron scrap. But before doing so I may be permitted frankly to say that, in the interest of concessions toward a measure that may be as equitable as possible to the whole people, I am willing to consent to modifications, within the bounds of reason, of the existing rates on these products.

I may say further with reference to certain other features of the bill, I favor a duty on lumber and coal, because of the

wage element that enters into their production; free hides, as a step toward cheapening the articles manufactured therefrom to the consumer as well as sustaining the industries dependent upon the finished product and the maintenance of proper wage scale; free coffee and tea; and rates at lowest possible figure upon the necessaries of life, with importations from our outlying possessions upon the basis, at least, as contained in the Payne bill.

With reference to the steel products, I may say that there is in my district one large independent company, which, when in full swing, employs 18,000 men. Owing to the recent sharp decline in the market price of the company's business, it was obliged to announce a reduction of 10 per cent in wages, effective April 1. I doubt not, from my knowledge of the surrounding conditions, that this was in good faith, and I feel quite confident from the information conveyed to me that with respect to this great enterprise, on the principal manufactures of steel rails, structural shapes, plates, and bars, the cuts are too drastic and out of proportion to others, and the wage-earners may be compelled through the necessity of the situation to stand a large part by a proportionate reduction of wages, and from such a calamity they should under all conditions be saved.

From other parts of the State and the country at large comes like information, at this hour most distressing to all of us to hear, as well as I am sure it must be to the employers, in view of the high wages the business has heretofore afforded. But this condition could not be expected to be otherwise, in view of the great reverse that has come to the volume of and prices in the iron and steel trade, warning us at this moment to take prompt action on this bill, with fair rates of duty, to insure a quick return to normal conditions, which certainly must follow.

I am not here to discuss steel schedules or champion the steel interests in general, for most of the concerns, especially the larger ones, if the reports sent out as emanating from their management are to be believed, coupled with the statements made before the committee, are quite able to care for themselves. But I do want to advise that there is more involved in this problem than the mere cost of producing steel after the material has been collected and ready for the furnace, and that is the item of transportation, covering the assembling of the materials and finally the shipment to the place of consumption and distribution, the direct transportation charges for which, running into the hundreds of millions, would be seriously impaired by large importations from abroad, and further, to remind gentlemen that the Steel Corporation has many competitors in the manufacture of steel products, who are, perhaps, not able to approximate the cost to the corporation itself, and these small competitors should have due consideration, as far as rates of duty are concerned, not only to protect them against foreign steel manufacturers, but to protect the country in general from possible domination from the great Steel Corporation itself of these competitors by their gradual elimination on account of low duties.

But I do wish to call attention to the situation in which the bill places the individual merchant blast furnaces, which, to my mind, can not have been fully understood by the Committee on Ways and Means. I speak particularly with reference to those furnaces which are not connected with steel works, nor wherein pig iron is fabricated into finished forms and the product of which is sold at competitive prices. But, to be more specific, I refer to the eastern merchant blast furnaces, located east of the Allegheny Mountains, in New York, New Jersey, and Pennsylvania, embracing 44 blast furnaces, each producing at least 150 tons per day, or annually nearly 2,500,000 tons, with invested capital of over $50,000,000. The territory in which this iron is sold is limited by Baltimore on the south, the Alleghenies on the west, while the consumptive requirements of northern New York and Pennsylvania are supplied by the furnaces in the regions of Buffalo and the Beach Creek district of Pennsylvania. At Altoona on the west it is met by the market for western iron, and at Baltimore on the south by the product of Virginia and Alabama furnaces. It is a fact that while the furnaces within the eastern pig-iron district can not compete in the territory to the south, west, and north before named, yet it is easily reached by southern and Buffalo irons, while western iron in large tonnage, when industrial conditions are not favorable, is readily sold and delivered to eastern consumers.

Conditions surrounding other pig-iron districts for local reasons place them in a position in which they will be as seriously affected as the eastern district, if the cut of the present tariff on pig iron from $4 to $2.50 and on scrap iron and scrap steel from $4 to 50 cents is carried into effect. It is presumed that the committee supposed that the gift of free ores warranted a reduction of $1.50 in the duty on pig iron, or, in other words, a cheapening of 80 cents on raw material for each ton was a sufficient solace for letting down the bars to the extent of $1.50 for further competition with foreign pig iron. Any reduction in the duty on pig iron, based upon a reduction of the duty on ore, or placing the same on the free list, is subjecting the blast furnaces in the region before named to certain serious loss, without the guaranty of any adequate return. The question of free ore resolves itself into one of two conditions, and this, in my judgment, is borne out by the testimony submitted before the committee, and I am not speaking as the representative of the ore producers: First, the difference in price to the extent of the reduction of the duty on ores will be made up to the independent blast furnaces through increased cost of transportation, for any increased demand for transports would advance freight, and that part of the duty not taken by the miner will go into the pockets of the shipowners; or, second, the domestic iron-ore mines, which may be reached by foreign competition, will be closed, their capital impaired or destroyed, and the labor employed either reduced in wage or driven into other fields.

I admit that free ore may be beneficial to such large concerns as the Bethlehem Iron and Steel Company and the Pennsylvania Steel Company, which own great bodies of Cuban ores, which they can mine at low wages and ship on their own railroad and steamship lines. But they would not, in my judgment, be treated inequitably in the long run, for the cheapness with which they can make iron, as does also the United States Steel Corporation, compensates for the duty on ores. In whatever way you look at the situation, it is either a blow to the merchant blast furnaces, coupled with a reduction of the duty on pig iron, or it is destructive to our local mining industries. Far better it is to sustain both with the present rates of duty in the process of our development.

Yet it is said we must encourage foreign importation of ore or the United States Steel Corporation, which, it is alleged, owns or controls 60 per cent of the mines and enjoys sufficient influence to shape the policy of the other 40 per cent, will some day arbitrarily fix the price of ore, or that it is necessary to conserve our present resources for the future. As to the former, sufficient unto the day thereof, when the Congress can and will take care of that situation, and besides from my observation of the business methods of this corporation, it will not attempt a policy so suicidal; and as to the latter, the people will never approve a policy of conservation which denies the present generation its right to use what Providence has placed within its reach for our present necessities and the development of our growing industries. We are a unit in the plan to conserve against waste, but on no economic principle nor in the realm of common sense can be found excuse for leaving untouched for future generations what has been placed at our feet for the industrial struggles of the present and which, if untouched now, may be valueless in an advancing civilization when new methods and new agencies have displaced our present ones.

I have heard of no demand, nor have I read of any in the hearings before the committee, where the iron and steel manufacturers of this country, outside of those who have been fortunate in purchasing large bodies of foreign ores, are asking for free ores. They realize that our domestic ores are fit in general for every sort of mixture or blending in the manufacture of iron and steel, and they are willing to encourage the industry from which they derive their supplies, by letting the duty remain or suffer a slight reduction. They consider this a kindred interest, the encouragement to develop which, while affording employment for labor, will in time prove remunerative to the furnace industry.

The steel companies consume the entire product of their furnaces, which goes into the numerous forms of finished steel, except a comparatively small amount of so-called "off iron," which is unfit for their purposes and is thrown on the market occasionally. This "off iron" really cuts no figure, and is not offered in competition with the merchant iron in the usual way. Their improved equipment and high state of efficiency, as I remarked before, enable them to produce iron at rates much lower than the merchant blast furnaces.

The retention of the pig-iron duty would not enrich the Steel Corporation; on the contrary, the retention of the duty might cause the Steel Corporation, possibly, to pay a little more for their surplus iron than they would have to pay if $1 or $1.50 per ton were taken off; nor enhance their profits in any pig-iron market, though it might be a boon to the independent furnaces; and, keeping this in mind, the duty can be adjusted accordingly on steel products, remembering that it has been well said and known in the trade that the poor end of the steel business is the end that creates its prime necessity—pig iron. This is proved by the actual operation of numerous furnace plants. Men have invested their all in them, who are as poor to-day as ten years ago. They have had to struggle with shifting markets, adjust their business to the changes in wages and material, compete

among themselves with varying conditions surrounding the separate plants as to transportation and nearness of the raw material and of the markets in which they sell, and, more than all, incur enormous outlays for better equipment to meet the advance in improved methods and economic production.

Men must not forget that in dealing with the iron and steel business they are not playing with a toy, and that only thoughtful criticism, and not prejudiced vociferation, will adjust conditions to the interest of the consumer and the Nation at large.

The value of the products of these establishments was a little more than $900,000,000 in 1904. They employed 240,000 men and paid out that year more than $140,000,000 in wages. In considering the tremendous magnitude of the pig-iron industry it is only necessary to be reminded that in 1907 the world's total output was about 60,000,000 tons, of which the United States produced 40 per cent, Germany about 20 per cent, and Great Britain about 17 per cent. Its bewildering growth in the United States is shown by a production of 3,375,912 tons in 1880, reaching 25,781,361 tons in 1907. On the other hand the deadening present depression is apparent when it is realized that the output of our furnaces dropped to the approximate amount of 15,660,000 tons in 1908, showing an appalling loss not only in labor and transportation but in capital invested, which situation appeals now for fair and considerate judgment in dealing with the business.

In the consideration of steel and iron as affected by the existing duties, the subject has been treated as one, whereas, in my judgment, each stands upon a wholly different basis; and looked at from the view point of being one, much misconception of their relations to each other and to the trade has resulted, and especially is this the case with respect to the pig iron made at the merchant blast furnaces, cast in sand or iron chilled molds, to suit the varying requirements and specifications of the consuming public, and which is sold mainly, first, to iron foundries for the manufacture of machinery, stoves, architectural iron work, and so forth; secondly, Bessemer and basic iron, sold to the various steel interests, independent and otherwise; and, thirdly, mill or forge iron, sold to the various rolling-mill interests, the capacity of these furnaces being about one-half that of the large furnaces, which, on the other hand, are engaged in making pig iron, which is taken in a molten state direct to the steel works without the casting process. It is proper for me to say that the profits of the merchant blast furnaces of the East, and the same is true in other sections, bear no sort of comparison with profits in the other branches of the iron and steel trade, as I shall proceed to show.

The president of the Empire Steel and Iron Company said before the committee if the present duty of $4 is reduced more than a maximum of 25 per cent it will put out of business practically every eastern furnace, for English iron could very profitably be brought in here practically all the time were it not for the duty, although a moderate reduction can be made without damaging effect on the American producer; and he recommended a reduction of 40 cents a ton, and for iron ore a reduction to 30 cents. This, too, is from a man who said that for ten years his company was not able to pay more than an average of 6 per cent to those who put in their money at the start and by the closest attention to business, and that a reduction of $1 would force them to close down every plant they controlled before the end of the year. The representative of the Dunbar furnace, the first to make pig iron in the United States west of the Allegheny Mountains, said:

There is very little profit in the pig-iron business; to-day you can not make a cent; last year you could not run at a profit.

Coming to the eastern merchant blast furnaces, which, generally speaking, buy in the open market all their ore, fuel, and so forth, for furnace supplies, it may be said that the product is disposed of within a radius of 100 miles, with transportation rates ranging from 25 to 90 cents per ton, though a considerable tonnage is shipped into New England at freight rates amounting to $2.10 per ton.

The Warwick Iron and Steel Company, in a statement taken from its books which may be considered as a fair illustration of the general conditions surrounding the eastern merchant blast furnaces, and filed with the hearings before the committee, set forth in general terms that its earnings have not been sufficient to build new furnaces, the new furnaces being built from the proceeds of new stock sold to the old and new stockholders. The earnings over a period of ten years, 1898 to 1907, inclusive, have not been sufficient to more than keep the furnaces in good state of repair and pay very moderate dividends to stockholders. The representative of the Virginia Iron Company, having seven furnaces in Virginia and two at Middlesboro, Ky., employing, when its furnaces, ore mines, coke ovens, and coal mines are in active operation, from five to six thousand men, and furnishing food, clothing, and living to from 20,000 to 25,000 people, which, from July, 1906, to July, 1907, made 202,453 tons of pig iron, 394,791 tons of coke, and mined 1,116,445 tons of coal during that period, and paid out in wages between two million and three million dollars, stated that the cost for making pig iron for that period was $14.11 per ton. The all-rail rate to New England, in which way 95 per cent of its shipments are made, averages practically $4 per ton. At the time of that statement it was said the New York papers gave the quotations for foreign market of iron at $12, the ocean rate from Liverpool to New York $1.22 per ton, thus putting English iron down, irrespective of the $4 duty at $14 per ton, a price less than the cost paid at the furnaces to this Virginia Company. It is no wonder, therefore, that it was further stated the company had not paid any cash dividends since its reorganization in 1903 to its stockholders. Mr. Joseph G. Butler, jr., representing a large percentage of the American blast furnaces of the United States, on January last submitted from several furnaces most intelligent and exhaustive reviews of the state of that industry to the committee, and I append hereto his statement, showing the domestic cost of making pig iron in the principal producing districts of the United States covering operations during the year 1907.

Furnace costs—Pig iron per gross ton.

Eastern Pennsylvania	$18.79
Buffalo	16.45
Southern Ohio	16.44–16.19
Mahoning and Shenango valleys	16.50–17.79
Middle West	16.10
Virginia	14.21–14.17–14.43
Alabama and Tennessee	12.93–11.00
Germany	8.71–10.16
England	9.48

A letter giving the cost and selling price, and the net gain or loss, for a series of years from a furnace owner, whose identity is not disclosed, states:

Yours November 27th received. Below is given the information regarding price, cost of production, etc., covering ten years, which we think is what you want. Selling expenses, losses, improvements and repairs, depreciation, discount and interest, etc., are closely deducted always:

Year.	Made tons.	Cost per ton.	Net selling price.	Gain per ton.
1907	69,806	$16.44	$17.70	$1.26
1906	64,968	15.65	16.06	.41
1905	72,446	14.78	15.70	.92
1904	44,556	12.67	13.40	.72
1903	37,292	16.13	15.68	[a].45
1902	60,572	14.92	18.07	3.15
1901	53,538	12.99	14.56	1.47
1900	40,508	15.32	16.50	1.18
1899	53,049	11.08	15.37	4.2
1898	43,603	8.43	9.60	1.17

[a] Loss per ton.

The following is from a furnace that produces its own iron ores and coke and is located south of Mason and Dixon's line:

Your circular letter of the 27th ultimo relative to the hearing before the Ways and Means Committee in Washington was received some days since, but it has been impossible, owing to absence, for us to reply earlier.

For the year 1907 our net sales of pig iron f. o. b. cars at furnace averaged $19.43. The average was rather high, owing to our having been fortunate in contracting well ahead at high figures. The cost of producing iron was $14.21.

Our net selling price f. o. b. cars at furnace for the years given below were as follows:

1899	$12.64
1900	14.33
1901	11.87
1902	16.05
1903	15.08
1904	12.20
1905	13.89
1906	15.83
1907	19.43

Going farther south, in Tennessee, the president of the Roan Iron Company, one of the representative iron manufacturers in the South, in a sworn statement, states:

As representing the merchant pig-iron manufacturers, would be glad to have you say to the Ways and Means Committee at Washington, in connection with the tariff hearings, that from our experience of many years in the manufacture of pig iron in Tennessee I consider the present rate of duty an absolute necessity in order to successfully meet foreign competition in the seaboard market.

Our freight rate to New York is $4.14 and Boston $4.49, which is the shipping point for New England business; say it is $4.31 per ton from Tennessee and $4.42 from the Birmingham district, this is nearly, if not quite, twice the rate from Liverpool or German ports, and as these are large and important markets it is vital that they be retained for American producers.

Our cost for the manufacturing of pig iron in 1907 was $12.93 per ton, leaving out interest on investment, and this cost was made up entirely of labor, with the exception of 85 cents per ton charged on pig iron as royalty on ore, coal, and limestone entering into the manufacture. Add

to this a freight rate of $4.31 per ton, and (with low labor cost and low ocean freights for the foreign make) without the tariff the eastern, our natural market, is lost to southern manufacturers.

Our average selling price for the past five years was $12.82 per ton, yet cost for a portion of the time was less than in 1907, owing to lower wages, which varies greatly in the different years.

The consumption of pig iron in the South is comparatively small, so producers are compelled to seek northern markets. As a great deal of capital has been invested in the past twenty years in the iron and coal industry in the South and large developments have been made (an important factor in the material welfare of the section), it would not seem the part of wisdom to so change the tariff rates as to jeopardize present investments and retard further progress.

And even from Alabama, with coal and ore at the furnace mouth, comes this statement:

The Central Iron and Coal Company of Alabama writes me as follows, under date of December 9:

"Replying to your circular letter of November 27, addressed to this company at New York, will state that we commenced producing pig iron in August, 1903. For the next four years our average cost and selling price was approximately $11 furnace. The company made absolutely nothing on the $1,000,000 invested. We made some money during the remainder of 1907, on account of the high price of pig iron. Have just about been holding our own on present market."

These statements indicating conditions outside of the eastern merchant blast furnaces, as well as those within, show the wide area of our country to be affected by an unwise reduction in the pig-iron duty to the extent of imperiling millions of invested capital in productive industry, reducing the earnings of transportation lines, depriving of employment thousands of our laboring people or reducing their wages to the foreign basis. I am willing, however, to admit that not only among the eastern blast furnaces but in the several districts before named there are small furnaces so located with respect to ore or coal supply, or both, that they can run under any and all conditions.

The extent of this competition with foreign pig iron is apparent from the accompanying statement of the comparative cost of foreign and domestic pig iron at principal seacoast points in the United States in 1907:

Point of production.	Seaboard point.				
	Philadelphia.	Boston.	Mobile.	New Orleans.	San Francisco.
Eastern Pennsylvania:					
Cost	$18.79	$18.79	$18.79	$18.79	$18.79
Freight	.60	2.10	6.72	6.72	14.00
	19.39	20.89	25.51	25.51	32.79
Buffalo:					
Cost	16.45	16.45			16.45
Freight	2.45	2.65			14.00
	18.90	19.10			30.45
Southern Ohio:					
Cost	16.19	16.19	16.19	16.19	16.19
Freight	2.65	3.25	6.72	6.72	14.00
	18.84	19.44	22.91	22.91	30.19
Mahoning and Shenango Valley:					
Cost	16.50	16.50	16.50	16.50	16.50
Freight	2.65	3.25	6.72	6.72	14.00
	19.15	19.75	23.22	23.22	30.50
Middle West:					
Cost	16.10	16.10	16.10	16.10	16.10
Freight	2.65	3.25	6.72	6.72	14.00
	18.75	19.35	22.82	23.82	30.10
Virginia:					
Cost	14.17	14.17	14.17	14.17	14.17
Freight	2.80	3.17	6.72	6.72	14.00
	16.97	17.34	20.89	20.89	28.17
Alabama:					
Cost	11.00	11.00	11.00	11.00	11.00
Freight	4.00	4.60	2.75	3.00	13.20
	15.00	15.60	13.75	14.00	24.20
Tennessee:					
Cost	12.93	12.93	12.93	12.93	12.93
Freight	4.00	4.60	2.75	3.00	13.20
	16.93	17.53	15.68	15.93	26.13
Germany:					
Cost	8.71	8.71	8.71	8.71	8.71
Freight	2.50	2.50	3.35	3.35	7.50
Duty	4.00	4.00	4.00	4.00	4.00
	15.21	15.21	16.06	16.06	20.21
England:					
Cost	9.48	9.48	9.48	9.48	9.48
Freight	2.50	2.50	3.35	3.35	7.50
Duty	4.00	4.00	4.00	4.00	4.00
	15.98	15.98	16.83	16.83	20.98

With cheaper raw materials than ours and a lower wage scale and ballast rates for ocean shipment, it is not to be wondered why the foreigner can undersell us, even with our present protective duty, and the following table, showing the comparative blast-furnace wages in the United States and England, will tell the story as to where will fall the burden if a keen competition is inaugurated by the proposed reduction of the tariff:

	United States.	England.
Furnace keeper	$2.90	$1.82
Top fillers	2.55	1.27
Cinder men	2.30	1.21
Bottom fillers	2.30	1.12
Laborers	1.65	.91
Blast enginemen	2.90	1.37

It will also be seen from the following statement that freight rates from England or Germany to Atlantic ports offer no protection, as the inland rates from the furnaces to most points of consumption are in excess of ocean rates:

Pig-iron freight rates from producing centers to points of consumption in the United States.

[Rail and water rates are given in all cases where available, as they are the cheapest and most generally used.]

From—	To Boston.	To Philadelphia.	To Baltimore.
Birmingham, Ala	$4.60	$4.00	$3.85
Virginia furnaces	3.17½	2.80	2.65
Mahoning and Shenango Valley	3.25	2.65	2.55
Pittsburg	2.85	2.25	2.15
Buffalo	2.65	2.45	2.45
Erie	2.85	2.25	2.15
Emporium	2.55	1.80	1.80
Bellefonte	2.55	1.45	1.50
Harrisburg	2.10	.85	.85
Reading	2.10	.60	1.25
Temple	2.10	.65	1.25
Emaus	2.10	.75	1.40
Swedeland	2.10	.40	1.15
Other eastern furnaces (about the same as Reading)	2.10	.60	1.25

On January 16, 1909, the president of the Warwick Iron and Steel Company, Mr. Edgar S. Cook, one of the most intelligent and best-posted men in the trade, presented to the committee an estimate of the cost of making pig iron for the next six months by the merchant furnaces in eastern Pennsylvania; based upon 1908 prices for Lake Superior ores and a varying percentage of local and foreign ores, which is very valuable and instructive in this connection, showing the total cost to be $15.89, and, when the freight rates to points of consumption are added, the committee can well see the conditions which confront this most important industry in Pennsylvania and elsewhere, gathering from it and all these statements the gloomy fact that a reduction such as contemplated will ultimately drive out of business every independent concern and place the iron industry under the control of one single gigantic monopoly; and in this view it can well be understood why such concerns are either indifferent as to what we may do or wishful for the duty to be wholly extinguished:

Estimate of Mr. Cook, based on product of 22,000 tons per month.

Ore: Cost per ton of pig iron		$9.00	
Coke:			
At ovens, per ton (2,000 pounds)	$2.00		
Freight per ton (2,000 pounds)	1.85		
2,000 pounds delivered	3.85		
2,200 pounds coke per ton of iron at $3.85 (per 2,000 pounds)		4.23	
Limestone: 950 pounds per ton of iron at $1 per 2,240 pounds		.42	
Cost of material			$13.65
Salaries		.21	
Wages		.73	
Sundry supplies		.45	
Relining		.25	
Total			1.64
Manufacturing cost at furnace			15.29
Interest on bonds, taxes, insurance, commission on sales		.30	
Depreciation, to cover necessary replacements not otherwise provided for, and improvement		.30	
			.60
Total			15.89

The ore cost per ton of pig iron in the above estimate is based on the use of 30 per cent old range ore, 30 per cent Mesaba ore, 20 per cent Magasaka ore, and 20 per cent foreign ore, all taken at the price paid for same, including freight delivered at the furnace. It was also estimated that the metalloids will balance loss in furnace.

It is well to do nothing to impair the strength of the independent iron and steel concerns as a competitive force with the great corporation which recently surrendered to the inexorable law of supply and demand, finding itself driven thereto in the open-market search for buyers in that competition from which it was organized to escape.

Another consideration of vital importance not to be forgotten is, that the merchant pig-iron furnaces are among the best customers of the railroads in the large tonnage of iron ores, coal, limestone, coke, fire brick, sand, clay, and other supplies, and finally of their own product, pig iron. Millions of dollars are their annual tribute to railroads of our country in which the laborer is the final participant to practically the whole amount.

The tariff on steel and iron scrap, used principally as a substitute for pig iron, has placed upon it a duty in the Payne bill out of all proportion to pig iron itself. The duty should be the same as the latter and a moment's reflection will establish conviction on that point, for any reduction of the duty on scrap iron and scrap steel below the duty on pig iron, will not only be ruinous to the merchant blast furnaces by reason that foreigners will evade the law by breaking up pig iron and other material into scrap shapes, thus reducing the material to 50 cents, and because such reduction would result injuriously to railway companies, farm machinery manufacturers, and others, who are its principal sellers.

There are numerous considerations independent of any question of mere profits why the conditions surrounding this industry should not even be experimented with at a time like this. The existence of these blast furnaces is highly important to the eastern consumer for a convenient and economic supply of his raw material, which is sold under an unrestricted and often keen competition, the consumptive demand regulating the prices. Drive out this industry and a thrill of doubt and possibly a serious disarrangement of business dependent upon it, extending into all channels of trade, will result. With such a narrow margin of profits as is had under this competition and the present rate of duty, the consumer has no right to complain, his interests are well guarded, for when prices increase by reason of an active demand, German and English iron are soon imported, to the advantage of the Treasury and a gradual settling of prices.

And why should the furnace man not have his bright days of rising profits in times of general prosperity, when he has so many dark and perplexing ones in periods of depression and adversity? In the case of many plants owned by corporations, as they are, whose stock and bonds are held by numerous persons—women as well as men—in small holdings as well as large ones, as investments on the profits of which they live as well as accumulate, the general prosperity and happiness of individuals widely scattered throughout the country are involved.

When periods arise, as they do in the iron trade, when prices fall below the cost of production, the profits of preceding years are gradually absorbed in losses, whether the concern is idle or going, and it is often cheaper to run at a loss than to stop, and such conditions confront the operator frequently for months. I have known times in my personal knowledge when plants have been operated in the winter periods mainly to warm a home or feed the hungry mouths of dependent laborers and their families, but this is never considered in the hue and cry of some so-called "tariff reformers," whose misguided industry on behalf of the supposed wronged consumers never counts the cost or the consequences to the investor of his all or to the country in respect to its prosperity. Fixed charges—as interest, taxes, insurance and salaries, repairs and depreciations—are burdens to be borne, whether the market goes up or down; and so of the enormous outlay in betterments, frequently to meet improved equipments so essential in keeping abreast of the cheapening process in the economic methods of the day; and every wisely managed plant looks with earnest hope to the maintenance of an efficient organization among its executive and working forces, trained and developed through years of doubt as well as hope, and are compelled to keep running rather than witness through a suspension of work the disintegration of an organization which has been constructed through years of skill and patience—an organization which in the trade is considered to be worth as an asset 25 per cent of the cost of the plant.

PENNSYLVANIA THE KEYSTONE OF THE INDUSTRIAL ARCH.

The great industries of Pennsylvania in coal, coke, iron, and steel, which have made its name famous in every civilized nation, are of such transcendent importance they should not be imperfectly known in an hour like this. From no source can the facts be better marshaled than from the recent book of James M. Swank, secretary of the American Iron and Steel Association, entitled "Progressive Pennsylvania," wherein he says:

Pennsylvania has long been noted as the leader of all the States in the mining of coal, the manufacture of coke, and the production of iron and steel. Its leadership in these great industries in 1905 is shown in the following table, which gives the percentages of the total production of coal and coke and of the leading forms of iron and steel in the whole country in that year of industrial activity:

Production of coal, coke, iron, and steel in 1905.

	Production in United States.	Production in Pennsylvania.	Pennsylvania's percentage.
Coal, all kinds.....gross tons..	350,645,210	170,065,613	49.9
Coke.....net tons..	32,231,129	20,573,736	63.8
Iron ore.....gross tons..	42,526,133	808,717	1.9
Pig iron.....do....	22,992,380	10,579,127	46
Steel ingots, castings, etc.....do....	20,023,947	11,040,423	55.1
All kinds of rails.....do....	3,375,929	1,115,841	33
Other rolled iron and steel.....do....	13,464,086	7,802,449	57.9

Contrary to common belief, Pennsylvania has not been a large producer of iron ore since the ores of the Lake Superior region came into general use about 1880 in the manufacture of Bessemer pig iron. Its small production in 1905 is included in the table. And yet Pennsylvania was first of all the States in the mining of iron ore down to the census year 1880, when it produced 1,951,496 gross tons. In the census year 1870 it produced 978,113 tons, or over 32 per cent of the total production of the country in that year. In 1889 it fell to the third place, in 1904 to the ninth place, and in 1905 it occupied the sixth place among the iron ore producing States. In 1906 it occupied the fifth place. Its production of iron ore in 1905 was 808,717 tons, and in 1906 it was 949,429 tons. In 1904 its percentage of the total production was 1.4, in 1905 it was 1.9, and in 1906 it was 1.99. It is not necessary to comment on the prominence of Pennsylvania as a producer of iron and steel except to call attention to its extraordinary percentages of the total production in 1905 as they are shown in the table—pig iron, 46 per cent; all kinds of steel, 55.1 per cent; all kinds of rails 33 per cent; all other forms of rolled iron and steel, 57.9 per cent. Of the production of coal in Pennsylvania in 1905, 69,339,152 gross tons were anthracite, and 105,726,461 tons were bituminous; the total was 175,065,613 tons, or 49.9 per cent of the country's production. Of the total production of coke in the same year 63.8 per cent was made in Pennsylvania. In 1906 the whole country produced 369,783,284 gross tons of coal, of which Pennsylvania produced 23,060,511 tons, or 63.3 per cent. Nearly all the bituminous coal and coke produced in Pennsylvania is to be credited to western Pennsylvania. Practically all the anthracite coal produced in the United States is mined in eastern Pennsylvania.

It is to aid in keeping intact this process of development that I am impelled to speak to-day, and it is not through any feeling of local selfishness, but in the spirit of a just pride in our wealth and industrial achievements—the glory of a great Commonwealth. The industries of this State have grown through the fostering aid of a protective tariff system which its representative men in the councils of the Nation, often without regard to party, have struggled to maintain, not only for the benefit of their own State, but for every other section throughout the Union. Having kept the faith and been "the pillar of cloud by day and the pillar of fire by night" in guiding the footsteps of the followers of true protective policies, she has a right to appeal to all who have enjoyed its blessings to see that none of her industries be crippled or destroyed. One of her great statesmen, Galusha A. Grow, was the father and successful champion of the homestead law, which, with the land-grant system and the preservation of the home market for the producers of iron and steel, built up in the Western States and Territories that rich and splendid empire, which to-day is challenging the supremacy of the East in agricultural and manufacturing pursuits. So, too, the influence of that system is being felt in the rich, fertile, and beautiful Southland, where protective ideas will soon secure a foothold as lasting as anywhere else in our broad domain. Then, in the fullness of time and in the height of the Nation's industrial glory, each radiant eye will look toward Pennsylvania, and, with hearts rich in thankfulness, hail her as the keystone in the industrial arch of our Union. [Applause.]

Mr. HAMLIN. Mr. Chairman, in the short time allotted to me I do not expect to discuss this proposition in a very connected way. But I would like, on behalf of the millions of consumers of this country, to express the hope that on the day that we are compelled to vote upon this bill the Republicans will be as scarce in this Chamber as they are during this discussion. [Laughter.] The two great political parties in convention last year, in their platforms, declared in favor of a revision of the tariff. The Democratic party, true to its traditions and to its history, took the people of this country into its confidence and told them frankly that it was in favor of a revision of the tariff downward. The Republican party, true to its traditions and its history, in never fulfilling a promise or taking the people into

its confidence, declared in favor of a revision of the tariff, but failed to indicate the direction that the revision should take, whether up or down. [Applause.] And so they went into the campaign, playing both ends against the middle, and by some kind of hocus-pocus won the election. It seems surprising under those circumstances that that result should have been brought about. I can only account for it upon one theory. I think a great many people of this country must have been not unlike the people living out in a county in the district represented by my good friend from Kansas [Mr. CAMPBELL]. A few years ago I noticed in the papers that a county ticket had been nominated out there, and after the convention, and just prior to the election, the Republican candidate for one of the offices died; and so the committee got together and said: "This is not a political office, the Democratic nominee is a good man;" and they were correct in that, for all Democratic nominees are good men; "we will not fill this place on the ticket, but let the Democratic candidate have the office by default." But on election night, when they counted the votes, they found that the dead Republican had more votes than the living Democrat. [Great laughter.] I do not know why it was, unless it was because the Republicans out there could not read or did not have facilities to read, and did not, therefore, know that their candidate had died.

Mr. CAMPBELL. Will the gentleman permit me?

Mr. HAMLIN. Certainly.

Mr. CAMPBELL. In that instance they had more confidence even in a dead Republican than in a live Democrat. [Laughter and applause.]

Mr. HAMLIN. In one way they surely acted wisely, for it is my deliberate judgment, if you must vote for a Republican at all, then vote for a dead one always. [Great laughter and applause.] For if there is anything on earth that will improve a man's republicanism, it is death. [Renewed laughter.]

Now, Mr. Chairman, I was proceeding to say that I recognize that the formation of a tariff measure, which must affect and will affect every man, woman, and child, in all this Nation, is not an easy job. I would not attempt for one moment an academic discussion of the tariff at this time, but I do want to say this: It seems to me in the formation of a great tariff measure there are some fundamental ideas which ought not to be overlooked.

It is conceded to-day, I think, by everyone, that whatever tax is imposed by a tariff law must ultimately be paid by the consumer; that he is, in the last analysis, always the victim.

We should not overlook another fact—that the price of the article to the consumer is increased just in proportion and sometimes more, but never less, than the tariff levied against that article. I mean by that, this: That if on the ingredients entering into the composition of a suit of clothes there is tariff of $5, then the price of that suit of clothes is increased to the consumer (the man who buys it and wears it out) at least $5 more than it would have been if there were no tariff on those articles. Now the same is true of shoes. If on all the ingredients entering into a pair of shoes the tariff is 25 cents, then the price of that pair of shoes is at least increased to the extent of 25 cents to the consumer. And, Mr. Chairman, what is true of these two articles is of course true of all other articles on which there is tariff. That being true, it seems to me that in the formation of a tariff measure the consumer as well as the manufacturer ought at least to have some consideration. It appears to me from the hearings, and I have taken some trouble to read them all, that the consumer was not considered very strongly in the formation of the present tariff measure. [Loud applause.]

I want to submit this further proposition: I do not believe in a protective tariff for protection's sake, and I do not believe it can be sustained by any kind of logic that I have ever heard or that can be produced on the face of the earth. [Renewed applause.]

Why subsidize the manufacturers of this country any more than any other class? Certainly they are no longer infant industries; they admit that they are not only supplying the trade of this country, but are exporting millions of dollars' worth of products every year and selling them in open competition with the world. In 1908 they exported and sold in foreign markets manufactured products of the value of $740,575,841.

Not only that, but worse still, selling to the very people against whom they ask us to protect them, for less money than they will sell to us here at home.

They do not hesitate to discriminate against our people here at home, but also against the people of our dependencies. Since Porto Rico became a dependency of the United States, our protected industries will not sell them goods as cheap as they sell the people of neighboring islands. For confirmation of this fact we have the statement of the Resident Commissioner from Porto Rico on this floor, Hon. Tulio Larrinaga. He stated to the Ways and Means Committee as follows: "When a Porto Rican planter in our large coffee plantations has to replace his boiler, or any part of his machinery, he can no longer buy it in England, Belgium, or France as he did before. To-day he orders it from the American manufacturer, to whom he has to pay a much higher price than our neighbors from Santa Cruz, or any of the other foreign islands have to pay at the same factory, because the American manufacturer has to lower his price for them in order to compete with the Europeans, or his customers will not buy of him. This is equally true of all other articles we use."

Mr. GRIGGS. You say you pay a higher price in Porto Rico for machinery than they pay in the other foreign islands. Do you mean to say that?

Mr. LARRINAGA. Yes, sir; we do.

Mr. GRIGGS. Machinery made in the United States?

Mr. LARRINAGA. Yes.

Mr. GRIGGS. Do you pay more than they do in Jamaica, for instance?

Mr. LARRINAGA. Yes.

Mr. HAMLIN. With such testimony as this before your committee, Mr. Chairman, you yet dared to present to this House a tariff bill actually increasing the rate over that in the present law. While it is true that the gentleman in charge of this bill stated at the beginning of this discussion that the tendency of the revision of his bill was downward, yet the official report and comparison made by Mr. Evans, assistant secretary of the gentleman's own committee, shows that the average rate under the pending bill is 45.72, as against 44.16 under the present Dingley law. If this is a downward revision, then Heaven save us from an upward revision. [Applause on the Democratic side.]

My third suggestion is that we raise our taxes for state and county purposes by direct taxation. A man is taxed upon the property which he actually possesses, and the rich man, therefore, pays more taxes than does the poor man, because he has more property and is therefore better able to pay, and if the rate is reasonable, no good citizen complains of that taxation. But not so under a tariff law.

Under a tariff law the citizen is not taxed upon that which he actually possesses, but he is taxed upon that which he does not possess but is compelled to have. [Applause on the Democratic side.] And I say that any system of taxation that takes advantage of a citizen's necessities is an infamous system, and can not be sustained upon any ground except upon the high ground that the country needs the revenue and its citizens must respond. [Applause on the Democratic side.] To that extent, without a better form of taxation, we all are willing to submit to a tariff for revenue only, but for protection *never*.

Mr. Chairman, there is another suggestion, or rather a criticism, which I want to make, a criticism on the manner in which this bill was framed. It appears as I intimated a while ago, from the hearings, that certain interests in this country seeking to be benefited under the provisions of this bill and which are benefited, if it becomes a law, played a very prominent part not only in the hearings before the committee, but in the formation of this bill. Unfortunately under the domination of the Republican party certain interests in this country have not only written the schedules in the tariff bills heretofore, but undoubtedly have written many of the schedules in this bill. Do you deny it? Then let me call your attention to an article which I hold in my hand. It seems to me that this is impudence personified. I hold in my hand a copy of the "American Economist" of date March 26, 1909. This, it is unnecessary for me to say, is the organ of the "American Protective Tariff League."

Here is an article headed "On to Washington:"

The American Protective Tariff League has sounded the clarion call, "On to Washington." Manufacturers interested in what is going on in the Ways and Means Committee at the Capitol, and interested also in seeing that whatever is going on shall go no further than is absolutely necessary, are bidden to leave their factories, their homes, and their families, and fling themselves into the breach.

Who sent for them? But listen just a little further:

The League does not believe in lobbying, but the House and Senate committees that will deal with the tariff want "honest information," and obviously the protected manufacturers would be recreant to civic duty if they refused to help the committees out. Mr. Payne and Mr. Aldrich, for instance, would find their labors lightened if every manufacturer would submit a brief dealing with "any weak points in the customs administrative act. * * * So "let your office boy run the factory until tariff matters are settled," urges The League. An office boy can run the factory, but *it needs tried tariff talent to run the United States Government.*

[Applause on the Democratic side.]

How do you like that? It needs tried tariff talent to run the United States Government. "On to Washington, boys!"

To the shame and disgrace of the Republicans who control legislation in this House, they came and "run the United States Government" by writing a bill which, if it becomes a law, will raise the tax on an already overburdened people.

Or, putting it another way, if you fix things right at Washington, if you get yourself sufficiently protected, you can afford to let your office boy run your factory.

Now, it seems to me that there is too much truth in that statement. Every man who appeared before that committee asking for protection for his particular business, so far as I have been able to find from the hearings, received that protection, and some of them more than they asked for.

I remember that one gentleman from Massachusetts, a shoe manufacturer, appeared before the committee and told them that if they would give them free raw hides, 5 per cent would be ample protection to the shoe manufacturer; but the committee thought that they knew better, I presume, and even gave him more than he desired.

Another proposition which I would not have you overlook is: No man is protected who is compelled to sell his products in the open markets of the world.

Let us see what the facts are as they apply to the farmer. In the year 1907 (the last year for which we have the official figures) the farmer sold in the open markets of the world $1,054,405,416 worth of products.

To be more explicit, Mr. Chairman, he exported and sold in foreign markets—

Wheat, in 1907	bushels	76,562,423
Corn	do	83,300,708
Oats	do	4,014,042
Cattle (live)		423,051
Horses		33,882
Mules		6,781
Sheep		135,344
Hogs (live)		24,262
Other animals, including fowls, valued at		$355,148

He imported into this country for seed purposes, of course—

Corn	bushels	10,818
Oats	do	74,552
Wheat	do	375,433

In other words, in 1907 the farmers shipped to foreign countries and sold in the open markets of the world 163,416,370 bushels more of corn, wheat, and oats than was imported into this country. The foregoing figures do not take into account the packing-house, fruit, or dairy products which were exported.

With these figures before us, how can any sane man contend for a moment that a tariff on corn, wheat, and oats can be of any value to the farmers of this country? I denounce it as a fraud, and intended by your party, Mr. Chairman, only to deceive and hoodwink the farmers of the country.

No; the farmers of this country are not protected, but they are robbed, for they sell their products in the open markets of the world and buy the necessities of life in the protected market.

Now, let us very briefly examine this bill and see what you propose. You say it is a downward revision. I deny it.

This bill is a combination of absurdities, mysteries, and deceptions. After a careful examination of this bill, one can scarcely escape the conclusion that the evident purpose of the committee was to deceive the people.

When the bill was brought into the House, you gave it out that coffee and agricultural inplements were on the free list; this you knew was not true. You had put in both the coffee and implements schedules a little "joker," which took coffee off the free list, where it is now under the existing law, and placed a duty of about 6 cents on the pound; and while you reduced the ad valorem duty on agricultural implements from 20 per cent to 15 per cent, you tacked on a proviso which will, if this bill becomes a law, likely make the duty on farm implements 35 per cent ad valorem instead of 20 per cent, as it is under the Dingley law.

You provide in the bill that every country, province, or dependency which admits our agricultural implements free of duty, we will admit like articles free of duty from these countries, provinces, or dependencies. But when you wrote that schedule you knew that nearly every nation on earth had a duty on agricultural implements, including Russia, Portugal, Italy, Austria-Hungary, Switzerland, Roumania, Mexico, etc. Therefore under the bill the tariff on agricultural implements will at least be 15 per cent ad valorem. Then in another part of the bill you attempt to conceal the little "joker" which does the mischief.

Section 4 of the bill in substance provides whenever any other country on earth admits any and all of our products, whether of the soil or factories, at a rate not in excess of the rate charged on any article from any other country on earth, then in that event we will admit their products at the rates mentioned in sections 1 and 2 of this bill (agricultural implements being mentioned in section 2, it means 15 per cent on those); but if any other country, province, or dependency on earth should happen to admit any article from any other country on earth one farthing cheaper, or on any more favorable terms than ours, then in that event articles mentioned in sections 1 and 2 of the bill shall automatically be increased by the rate mentioned in section 3, which is an additional rate of 20 per cent ad valorem. In plain English, it means in that event that the rate on agricultural implements, instead of being 15 per cent ad valorem would be 35 per cent, 15 per cent more than it is under existing law.

Coffee you say is on the free list, but you slip in a little "joker" on that. Under the head of "Free list" you say "coffee," but you add the "joker," which is—

Provided, That if any country, dependency, province, or colony shall impose an export duty or other export tax, or charge of any kind whatsoever, directly or indirectly, upon coffee exported to the United States, a duty equal to such export duty, tax, or charge shall be levied, collected, and paid thereon.

At the time this was written, Mr. Chairman, the committee knew that we get about 80 per cent of all our coffee from Brazil and that Brazil has an export tax on coffee of about 6 cents per pound.

They must also have known that this export duty on Brazilian coffee could not, on account of a loan, be taken off for at least ten years. In the face of these facts, then, how can we escape the conclusion that there has been a deliberate attempt to deceive the people? I put it to you Republicans now; you will not dare to pass this bill with a tariff on coffee. Many of you are serving your last terms in Congress if you do.

Mr. Chairman, I would like to examine the lumber schedule in this bill, but my time will not permit further than to say that the glad tidings which were heralded forth with so much unction by the "G. O. P.," that the tariff on lumber had been reduced one-half, now turns out to be a fake also. The gentleman from Michigan [Mr. FORDNEY], a member of the Ways and Means Committee and the admitted author of the lumber schedule, very frankly states that in drawing that schedule he did not intend that it should have the effect of reducing the tariff on lumber.

Now, Mr. Chairman, I have only time to say that in view of the alarming scarcity of our timber supply and of the fact that not only the lumber but the timber of our country as well is now largely controlled by a trust, it would be but little short of a calamity if we did not put lumber on the free list. I hope we may.

Mr. Chairman, the people had hoped that in the formation of a new tariff that the necessaries of life—things used by the poorer people of the country—could be put on the free list, or at least have the tariff on those articles materially reduced; but if this bill becomes a law their hopes will again be blasted.

You put a tariff on tea, coffee, spices, clothing, shoes, salt, lumber, plows, wagons, buggies, etc., in fact, everything on earth that the average man must have except sunshine, and if some ingenious Yankee would invent a substitute for sunshine you would erect a tariff wall to the skies in order to shut out the sunlight and give that Yankee a monopoly. [Applause on the Democratic side.]

Is there a Republican in all this land foolish enough to believe that his party leaders are in sympathy with the average man? I tell you they are bound hand and foot to the protected interests of this country.

Do you doubt it? Listen: At the behest of the shoe manufacturers of Boston and other places they took the tariff off raw hides, the only benefit the farmer had, but left a tariff on leather, which will have the effect to reduce the price of the farmer's cattle, but increase the cost of his shoes. And yet there is one shoe manufacturer honest enough to admit that with free raw material they do not need any tariff on shoes.

In support of that statement I have here a letter which came to me this morning, and I want to read it:

THE WOLFE BROTHERS SHOE COMPANY,
Columbus, Ohio, March 30, 1909.

Hon. COURTNEY W. HAMLIN,
Washington, D. C.

DEAR SIR: As one of the largest manufacturers of shoes in the country we urge you to lend your influence to place shoes on the free list. The American shoe manufacturer needs no protection. With free hides and cheap raw material the American shoemaker can shoe the world.

Very respectfully,

THE WOLFE BROS. SHOE CO.,
R. F. WOLFE, *President.*

Mr. ASHBROOK. If the gentleman will permit an interruption, I would like to state that the Wolfe Brothers have the largest shoe factory in Columbus, Ohio, and there are seven or

eight in that city. This firm employs several hundred people. The Wolfe Brothers are Republican in politics and own the two leading papers in the capital city of Ohio, the Ohio State Journal and Columbus Evening Dispatch, both Republican papers.

Mr. HAMLIN. I am certainly obliged to the gentleman for this information. I am glad to know that these Ohio Republicans have seen the light. [Applause on the Democratic side.] And I want to say to you, Mr. Chairman, that there are thousands of good Republicans all over this country who are getting tired of this idiotic talk about protection for the American manufacturers.

The district which I have the honor to represent is composed of about 250,000 people, and not one of them is here asking the Ways and Means Committee of this Congress for one single solitary favor. My district is composed of men panoplied in their own rugged honesty and independence, asking Congress for no favors on the face of the earth, but demanding that they be given an equal chance in the race of life, and that is all they require. [Applause on the Democratic side.]

You were very tender and considerate of the interest of the sugar trust, leaving a duty of nearly 2 cents per pound on sugar, which means an extra cost of sugar to the consumers of this country of about $142,000,000 per year. This neat little sum of money goes into the pockets of the sugar trust annually as a gift from the Republican party, but paid, of course, by the people.

But when it comes to automobiles, something which only the wealthy can afford to buy, the committee becomes tenderly considerate of that class of people and places a tariff of only 45 per cent on automobiles. A tariff of 80 per cent on sugar and a tariff of 45 per cent on automobiles.

Mr. Chairman, while you have put a duty of nearly twice as much on sugar as you have on automobiles, I presume we ought not to complain, for sugar is a luxury and automobiles are an actual necessity.

You put a high tax on tea and coffee, but you say these things are luxuries. If the people don't want to buy tea and coffee, let them drink water. You put a tax on salt, but of course salt is a luxury. Mr. Chairman, in effect you say, "let the people make brick without straw," they can eat their bread without salt.

Our Republican friends have put a high tax on clothing and blankets, which you farmers and laboring men think you must buy to keep your wives and children warm; but they say these things are luxuries—if you do not want to buy them, then freeze. But diamonds and other precious stones are actual necessities of life, and they are put on the free list. Mr. Chairman, does your party believe it can continue to fool the people? I do not.

But another remarkable thing about this bill is the careful and considerate manner in which our Republican friends have taken care of the liquor interest of the country. I want the good women, and it won't hurt for the men of this country to notice this. Our Republican friends have, by this bill, imposed a tariff of 85 per cent on hosiery, which retails at 25 cents per pair, while they only impose a tariff of 66⅔ cents per quart on champagne, which sells at $4 per quart. But of course champagne and other high wines are a real necessity, but you don't have to wear stockings if you don't want to. Listen again: While the author of the bill, the gentleman from New York [Mr. PAYNE] was explaining the bill he said in relation to beer and the breweries in general, in answer to a question by my colleague from Missouri, Judge RUCKER, as to why the internal-revenue tax on beer had not been increased, said:

> They took us into their confidence in regard to their balance sheets, etc. It seemed to us then, as it seems to the committee now, that that particular thing is taxed about all the business will bear.

O how tender and considerate you were, Mr. Chairman, of the beer interest of this country; would not increase the tax on beer for fear it would ruin the business, but you can and do provide 6 cents a pound on coffee and 8 cents a pound on tea, which directly taxes the poor man's breakfast table.

Do you believe the good people of this country will indorse your acts? I answer ten thousand times No.

But listen again: "They" (the brewery people) "took us into their confidence." Yes; and the very moment you went into the confidence of the breweries you went out of the confidence of the people. [Applause on the Democratic side.]

I wonder if the sugar trust and the Standard Oil trust and the lumber trust and the woolen trust and the cotton trust, the salt trust and all the oher russ of his counry did not take you into their confidence? Undoubtedly they did, for you have surely taken care of them nicely in this bill.

Mr. Chairman, your party grows extremely solicitous about the welfare of the laboring man only on two occasions. One is, just before a national campaign and the other when you have to enact a new tariff law.

Now, I do not believe you are going to deceive the laboring man any longer. He has watched you too long. No one knows better than he does that these fellows who are here begging and whining around for higher protection and putting it on the ground that the interest of the laboring man requires it, are not sincere, but that when you accede to their demands and give them this additional protection they will go back home and hire their labor just as cheaply as they can, paying no more for it than they are compelled to pay. In other words, none of these fellows ever increased the wages of their employees, comparatively speaking, one farthing, except when organized labor forced them to do it.

But you say the price of labor has been increased during the last few years. Yes, and the cost of living to the laboring man has increased, in the same time, infinitely more than his wages. "What doth it profit a man if he gain the whole world" and then have to spend it all, and more, to live.

It is a nice little game you are working on the laboring man. With one hand you give him one dollar increase in wages, which you were compelled to do by reason of organized labor, and with the other hand you take two dollars from him in increased cost of living.

This question came up in the hearings, before the Ways and Means Committee, in the shape of a colloquy between a manufacturer by the name of Solis and Mr. FORDNEY, a Republican member of the Ways and Means Committee and also a lumber manufacturer and one of the recognized chief apostles of protection in the House.

The language of Mr. FORDNEY at that time, I think, reflects the feelings of the manufacturers of this country toward the laboring man, notwithstanding their hypocritical plea for the man who labors in the mills and factories.

I quote from the hearings, first print, at page 3499:

> Mr. FORDNEY. Is it not true that the average American citizen is consuming much more per capita to-day, much more of provisions and the necessaries of life, than he was from 1893 to 1896?
>
> Mr. SOLIS. I think he has to buy enough to live on, but I think everything costs him a whole lot more.
>
> Mr. FORDNEY. That is true, but he has the money to pay for it, has he not?
>
> Mr. SOLIS. I do not know; I do not think he has.
>
> Mr. FORDNEY. Did you hear that statement made by the gentleman from Philadelphia yesterday, a gentleman who represented some labor organizations?
>
> Mr. SOLIS. Yes, sir.
>
> Mr. FORDNEY. In the textile works?
>
> Mr. SOLIS. Yes, sir.
>
> Mr. FORDNEY. What do you have to say to that? Do you think labor is much more prosperous to-day than it was a few years ago?
>
> Mr. SOLIS. I think so. I do not think they have much more money. Some wages have been advanced 10 per cent. Suppose a man is getting $10 and his wages are advanced $1, and his living has gone up $5; of course he has not gained anything. That is the condition to a large extent, I think. Everything he has to use now has gone up in price.
>
> Mr. FORDNEY. Then he can not afford to pay the advanced price?
>
> Mr. SOLIS. No; he can not.
>
> Mr. FORDNEY. Then he had better make application to the undertaker to put him out of existence.

On behalf of the laboring man I resent this statement, Mr. Chairman. The man who toils in the shops, in the factories, or on the railroads is an American citizen, and has an equal right to work and have a fair return for his labor and should be permitted to buy the necessities of life at a reasonable price. He don't have to go off and die. And I want to serve notice on the trusts and monopolies in this country now that they had better "make hay while the Republican party is in power," for while the people are "forbearing and long suffering" they will not always endure trust domination in this country.

Their days are numbered. [Applause on Democratic side.]

Mr. Chairman, in conclusion I want to say that I can not and will not vote for this bill in its present condition. I can not follow you in this matter, for I know where you would inevitably lead. You know only one way, and that is the way to the National Treasury; there to take from the hard earnings of the toiling millions money to enrich a favored few. No; I will not follow you. I prefer rather to follow him whose heart is big enough and whose intellect is broad enough to take in the interest of all the people, him who stands for "special privileges to none" and whose lead will bring me to the shrine of a happy and contented home—where the ruler thereof worships not Mammon, but the true God—and who is willing to sacrifice his life upon the altar of the country he loves. But to loot the National Treasury—*NEVER*. [Loud applause.]

Mr. POINDEXTER. Mr. Chairman, in the few minutes allotted to me it would be impossible to do more than to state very briefly and as simply as possible the position which the people of the great district which I represent occupy upon one or two of the items in this tariff bill. I would hesitate even to do

that if it were not for the fact that I have been told that it is doubtful whether there would ever be another opportunity for the people of my district to be heard upon this matter. It is a case of now or never—to speak now or forever after hold your peace. I have heard a good deal of talk in the last few days among Members of this House that it makes very little difference what our views are or what we do in regard to this tariff bill; that the bill will really be framed in the Senate. Gentlemen upon the other side of the House have taunted the majority of this House with the allegation that they would leave it to the Senate and try to blame the Senate for any unpopular features or imperfections that the bill might have, as it necessarily must have, as all bills and all laws, especially a law which, as has been said by the distinguished Speaker of this House, is both private and public in its nature and enters into every man's shop, because it would be impossible that there should not be some inequalities and some injustices in such a measure.

But I want to say, Mr. Chairman, that whatever may be the tendency of the day toward turning things over to the Senate, this House is the place where the bill should be formulated. This is the House which should fix the lines of this measure. Under the Constitution, this is the place where a measure of this nature has to originate, and it is the place where it should take definite shape. The Members of this House have come more lately from the people, and they will return sooner to the people. They represent more accurately the needs and desires of the people who are to be taxed by this bill, and consequently it should be seriously considered and there should be something more than a mere academic discussion or a mere disposition to make speeches upon either side of the Chamber, to be used in some forthcoming campaign.

There is one item in this bill which particularly concerns some 300,000 people in my district, which is principally a grain-growing district, although it has a great many other large industries, and that is the item upon jute bags—grain sacks. Under the tariff which is levied in this bill, some $400,000 a year are collected practically from the people of that district and some adjoining country in the State of Oregon and the State of Idaho, comprising what is known as "the great inland empire," lying between the Rocky Mountains and the Cascades, between the line of British Columbia and extending down into the central part of eastern Oregon, a district which produces annually some 50,000,000 bushels of wheat and other grain, the greater portion of which is exported to Liverpool, marketed there, and the price of which is based upon the Liverpool market.

All of that grain is shipped in what is known as "standard 22 by 32 Calcutta grain sacks," which, under the terms of this bill, have a tariff levied upon them of seven-eighths of a cent a pound and 15 per cent ad valorem, which amounts, roughly speaking, to 2 cents upon each sack which the grain growers of that district are compelled to pay as a burden, an obstacle practically upon their exports. Now, the only theory upon which a tariff can be laid is either one of two things. Either it is for the purpose of protecting home industry, or it is for the purpose of raising revenue. The policy of the Republican party is to levy reasonable and moderate duties in such a way as will discriminate in favor of home industries and protect them when it comes down to the actual working of a tariff schedule. When the Democratic party has the responsibility and the power of making a tariff law that is the theory upon which they proceed also, however much they may talk theoretically about its being a tariff for revenue only. The Democrats when they framed the Wilson bill had the matter of discrimination in favor of home industries in view. Now, Mr. Chairman, there is no home industry which is protected by this tariff upon jute bags. Every bag which the farmers of this great region buy is imported from Calcutta. The hearings before this committee demonstrate the fact that under the tariff which exists in the Dingley bill, and which is continued in the Payne bill, there is no manufacture of grain bags by American manufacturers. Every sack which the farmers use is imported from Calcutta. Those sacks are used only once by the farmers.

They buy the sacks when harvest is coming on. They harvest their grain, put it into the sack, and ship it abroad. They pay a duty, and the next year they have to do the same thing; and many times they buy the same sacks over again, secondhand, shipped back from Europe, and they have to repeat again the process of paying the tax upon them. It amounts practically, as I said before, to a duty on exports, contrary in its spirit at least to the prohibition in the Constitution of the United States depriving Congress of the power to levy any duty upon exports. If there is an opportunity offered, I shall submit an amendment making an exception in section 343, I think it is, of the Payne bill, of what is commercially described as "standard 22 by 32 Calcutta grain sacks," which are the sacks used by these farmers, used only for the short period of time which is required to sack their grain and ship it out of the country.

There are a great many other general provisions in the bill that I am opposed to and that the people of my district are opposed to. I believe the great majority of the Republican party are opposed to them. I believe they are opposed to a tax upon coffee and a tax upon tea. I am in favor of incorporating into this bill, and I believe that the great majority of the Republican party are in favor of incorporating into it, a reasonable, graduated tax upon incomes. In my judgment, it would be far better to substitute a tax upon incomes for the tax upon inheritances which is now contained in this measure.

There are some 36 States in the American Union which have already adopted the means of raising revenue taxes from inheritances. Of course, if the Federal Government invades that province of the State's power of taxation, it will have precedence over the States, and it will interfere with their source of revenue. My State has an inheritance tax, and I am told by some of my colleagues from the State of New York that practically the entire revenue of the State outside of the municipalities is raised by a tax upon inheritances; but if this measure goes through with this tax as it is now, it will work serious wrong and injustice upon the taxing power and upon the entire policy of a great many of the States of this Union.

Mr. COLE. Will the gentleman yield for a suggestion?

Mr. POINDEXTER. Certainly.

Mr. COLE. In the State of Ohio we passed an inheritance tax in the year 1906, which was passed by a Republican legislature and signed by a Republican governor, but the Democratic party took that up as an issue against us, defeated us, and repealed that tax.

Mr. POINDEXTER. Well, I do not think the Democrats of Ohio have any right to object to an inheritance tax on the part of the Federal Government. So far as the decisions of the courts are concerned upon the question of an income tax, there are six decisions of the Supreme Court of the United States that an income tax is not a direct tax and can be levied by the United States Government without apportionment among the people according to population.

There is one decision to the contrary, six decisions against one, and the decision of the court, which is contained in One hundred and fifty-eighth United States, was rendered by the same personnel of the court that had previously decided that an income tax was constitutional as it was drafted, without apportionment. The same men were upon the court who previously decided that the tax was constitutional, and I have no doubt that if an income-tax law should be drawn with a reasonable regard to the criticisms and objections which were levied against the income tax contained in the Wilson bill, obviating the room for those criticisms, that it would be held to be constitutional. The principal criticism of the income tax drafted in the Wilson bill was that it was not uniform. That was one of the principal objections to it; that there were too many exemptions; that the size of the incomes exempted were too large, $4,000; but the size of the incomes could be reduced to obviate the criticisms. Another objection was that it exempted savings banks, building and loan associations, and mutual insurance companies. That was one of the principal grounds of attack upon the income tax. These objections can be obviated by a due regard for the opinion of the Supreme Court. I think some of the members of the Supreme Court who decided that case expected that Congress in the exercise of its function would proceed to obviate the criticisms and objections which had been levied against that and would draw another bill which could stand muster at the bar of the court. Justice Brown, in his dissenting opinion, used these words:

> While I have no doubt that Congress will find some means of surmounting the present crisis, my fear is that in some moment of national peril this decision will rise up to frustrate its will and paralyze its arm. I hope it may not prove the first step toward the submerging of the liberties of the people in the sordid despotism of wealth.

In the beginning of that paragraph Justice Brown expressed the opinion and belief that Congress would find means to obviate the decision of that court. In my opinion a graduated income tax, with an increasing tax upon increased incomes, the easy increment—I will not use the term "unearned increment"—of colossal fortunes, is undoubtedly the easiest tax to pay and the justest tax for the people of any tax that can be levied. The Athenians had a system of taxation which, freely stated, amounted to this: They exempted those persons who only had what was "sufficient for nature," as they expressed it; moderate fortunes were taxed moderately and excessive fortunes were taxed heavily.

Now, we have inherited a great deal from these people. We have inherited the best features of the architecture of this

building, the sculpture and the art which surround us, and we can learn a great deal from their ideas of taxation when it comes down to practical government.

A great many gentlemen upon the Democratic side have hurled criticism and denunciations at the Republican party because it is a protective-tariff party, and it is true that that is the policy of the party. It only means, and you can only find in its platforms and in its authoritative declarations that it means, a moderate tariff and moderate protection and "tariff for revenue," as was read from the platform by the distinguished and brilliant gentleman from Kentucky the other day, "with due discrimination in favor of American industry."

I am in favor of this bill, generally speaking. I think it is a good one. It is undoubtedly a bill reducing the tariff, and every Democrat, if he is consistent, ought to be in favor of it, because where it raises one article it reduces three. And if I were going to throw bouquets, I would not necessarily heap them up around the chairman of the Ways and Means Committee or the distinguished membership of that committee, but I would pile them around a great political party, whose time-honored policy and central principle has been a belief in the theory of protection—a tariff for the protection of American industry—when that party has the independence and courage, the life and the youth, when conditions have changed, when the need for readjustment has come, to declare in favor of reducing the tariff and in favor of tariff reform. The strongest arguments and documents that have been read here in favor of this policy were from the high priest and apostle of the protective policy, William McKinley. What is all this proceeding here? What is this special session of Congress for? Is it not called by Republicans? Was not this movement originated by Republicans? Are we not called together here for the purpose of reducing the tariff? You say we are not reducing it in this bill. When the bill has been framed, it remains for the people to decide whether the Republican party has kept faith with its pledges and its promises. [Applause on the Republican side.]

My brilliant colleague from Washington [Mr. CUSHMAN], with his loyalty and love for the time-honored doctrine of protection, may desire to hold up the bars. We might as well be frank, and we might as well admit, and I assert, that this special session of Congress was called, and called intelligently, by Republicans for the purpose of a moderate and businesslike revision—a revision of the tariff to suit new conditions.

Now, gentlemen of the South, it is all very well for you on your side to deliver your orations upon the academic theory of a tariff for revenue, which you read and learned from the pages of the orations of your great statesmen that lived before the war when different conditions existed, when you had slave labor, when the South was purely an agricultural country, and when you had no manufactures. Now you have different conditions. You have a cotton crop which you ship every year to England to manufacture and bring back to sell at our own doors. There would be no dishonor in the South or in the Democratic party if it should favor a policy which would enable that great section, which in my judgment in the not distant future will be the richest section of the Union, to manufacture the products of your agriculture on the ground where they are produced. [Applause on the Republican side.]

You have the greatest harbors in the world, and with the proper enterprise, if you had the ingenuity, if you had what the English call the "open mind" that these New Englanders have, who have been declaring for protection generation after generation, when conditions have changed, so that they desire low tariffs or free trade in certain articles, you could accomplish much. They come like business men and ask for it and make a campaign to get it. If you want and need protection, why can not you throw away the outworn doctrine——

Mr. HEFLIN. Will the gentleman permit an interruption?

Mr. POINDEXTER. Yes, sir.

Mr. HEFLIN. The gentleman speaks about the South. Does not the gentleman believe if steel rails were cheaper and cotton factory machinery were cheaper, we could have built up the South more rapidly than we have under the high prices?

Mr. POINDEXTER. No, sir; I do not think you could have built it up as rapidly as you have. Whatever you have done there, and you have accomplished wonders, has been done under a Republican protective tariff. I do not think things were ever so stagnated in the South as they were under a Democratic tariff. I do not say it was due to that, but certainly the Democratic tariff did not benefit the situation any. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. AUSTIN. Mr. Chairman, I represent on this floor a district in eastern Tennessee that for sixty years has cast a vote on this side of the House of Representatives for the protective-tariff system. That district in McKinley's campaign gave a majority of 18,600 for protection. The people of that district believe in the tariff doctrine of Henry Clay, of Kentucky. They believe in the same protective-tariff policy which was advocated upon this floor by the lamented William McKinley; the same protective-tariff policy which was so ably urged and indorsed here by William D. Kelley—"Pig Iron" Kelley—of the great State of Pennsylvania. The people of that district feel that they had in the bill framed by Representative Dingley, of Maine, a friend and champion for the development of their great natural resources; but this bill we are now considering is not a McKinley tariff bill; it is not a William D. Kelley tariff bill; it is not a Dingley tariff bill. It is not an old-time Republican tariff measure at all. It is not the kind of a tariff bill advocated upon the floor of this House by the present chairman of the Ways and Means Committee when this question was previously considered in the American Congress. This is such a bill that I would be untrue to the interests of my constituents if I were to stultify myself by recording a vote in its favor. [Applause.]

That district is composed of 10 counties; it is the richest mineral district in the United States. There are lumber mills in operation in every county of the 10; there are immense and valuable deposits of iron ore in 6 of the 10 counties; marble that has been developed and placed in the palaces and public buildings of this and other lands for twenty-five years comes from 5 of the counties; coal mines in 4 counties, giving employment to more than 5,000 honest, deserving miners; zinc in 3 of the counties; barytes in 2; and after following the fortunes of the Republican party for sixty years, after preaching the doctrine which meant the development of its inexhaustible natural resources, we are invited here to put our coal on the free list, in the interest of British Columbia and Nova Scotia mines. We are asked to put our iron ore on the free list, and place our laboring men in competition with the cheap and poorly paid labor of Cuba; we are invited to accept a proposition which means the reduction of our lumber output, in order to furnish business for the lumber camps of Canada, operated by cheap Chinese and East Indian labor.

Mr. Chairman, the Payne bill as it now stands is not a true Republican tariff bill. It is false to the teachings of Henry Clay, "Pig Iron" Kelley, William McKinley, Dingley, and the previous professions of the chairman of the present Ways and Means Committee. Its enactment into a law without amendments would not only close down hundreds of mines, furnaces, and sawmills, throw thousands out of employment, but reduce the freight business of our southern railroads 30 per cent, and the reduction of the operating force and wages upon every transportation line in the South.

It would rob the National Treasury of a present revenue on Canadian coal and lumber, Cuban ore, and foreign pig iron of over $2,000,000. In the face of these facts, we are told a new tariff is needed in order to raise additional revenues. It proposes to place a tax upon every American user of tea and coffee, articles we do not produce and for which we need no protection. If "Jim" Hill, of the Great Northern Railway, desires to increase his tonnage on British Columbia coal and lumber and to find a new market for his foreign mines at the expense of Montana, Washington, Utah, and Wyoming, I protest against its being done at the expense of our National Treasury and upon the ruins of our now prosperous western and southern industrial mining centers.

I object, in the name of the district I represent, to a tariff schedule which proposes to close the iron-ore mines of that district—a district which has always been loyal to the Republican party and ever devoted to the Union—in order to open up and operate the ore lands of Cuba recently acquired by one of the trust leaders of the East.

If this bill is not amended in line and in harmony with all previous Republican tariff bills, I intend to vote against it. I would do this if I had to stand alone on this side of the Chamber. [Applause.]

Mr. WEISSE. Mr. Chairman, will the gentleman from Tennessee yield for a question?

Mr. AUSTIN. Yes; I will yield to the gentleman from Wisconsin.

Mr. WEISSE. Do you not think it is better to put coal on the free list and let the American laborer produce the coal and buy it at the same price that the foreigner does than to let the raw material come in and let the foreigner, through a rebate system, buy the product of American labor cheaper than the American laborer can buy it himself?

Mr. AUSTIN. Your party and my party have never, in a tariff bill, placed coal on the free list, but by establishing a protective tariff on coal have encouraged the opening of more than 1,000 mines in the South and the West, at an expenditure

of millions of dollars for machinery to operate them, for the building of countless cities and towns about them; and now, without a day's notice, in the twinkling of an eye, the plan is to imperil and destroy the investments of American citizens and turn the miners adrift to seek other avenues of employment.

Mr. Chairman, the Republican party's policy as to a tariff system does not mean protection to every article that the North and East produces in its factories and workshops, and furnish her at the same time, at the expense of the South and West, so-called "free raw materials." We have heard a great deal on the other side of this Chamber during this discussion about the "unjust" Dingley law. When the Dingley law went into effect practically every state treasury in the South was empty, as well as that of the Nation itself. What has been the result of the remarkable growth of the South under the Dingley protective tariff law? We made last year in the South over 3,000,000 tons of pig iron; we mined 94,800,000 tons of coal; we produced 6,300,000 tons of iron ore; 2,250,000 tons of phosphate; 9,125,000 tons of coke; we operated 11,524 lumber mills, and 112 iron furnaces, and 814 cotton and knitting mills. Thirty years ago we used annually 100,000 bales of raw cotton in southern factories. To-day we are using more than 2,200,000 bales in the manufacture of cotton goods—more than all New England is now consuming.

We are producing more than one-half of the entire lumber output of the United States, and yet our friends on the other side, hailing from the South, have for more than two weeks condemned the Dingley tariff law, a law that has wrought a marvel in the way of the industrial development of the Southern States.

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

Mr. AUSTIN. Yes.

Mr. CARLIN. I understand you desire to amend certain schedules of this tariff bill?

Mr. AUSTIN. Yes.

Mr. CARLIN. If a rule is presented here, the object of which is to prevent the amendment of the bill, will you vote against that, too?

Mr. AUSTIN. Yes, sir. [Applause.] In doing this, I may be charged with treason to the Ways and Means Committee, but my first and highest duty while here will be to resent and oppose any and every attempt to injure and retard the growth and development of the splendid district which I have the honor to represent in this body.

Now, Mr. Chairman, I wish to read a few choice extracts from some splendid Republican speeches. The able, just, and great President now in the White House gave utterance to this patriotic sentiment in a speech at Kansas City during the recent campaign, in referring to the preparation of a new tariff bill:

> It should properly protect against foreign competition and afford a reasonable profit to all manufacturers, farmers, and business men.

Mr. Sherman, the worthy Representative whom the American people recently promoted and sent to the other end of the Capitol, made this statement during the campaign:

> The Republican party will continue to be a protectionist party and the American people a protectionist people. And that protection must apply to every section, every industry, and every class.

In the discussion of the bill bearing his illustrious name, William McKinley, the idol of those who believe in a genuine American protective tariff, made this statement on the floor of the House of Representatives:

> There are amendments which I would make if I alone were to be consulted; but in the preparation of this bill we have had to look to every interest, to all the varied interests of the United States, extending from the East to the West and from the North to the South. No single man could have in any single tariff bill ever brought before the House of Representatives exactly what he wants. So, gentlemen may complain here and there that they want this duty lowered and they want that duty raised. They forget that in the preparation of a bill covering more than 3,000 articles you have got to give consideration, not to a single section, not to a single individual, not to a single interest, but to all the varied and combined interests of the United States.

Mr. Chairman, the gentleman who reported this bill [Mr. PAYNE] made this statement on the floor when the McKinley bill was being considered:

> Our boundless hills and valleys, our bounding brooks and swift-running rivers, in the full majesty of power, waiting to be bridled by the hand of man; our wonderful resources of mineral wealth—iron, petroleum, and natural gas always abounding—are ready for our work. Our diversity of climate and soil, adequate to our every need, all these do show forth the command of the Almighty to go out and possess the land. We have a princely heritage. Let us develop and enjoy it; let us obey the plain lesson of our environments; let us make the most of our opportunities.
>
> Why should we not make all the cotton ties and cotton bagging used in this country? Can you tell me? Is there any reason why we should not? Why go abroad and purchase that which you can make at home and for which we have the materials at home?

I ask the distinguished chairman of the Committee on Ways and Means to tell us why we should go to Canada for lumber, why go to British Columbia and Nova Scotia for coal, or to Cuba for iron ore, when we have all these materials in abundance in the United States?

In the consideration of the Dingley bill, the gentleman from New York [Mr. PAYNE] paid a true and just tribute to the glories and possibilities of the "New World." He then stood for the development of our natural resources, which he now seeks to prevent, and, in my judgment, destroy, under the provisions of the bill we are considering.

Here is the splendid utterance of the gentleman from New York to which I refer:

> Mr. Chairman, we have the greatest country on the face of the earth. Rightly it is named the "New World." It is a world in itself; it is a new world in that it is not only the last in its discovery, but it meets all the demands and requirements of modern civilized life. Stretching from ocean to ocean and from the Great Lakes on the north to the Gulf of Mexico on the south, it embraces twenty-five parallels of latitude, while the sun in all his course from east to west never sets upon our domain. We have every variety of soil, every condition of climate between the torrid and frigid. The soil on our hills and in our valleys, in the great prairies of the West and in the lowlands of the South, is unsurpassed in richness, variety, and productiveness.
>
> Nature has stored our mountains with gold, silver, copper, iron, and every variety of metal, with coal unequaled and abundant. The laboratories of the earth for centuries have been compounding and storing for our use oil and natural gas in seemingly exhaustless supply. Our countless rivers and streams, as they flow onward to the sea, develop a power infinite in extent, ready ever to be harnessed by the hand of man, and in obedience to his will to aid him in his work. With these grand resources, by the help of intelligent effort we can produce within our borders everything that the necessities and comfort of our people require. Providence never intended that a people so richly endowed should be mere hewers of wood and drawers of water; that we should confine our energies to corn and cotton and leave our mines undeveloped and our fuel unused. Our fathers never acted upon this idea.

I now commend that patriotic speech to the chairman of the committee that brings in a bill seeking to prevent the further development of our unlimited natural resources and to carry our money to foreign shores to develop foreign mines and give employment to men who are not American citizens. [Applause on the Republican side.]

Mr. GARRETT. Will my colleague yield for a question?

Mr. AUSTIN. I will yield for a question.

Mr. GARRETT. Is there any justification on any sort of theory for the duty which is maintained here in this bill for a tax upon cotton ties and jute cotton bagging?

Mr. AUSTIN. In answer to that question I want to make this statement: Before we began the manufacture of cotton ties in this country we were paying foreign manufacturers more for them than we did after we began the manufacture of cotton ties in this country. The same is true of jute cotton bagging and steel rails. We were buying steel rails of English producers and paying $107 a ton. When the American people, through the means of the Republican protective system, developed that business in this country, we brought the price of steel rails down from $107 to $28 a ton. Another thing: We were receiving in the South for our cotton prior to the Dingley tariff bill 5 cents a pound. After the enactment of that law and the construction of cotton mills in the South, the price of cotton advanced to 10 cents a pound, and that increase in price gave to the Southern people $300,000,000 more a year on their cotton crop. [Applause on the Republican side.]

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

Mr. AUSTIN. Certainly.

Mr. MONDELL. Is it not true that the Wilson bill reduced the duty on cotton ties, and the result was that the American manufacturers of cotton ties gave up the business, with the result that cotton ties were increased very largely in price during the time of the operation of the Wilson bill, under a lower duty?

Mr. AUSTIN. That is true. We not only gave up that industry, but under the Wilson bill we gave up everything except free soup houses located all over the land. [Laughter and applause on the Republican side.]

Mr. GARRETT. Will the gentleman yield further?

Mr. AUSTIN. If it does not come out of my time, I will stay with you all night. [Laughter.]

Mr. GARRETT. I would not like to compel the gentleman to do that, but I would be willing to ask an extension of his time.

Mr. AUSTIN. How much time have I, Mr. Chairman?

The CHAIRMAN. The Chair will state that we expect to rise at half past ten.

Mr. GARRETT. My colleague has met my question with the usual answer that has been made all the time about the panic of 1893. I am not seeking a political advantage or a political discussion here. As a matter of merit, what is the justification for maintaining the duties on cotton ties and jute bagging?

Mr. AUSTIN. This country has the iron ore, it has the labor, and it has the market, and the Republican party, under a protective tariff, believes in the manufacture of everything in this country that can be made here, and thus furnish employment to American workingmen at good wages, and an opportunity for American capitalists to develop our resources and open our mines, instead of sending the money to Europe for foreign cotton ties and jute cotton bagging.

Mr. GARRETT. How much cotton is raised in my colleague's district?

Mr. AUSTIN. I do not suppose there is a bale of cotton raised in my district, but I want to say that the Dingley bill raised the price of cotton on every pound grown in the gentleman's district from 5 to 10 cents.

Mr. GARRETT. Does my colleague know that the lowest price that has been paid for cotton was under the McKinley bill?

Mr. AUSTIN. I am speaking of the Dingley bill.

Mr. GARRETT. I mean the Dingley bill in 1898—the lowest price that was ever paid.

Mr. AUSTIN. Now, gentlemen, I want to say this——

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. AUSTIN. In a moment. (Continuing.) We bought last year $418,264,000 worth of foreign-made articles. Every one of the articles included in the list could have been manufactured in America. We shipped across the Atlantic Ocean from Memphis, New Orleans, and Savannah so-called "raw" material in the way of cotton. The English people at Manchester and other points made it into cotton goods, reshipped it across the Atlantic Ocean, and sold in this country $64,379,000 worth of cotton goods, and the American consumer paid the freight both ways and also furnished employment to thousands of mill operatives in England. Now, gentlemen on the other side talk a great deal about entering the foreign markets with American-made goods. The able Representative from California [Mr. MCKINLAY], I think, satisfied everyone the other night that it will be only a question of a short time when the Japanese will supply the entire cotton and other markets of the Orient. There is no possible chance of the American people ever occupying or filling the European market. I want to say, after an official residence of over a year in Europe, where I had an opportunity to personally examine 6,000 consular invoices, that, on account of the high wages in this country and the exceedingly low wages and immense overpopulation in all European countries, the American manufacturers are never going to be able to sell in the same European markets with the English, or the Scotch, or the German, or the French.

If we could possibly compete with these people they are more than fully equipped with splendid merchant-marine service, while we are without ships in which to carry our goods to the competing markets of the world.

We need an American merchant marine more for the markets of South and Central America, Australia, the Philippines, the West Indies, and the Orient than we do for the European markets, and we need not only protection from the cheap, pauper-made goods of Europe, but this Congress will fail to discharge its duty to the American people if it does not enact legislation which will protect the American wage-earner from the countless tide of foreign immigrants pouring into the United States at the rate of a million a year.

Mr. JAMES. Will the gentleman permit an interruption?

Mr. AUSTIN. Yes.

Mr. JAMES. If I understand the gentleman correctly, his contention is that cotton produced more money during the days of the Dingley bill than during the days of the Wilson bill. Is it not true that cotton is sold in the open market of the world?

Mr. AUSTIN. I do not understand the question.

Mr. JAMES. Is it not true that the price of cotton is fixed in the open market of the world?

Mr. AUSTIN. Yes.

Mr. JAMES. Then how does the gentleman contend that any tariff here affects the price of it?

Mr. AUSTIN. The development of the cotton resources of the South, the establishment of the mills in the South, and the consumption of cotton in the South has resulted in the advancement of cotton to 10 cents a pound, and the gentleman from Tennessee [Mr. GARRETT] and the gentleman from Kentucky [Mr. JAMES] and every gentleman who sits on that side of the House hailing from a southern district knows that the South has grown and developed in its manufactures, in the condition of its farmers, in the growth of its cities, more during the last twelve years than in any twenty-five years since the war. [Applause on the Republican side.]

Mr. BEALL of Texas. Will the gentleman yield for a question?

Mr. AUSTIN. Yes.

Mr. BEALL of Texas. Does the gentleman think the establishment of cotton mills in the South is responsible for the increase in the price of cotton in the Liverpool market?

Mr. AUSTIN. I think it has its effect; and I want to ask this gentleman, Does he think we ought to reduce the tariff on calico and permit the English people to make all of our calico and close up the cotton mills of the South?

Mr. BEALL of Texas. I will answer the question by asking the gentleman a question.

Mr. AUSTIN. No; the gentleman must answer mine first.

Mr. BEALL of Texas. If the gentleman does not think that this bill discriminates against the cotton industry.

Mr. AUSTIN. Mr. Chairman, I yielded to the gentleman to answer my question, and before I answer a second one from him, I think he ought to answer mine.

Mr. BEALL of Texas. If the gentleman yields, I believe that the men who raise cotton, the men who toil out in the fields, ought to be permitted to buy their cotton products as well as any other product that they consume at reasonable prices, without contributing a large part of their earnings to enriching the few at the expense of the many. [Applause on the Democratic side.]

Mr. POINDEXTER. Mr. Chairman, I will ask the gentleman from Tennessee to permit me to answer the gentleman's question.

Mr. AUSTIN. Yes.

Mr. POINDEXTER. Mr. Chairman, in answer to the gentleman's question as to whether the development of the cotton mills in the south increased the price of cotton in Liverpool, I would say yes; that the shutting off from the Liverpool markets of the immense amount of raw cotton which has been manufactured in the south in their own mills is the principal factor in raising the price of cotton in the Liverpool mills.

Mr. MARTIN of Colorado. Mr. Chairman, I would like to ask the gentleman a question if he will yield.

The CHAIRMAN. Does the gentleman from Tennessee yield to the gentleman from Colorado?

Mr. AUSTIN. Yes, we will hear from Colorado now.

Mr. MARTIN of Colorado. Mr. Chairman, the gentleman has stated that the reciprocal coal schedule in this bill would ruin the coal industry in Tennessee. In view of the statement made the other day by the gentleman from Wyoming [Mr. MONDELL], that coal is now cheaper in every southern port than in any other port in the world, I want to ask the gentleman whence the coal will come that will destroy the coal industry of Tennessee?

Mr. MONDELL. Mr. Chairman, before the gentleman answers that question I will ask him to yield to me.

The CHAIRMAN. Does the gentleman yield?

Mr. AUSTIN. Yes.

Mr. MONDELL. The gentleman, I know, does not desire to misquote me.

Mr. MARTIN of Colorado. No.

Mr. MONDELL. I said than any export coal port anywhere save ports in Canada.

Mr. MARTIN of Colorado. I thought you meant English ports.

Mr. MONDELL. Oh, no. Canada is a menace, no other coal port.

Mr. AUSTIN. Let me answer my friend's question about what effect free coal will have on the mines of east Tennessee. We have built three railroads from the coal fields in the South to tide water, two completed and one in the course of completion. One of those roads, known as the "Rogers' road," cost $40,000,000. The Louisville and Nashville Railroad, through my district down into Georgia, expended more than $15,000,000. The Southern Railway system is constructing a line along the Little Tennessee River to reach tide water. When the Panama Canal is completed the great vessels going to the Orient from European workshops will no longer go through the Red Sea, but a great majority of them will cross the Atlantic laden with the cheap pauper-made goods from Europe. When they have crossed the Atlantic Ocean on that run of three or four thousand miles their fuel will be exhausted when they reach this side. On their journey to the East through the Panama Canal they must recoal at our South Atlantic ports.

You put the Nova Scotia coal on the free list, and this great market that we are anticipating in the Kentucky and the Tennessee and Virginia coal fields will never supply the European vessels, but along the Atlantic coast will be a stream of vessels coming south with Nova Scotia coal. They will furnish the coal not only for these eastern vessels on their way to the

Orient, but they will ship their coal to near-by cities and manufacturing towns in Georgia, North Carolina, and South Carolina and enter a market for coal which Kentucky, Tennessee, and Virginia have enjoyed since the coal-mine operations began in those three States.

Mr. WILSON of Pennsylvania. Will the gentleman yield?

The CHAIRMAN. Does the gentleman from Tennessee yield to the gentleman from Pennsylvania?

Mr. AUSTIN. I have not yet yielded to Pennsylvania, so let us hear from that great State.

Mr. WILSON of Pennsylvania. Does the gentleman believe that Nova Scotia coal can be mined and delivered in competition with coal from Tennessee and the Virginias at any point south of Norfolk?

Mr. AUSTIN. I certainly do; and, in addition to that, I know that if this bill becomes a law not a pound of West Virginia coal will ever reach New England. Every pound of it will come from Nova Scotia.

Mr. WILSON of Pennsylvania. Is the gentleman aware that the cost of mining coal in the Virginias is less than the cost of mining coal in Nova Scotia, and that the cost of mining coal in Tennessee is just about the same as the cost of mining in Nova Scotia?

Mr. AUSTIN. We have over 500 miles of railroad transportation in order to reach the South Atlantic ports—a long and expensive haul for coal—and the other way you have cheap water transportation.

Mr. MONDELL. Is it not true the region the gentleman represents supplies a large portion of the coal for the Boston market or for that territory?

Mr. AUSTIN. No; it is supplied by the West Virginia people.

Mr. MONDELL. However, if the West Virginia people lose the Boston market, then they would enter into active competition with your people.

Mr. AUSTIN. With our people, and I want to say to the gentleman from Pennsylvania that if this proposed tariff on pig iron becomes a law, the English, Scotch, and German pig-iron makers will enter the Pennsylvania fields, and there will be no more pig iron manufactured in Pennsylvania and the southern furnaces will cease to ship iron to the northern markets. Now, for twelve months in Glasgow $1,000,000 worth of pig iron was shipped to the United States, principally to Pennsylvania, New York, and Boston, with a tariff of $4 a ton. The proposed duty in this bill is $2.50 a ton. If the Scotch and English manufacturers of iron could enter the Pennsylvania markets and sell their pig iron with a tariff of $4 a ton, they will be there with more pig iron when the tariff is reduced to $2.50 a ton.

Now, there has been something said about Mr. Pepper's article or report on the transportation charges from the iron districts of Germany being $2.85 per ton. The Scotch vessels carry pig iron from Glasgow to New York for $1.50 a ton and to Boston for $1.50 a ton. They can manufacture pig iron in England and Scotland for $9.00 a ton. Add on $2.50 tariff duty and $1.50 transportation, and you have so lowered your tariff that you will make it utterly impossible for a furnace in the State of Pennsylvania to maufacture pig iron in competition with the Scotch, English, or German pig iron.

Now, speaking about the development of the South, I want to read, with the indulgence of the House, just a few figures:

Of all our foreign exports in 1908, $1,861,000,000, $648,000,000 was shipped through southern ports, or more than one-third.

The increase from southern seaports since 1880 has been from $265,000,000 in 1880, to $648,000,000 in 1908, an increase of about 142 per cent, while increase of northern ports has been far less.

The five leading southern ports may justly be compared with New York, the greatest northern port.

The increase exports, New York, 1902 to 1907, was 39 per cent. For same period, Galveston, 105 per cent; Mobile, 11 per cent; Norfolk and Portsmouth, Va., 60 per cent; Savannah, 40 per cent; Brunswick, 70 per cent.

With 10,000,000,000 tons of iron ore already discovered in the South, a billion tons more than in all Europe; with 25 per cent more coal than all Europe. In 1880 she manufactured $457,000,000 of product; in 1908, $2,600,000,000.

In 1880 the South mined 6,000,000 tons of coal; in 1908, 95,000,000 tons.

In 1880 the South's farm products were worth $660,000,000; in 1908, $2,225,000,000.

In 1880 the South made 397,000 tons of pig iron; in 1907, 3,500,000 tons.

In 1880 the South's bank deposits were $148,000,000; in 1908, $1,156,000,000.

In 1880 the South's mineral products were $14,000,000; in 1908, $287,000,000.

In 1880 the South produced 179,000 barrels of petroleum; in 1908, 27,000,000 barrels.

In 1880 the South's lumber product was worth $39,000,000; in 1908, $365,000,000.

In 1880 the South had invested in manufactures $257,000,000; in 1908, $2,100,000,000.

The South's cotton spindles: In 1880, 668,000; in 1908, 10,500,000.

These splendid commercial and industrial records and achievements of the South were made under a Republican protective tariff and principally under the Dingley law. [Loud applause on the Republican side.]

APPENDIX.

LITTLE RIVER LUMBER COMPANY,
Townsend, Tenn., March 23, 1909.

Hon. R. W. AUSTIN, M. C.,
Washington D. C.

DEAR SIR: As the entire country seems to be greatly agitated over the revision of the Dingley tariff law, and as the proposed revision will come in various forms before the honorable body of which you are a Member, and as you have no doubt already many communications with reference to the proposed reduction of tariff on lumber and believing that you will give this matter very careful consideration, I take the liberty to beg your indulgence with regard to my personal views with reference to this matter.

Of course, it is needless to call your attention to the fact that the proposed revision is no protection whatever, and as to whether protection is needed by the lumber manufacturers of the United States, it is, to say the least, a debatable question. Yet I am firmly convinced, however, that inasmuch as the Nation greatly needs revenue, there is perhaps no better place to raise a certain amount of revenue than a proper import duty on lumber.

The proposed reduction or revision is absurd on its face, because it requires the payment of the same duty on lumber worth $10 per thousand as it does on lumber worth $100 per thousand. This, as you will see, is ridiculous as well as absurd; and being such a small amount, viz, 50 cents on rough and $1 on dressed lumber, it neither produces revenue nor affords protection.

A duty that will not affect the consumer and dealer of this country and raise a fair revenue ought to be in a sense an ad valorem duty; and I would suggest $2 per thousand feet on lumber with a selling value up to but not including $30 per thousand; and for lumber selling for from $30 to $40 per thousand, $3; and from $40 to $50 per thousand, $4; and for all lumber selling for $50 per thousand and more, $5 per thousand feet; these prices f. o. b. cars within the States, duty paid, and either in the rough or dressed.

While the high-grade stock will very greatly increase the revenue, it will in no sense become burdensome to the consumer in this country because of the fact that manufacturing concerns sell high-grade lumber at a price varying more than $5 per thousand feet. It is not unusual for some buying concerns in this country to pay one manufacturer from $5 to $10 per thousand more than another for practically the same lumber, and certainly the same grade of lumber. This may seem, on first thought, strange to you, but it is a fact which I can readily demonstrate to the satisfaction of any unprejudiced mind.

My position with reference to this matter may appear to you, on first thought, as too radical, but I trust you will give this question the attention it deserves; and I am, furthermore, satisfied that your advocacy along these lines will be entirely satisfactory to practically your entire constituency.

If there is any doubt in your mind as to the correctness of my position, and you have the time to go into this matter, or if you want any further information along the lines suggested, I will be glad to supply it to the best of my ability.

Believe me, dear sir, to be, very sincerely,

W. B. TOWNSEND, *President.*

J. B. SMITH,
MANUFACTURER OF TENNESSEE HARDWOODS,
Knoxville, Tenn., March 6, 1909.

Hon. R. W. AUSTIN, M. C.,
Washington, D. C.

DEAR SIR: My opinion is that it is in the interest of your constituency that you oppose any reduction whatever in the tariff schedule on lumber.

It will damage the lumber business in the Southern States, and especially in east Tennessee, and will not only cripple the industry, but it will lower the labor wage, and I urge you to do everything in your power to prevent any reduction whatever.

Very truly,

J. B. SMITH.

LITTLE LUMBER COMPANY,
Harriman, Tenn., March 11, 1909.

Hon. R. W. AUSTIN, M. C.,
Washington, D. C.

DEAR SIR: As a member of the Hardwood Manufacturers' Association of the United States, and one who is very deeply interested in the manufacturing and economic conditions and such as will justify the restoration of confidence in the business world, I write you this letter in order to express to you my personal views in regard to the proposed revision of the tariff, which will demand the attention of the incoming special term of Congress recently called by President Taft.

In my judgment it will be detrimental to the best interests of this country to remove or reduce or in any manner disturb the present tariff on lumber, wooden boxes, or box shooks; and entertaining this opinion and having been engaged for a long number of years in the lumber business, I assume the liberty of expressing to you my views upon the situation.

Trusting that you will give this your serious consideration, I am,

Yours, very truly,

LITTLE LUMBER CO.,
J. B. LITTLE.

LUMBERMEN'S CLUB OF MEMPHIS,
Memphis, Tenn., March 3, 1909.

Hon. RICHARD W. AUSTIN, M. C.,
Washington, D. C.

DEAR SIR: Please note the inclosed extracts from the Memphis Commercial Appeal, which is the first expression of this kind the Commercial Appeal has published on the subject of the proposed reduction in tariff on lumber. This paper has always been a strong advocate of free trade, but the position they have taken on this subject is a most sensible

one. If there is to be any tariff at all, why should the duty be lifted from products which the South has for sale? This is a matter of vital importance, not only to the Memphis territory, but to the entire South. We trust you will give it the consideration which its importance merits. We think that every southern Senator and Representative should come out strong in defense of this attack upon the lumber industry, which will directly affect the prosperity of the business interests throughout the South.

Yours, very truly, J. W. McCLURE, *Chairman.*

THE TENNESSEE COAL COMPANY,
Knoxville, Tenn., March 31, 1909.

Hon. R. W. AUSTIN,
House of Representatives, Washington, D. C.

DEAR SIR: Reference to yours of the 25th instant regarding placing coal on free list, will say that this would not directly affect our business, which is confined entirely to the interior; but indirectly it will affect us, in that should foreign coal be admitted and come in competition with the coals now moving to the coast and from these points to different coastwise cities, it would force the coal now being consumed in said coastwise cities to seek interior markets and thus restrict us in ability to market our product. We are, consequently, opposed to any change of the present law, and trust that your efforts in opposing the same may prevail.

Thanking you for the interest shown, we are,

Yours, respectfully,

THE TENNESSEE COAL CO.,
GEO. P. CHANDLER, *President.*

WINDROCK COAL AND COKE COMPANY,
Windrock, Tenn., March 31, 1909.

Mr. R. W. AUSTIN,
House of Representatives, Washington, D. C.

DEAR MR. AUSTIN: There are some matters in connection with the proposed tariff schedule which are of vital interest to the small or independent producers of iron ore and pig iron, and especially to those whose plants are inland, as for example, Tennessee, Virginia, and Alabama.

I am circulating, for later address to you by those of your constituents who are interested in the matter, a letter which sets forth as clearly as I can make it their reasons for objecting to the clauses relating to the proposed change in iron ores, scrap iron, and pig iron.

I trust you can see fit to lend your efforts to the matter and, with best wishes to you and your family, I am,

Yours, very truly, C. H. THOMPSON,
General Manager.

RICH MOUNTAIN COAL AND COKE COMPANY,
Knoxville, Tenn., April 1, 1909.

Hon. R. W. AUSTIN,
House of Representatives, Washington, D. C.

DEAR SIR: We are decidedly opposed to coal going on the free list We need this protection more now than ever. We have just passed through—in fact, we are not yet through—the hardest period ever experienced by the coal producers of this part of the country. Foreign coal can be delivered to our points on a very low water rate, and if the tariff is removed, we will certainly have very close competition for this business. We have been having a hard enough time for the past two years, and to remove this tariff is very liable to be an additional hardship on us.

Yours, very truly, RICH MOUNTAIN COAL AND COKE CO.,
J. GLENN HOWELL,
Secretary and Treasurer.

CITICO FURNACE COMPANY,
Chattanooga, Tenn., March 24, 1909.

Hon. R. W. AUSTIN,
Washington, D. C.

MY DEAR COLONEL: The Payne tariff bill is out, and we know the worst. In my line of business, I think, we have had a very severe jolt. The worst feature in the bill is putting scrap iron at 50 cents per ton. This is equivalent to free trade, and will have a very disastrous influence on all departments of the iron industries, unless it is some of the steel makers on the Atlantic coast. The country will be flooded with the scrap, and even pig iron will be broken up to make scrap. Of course, if scrap is used it will cut down that much consumption of pig iron, and the fact is the situatiton now is very critical all around. The reduction in pig iron should not exceed $1, or 25 per cent, and scrap should be given the same duty.

There has always been a fair trade in the East for southern iron, and we have shipped at different times to New England and New York, but, under the proposed tariff, I see no chance of southern producers reaching these points. The trouble is our freight is from $4 to $4.50 per ton, while freight from England and Germany is not over one-half of this amount. I know it is to the interest of the South that the duty on pig iron should not be cut over 25 per cent, and that scrap iron should be the same.

At the present time, of course, we can not reach New York or New England points, as the prices are too low. We have been running Citico for some time, but shall close down next month, and also close one of the Rockwood furnaces, which is in your district.

Would be glad to have you see if you can do anything toward making these changes in the Payne bill. Have written Colonel BROWNLOW today in the same direction.

Yours, very truly, H. S. CHAMBERLAIN, *President.*

CITICO FURNACE COMPANY,
Chattanooga, Tenn., March 31, 1909.

Hon. R. W. AUSTIN,
Washington, D. C.

MY DEAR SIR: In the matter of the proposed duty on pig-iron scrap, coal, and iron ore in the new tariff bill, I am sure there must be a great deal of misinformation with the committee having the bill in charge. It is practically all a question of the difference in the cost of labor. Scrap should be the same as pig iron, as it takes its place in the manufacture of the finished product, and to let this in practically free is the same as making duty on pig iron 50 cents per ton, which is suicidal. It has been shown to the committee conclusively that the labor cost abroad in the mining of iron ore and coal does not exceed one half what it does in the East and South, and this is where, owing to geographical position, the reduction in duty will prove most harmful and, in fact, be fatal to the great mining and manufacturing interests of these sections.

After some forty years of experience in the South along these lines I know throughly the labor conditions, and I would be glad to have you protest strongly against the reduction in tariff on pig iron and scrap more than 25 per cent, or to $3 per ton, or any reduction whatever on coal or iron ore. The reduction proposed will, in my judgment, not only be a hardship on all mining and manufacturing interests, but will at the same time rob the Treasury of much needed revenue.

Yours, very truly,

H. S. CHAMBERLAIN, *President.*

KNOXVILLE IRON COMPANY,
Knoxville, Tenn., March 29, 1909.

Hon. R. W. AUSTIN,
House of Representatives, Washington, D. C.

DEAR SIR: I have your letter of March 25, and regret very much that I do not feel in a position to write you anything in reference to the coal and iron ore on the free list of the Payne tariff bill.

Of course I feel that it would be a mistake to admit these articles free, because there is, as I understand it, a large amount of coal in Nova Scotia and that section which, if admitted free, while it might not come in direct competition with this section, it would come in competition with the West Virginia coal, a large amount of which now goes to the coast, and so would force them to enter our market to get rid of their surplus. If I am correctly informed, there is a good deal of iron ore in contiguous territories, such as Cuba, for instance, which if admitted free would interfere seriously with home furnaces; but facts and figures I am not able to give you, which I regret.

* * * * * * *

With kindest regards, I am,

Sincerely yours, WM. P. CHAMBERLAIN,
President.

KNOXVILLE KNITTING MILLS COMPANY,
Knoxville, Tenn., March 24, 1909.

Hon. R. W. AUSTIN,
Member of Congress, Washington, D. C.

DEAR SIR: Our attention has been called to the House bill No. 1438; and we are particularly interested in the tariff bill, as applied to hosiery, which is now pending. It is positively imperative for the manufacturers of cotton hosiery in the South to receive proper protection to be able to operate their textile plants. We are particularly interested in articles 325 and 326, on page 91 of the bill. These are the items that vitally affect our business. We had hoped for a measure which would be even stronger, but we will be satisfied with these.

We are employing about 300 people; and within a radius of 100 miles there are located some twenty-odd mills, which would be vitally affected by these measures and which also have a large number of employees.

We will very much appreciate your looking after our interest carefully and see that nothing worse is given us in the way of protection than which is outlined in paragraphs 325 and 326, which is referred to above.

We assure you that we will very much appreciate your efforts and your assistance in this matter.

Yours, very truly, KNOXVILLE KNITTING MILLS CO.

HOLSTON MANUFACTURING COMPANY,
Lenoir City, Tenn., March 23, 1909.

Hon. R. W. AUSTIN,
House of Representatives, Washington, D. C.

DEAR MR. AUSTIN: I have just received, through your kindness, copy of House bill No. 1438, and for which I thank you.

Since the reciprocity treaties were made effective by President Roosevelt the entire knit-goods situation has been not only discouraging, but in a demoralized condition. As I understand it, the Payne bill reduces materially the duty on cheap grades, whilst advancing on the higher grades. A majority of the hosiery made in the South would ordinarily be considered as cheap or low grade. If it is a fact that the present demoralization is a result of reciprocity treaties, this further reduction might possibly be attended with a like further depression in business. This, of course, is not the intent of the new bill; but it is a point perhaps worth considering. As you know, the knitting industry through this portion of the State is a considerable item, and a further curtailment means but one thing, not only losses on our investments, which during the year have been unprofitable, but also means the idleness of employees. Personally, I should like to see the present duties maintained rather than reduced, as proposed. If the intent is to reduce the duty in order to increase the revenue, I should consider it not a proper one, as certain it is the buying power comes from regularly employed and well-paid employees, and they are certainly the class who purchase the low or cheap grade stocking. I should be indeed glad if you would give this some consideration, and therefore await your pleasure, thanking you thoroughly in advance.

Yours, truly, F. A. WEISS, *President.*

LOUDON HOSIERY MILLS,
Loudon, Tenn., March 24, 1909.

Hon. R. W. AUSTIN,
House of Representatives, Washington, D. C.

MY DEAR SIR: I desire to write you in regard to House bill No. 1438, articles 325, 326, and 327, which affect our enterprise very much. As you know, I am a Democrat and believe in all of its doctrines and principles; still, I know that the reciprocity treaties put in effect by Mr. Roosevelt have had a bad effect on our business, and it is to-day in a very unsettled condition on account of same. East Tennessee is becoming to be quite a manufacturer of hosiery, and your support of these sections will benefit not only east Tennessee industries and east Tennessee labor, but the country at large. I know this is a party measure, and I am satisfied you will support same; however, I desire, as a Democrat, to let you know that I am in accord with you, especially in regard to the articles referred to.

Yours, very truly, C. H. BACON,
Secretary and Treasurer.

P. S.—I wish to concur in the above letter, except to disclaim any loyalty to Democracy. Glad to note Charles is a Republican in principle, if not in name. This, you know, is the result of good association.

Yours, sincerely, JNO. P. SIMPSON.

MAGNET KNITTING MILLS,
Clinton, Tenn., March 31, 1909.

Hon. R. W. AUSTIN,
Washington, D. C.

DEAR CONGRESSMAN: We received copy of the new tariff bill, H. R. 1438, Report No. 1, and we thank you very kindly for same.

In looking over same we have studied the different schedules very carefully and compared same with the tariff bill of 1897. Sections 325, 326, and 327 are very interesting to us. Section 326 is pertaining to our business, and if enforced will make the knitting business in the South a safe place for investments. Heretofore, and now, investments in the knitting business have been very doubtful and risky, owing to keen domestic competition on low and medium grade hose, and German, French, and English competition on high-grade hose.

With the proposed rate enforced it will enable the southern mills which now make the low-grade hose, almost none profit-bearing hose, but very often money-losing hose, to branch out to medium-grade hose, which would be a great benefit, as the South is overcrowded with makers of low-grade hose.

In turn, the mills that are now making the medium-grade hose can enter the field of making high-grade hose, which business is now controlled by foreigners.

The raise of 20 cents per dozen does not mean that hose will increase in price 20 cents per dozen. I do not look for any increase in price, but the established staple prices will be the same, which means that we can get a share of the profit-paying business in our home market that is now controlled by foreigners in underselling us, owing to the present tariff not being sufficient to cover the difference in costs between this country and other countries, and in other various ways and means well known to people who are engaged in this business.

Hoping that you will help us in making the proposed rate a law, as stated in section 326, and thanking you in advance for your kind consideration in this matter, I beg to remain,

Most respectfully, yours,

PAUL F. VOGEL, *Manager.*

HUGHES & HUGHES,
Tazewell, Tenn., March 13, 1909.

Hon. R. W. AUSTIN,
Washington, D. C.

DEAR SIR: As you know, a number of east Tennessee counties have in them zinc in sufficient quantities to be worked, and in many places in these counties large sums of money have been invested in equipping plants for mining and working these ores. Claiborne is one of these counties. Within the last two years a zinc plant has been established in Claiborne County at a cost of $20,000 or more. This was just a beginning. The ore is abundant here, and until last summer the outlook was bright. The plant had to shut down last summer, however, and we are just in receipt of a letter from one of the men interested in the plant, Judge L. L. Bristow, of Georgetown, Ky., detailing the circumstances resulting in the closing down of the plant and suggesting that relief be asked at the hands of Congress.

We are interested both as east Tennesseans and as owners of zinc properties, and we ask you to lend your influence toward giving the proper relief. In order that you may have the facts before you, we quote as follows from Judge Bristow's letter:

"By reliable and conservative figures, it has been shown that the average cost of the production of zinc in the famous Joplin, Mo., district is $37.78 per ton. It can be produced at this figure, but not at a profit. On the contrary, by reason of the cheap peon labor of Mexico, the owners of smelters in this country claim that the ore can be produced and sold to them at about $16 per ton. The zinc deposits in Mexico are very large and easily mined.

"However, the Mexican ores only concentrate up to about 40 per cent metallic zinc, being about 800 pounds to the ton, while the ores of the Missouri-Kansas-Oklahoma fields can be concentrated up to 60 per cent metallic zinc, or 1,200 pounds to the ton. It therefore takes 1½ tons of Mexican concentrates to equal 1 ton of American "jack" or concentrated zinc. Now, basing the cost of the Mexican zinc, as sold to the American smelters, at $16 per ton, and figuring 1½ tons of this 40 per cent zinc, or 1,200 pounds of metallic zinc, as being equal to 1 ton of Joplin zinc, you will readily see that the smelters of this country can for $24 buy as much zinc as we can produce at the actual cost of $37.78. Therefore if no duty is placed on the Mexican ore, the zinc industry of the United States, valued at approximately $100,000,000, would be forced to get out of business.

"We are asking Congress to place a duty of 1½ cents per pound on the metallic contents of all imported ores to make good the difference in cost of production above set out. As stated, $24 worth of the Mexican zinc is equal to 1 ton of our zinc. In order to make a reasonable profit on American zinc it must bring above $40 per ton for 60 per cent concentrates. Now, the 1½ tons, or 1,200 pounds of metallic Mexican zinc, cost the smelters of this country, as shown, $24, and a tariff of 1½ cents per pound on this 1,200 pounds would amount to $18 duty, which, added to the $24, would bring the cost of the product up to $42 and would prevent the Mexican miner from underselling the American producer of zinc. It would also enable the American producer to obtain a reasonable profit over the $37.78 which it had cost him to mine and mill his product.

"I have no doubt that you have noticed the recent decision of the United States Supreme Court to the effect that Mexican ores are not now subject to a duty. You probably do not, however, know that the result of this decision has been to cut the price of zinc concentrates from $43 per ton down to $35 per ton, and that as a result a large number of the mills in the Joplin district have been compelled to close down. The only reason that others are not closed is that the Joplin zinc veins in many instances carry lead also, and the owners are able to continue running by reason of the profit on their lead. I am interested in a mine there, and on account of our lead values we are still running, though barely able to pay expenses. We would shut down if not compelled by the terms of our lease to continue operations or lose our lease. You will remember that we had to shut down on Straight Creek last spring because of the low price of ores. You may not have realized, as we afterwards learned, that the fall in the price of zinc at that time was occasioned by the importation of large amounts of Mexican ores. Unless we get a tariff duty on imported ores, I fear we will never be able to open up again at Straight Creek. So you will realize the importance to your section in getting Mr. BROWNLOW, and if possible your Senators too, to fight for the proposed duty of 1½ cents per pound on imported zinc ore."

We hope you will find in this situation sufficient facts to justify your efforts in behalf of a measure to give relief.

Very respectfully,

H. Y. HUGHES,
W. C. PARKEY,
W. G. YOUKUM.

[Address of Mr. W. W. Finley, president Southern Railway Company, at the annual banquet of the Pittsburg Traffic Club, March 26, 1909.]

Mr. Toastmaster and gentlemen, in his essay on "Resources," Ralph Waldo Emerson, speaking of the United States, said:

"Here is bread and wealth and power and education for every man who has the heart to use his opportunity."

A New Englander, and writing within a decade after the close of the civil war, Emerson probably had in mind especially the North and the West. In these early years of the twentieth century his language applies with particular force to the South—preeminently the land of present-day opportunity. I am here this evening, Mr. Toastmaster, to invite you to look to the South—its industrial and transportation systems—to consider the extent and variety of its resources, its economic strength, its splendid record of accomplishment, and the opportunities which it offers to men of industry and enterprise.

When Emerson wrote, the extent and richness of the natural resources of the South were not fully known even to our southern people. Its industrial potentialities were almost universally underestimated. By far the greater proportion of its cotton and other principal products were being shipped to other sections of the United States and to foreign countries to be manufactured.

At that time the vast store of wealth contained in southern forests was but little appreciated. Wood-working industries on any considerable scale did not exist in the South. The centers of heaviest lumber production and of wood-working industries were in the northeastern section of the United States. The timber supplies of the United States were looked upon as inexhaustible. Wasteful methods of forestry were practiced throughout the North, and, owing to the rapidly increasing scarcity of suitable timber in the Northeastern States, the last twenty years have witnessed a decline in the relative importance of furniture manufacturing and other wood-working industries in that section and their relatively rapid growth in the South, Northwest, and the far West. In other words, these industries are following the rapidly receding forests. Fortunately for our section, large areas of forest land in the South remained practically untouched until, as a result of wasteful cutting in other sections, the country was brought to a realization of the fact that unless a conservative policy with respect to the remaining forests should be adopted the timber supply of the United States would be exhausted in comparatively a few years. The destruction of the forests in other sections has enormously increased the value of those remaining in the South. If, profiting by the experience of the past, we adopt scientific methods of forest management, our woodlands can be profitably used in the present and preserved as a source of future wealth.

First and foremost among the natural assets of the South is the cotton plant. It gives to our section almost a monopoly in the production of a textile fiber in demand wherever human beings live and brings all the world to our southern markets. When Emerson wrote, the annual production of cotton in the United States was less than 5,000,000 bales. Of this amount, not more than 100,000 bales, or only about 2 per cent of the total production, was consumed in southern cotton mills. There was a generally prevailing opinion that cotton goods could not be successfully manufactured in the South, and about 98 per cent of the raw cotton was shipped from the South to mills in the Northern States and in Europe. There are now more cotton spindles in the South than there were in the entire United States when Emerson wrote, and southern mills consume annually more than those of New England, having used, in 1908, 2,187,069 bales, while New England used but 1,894,834 bales. Cotton seed, except the small proportion used for planting, was then a waste product with no value whatever. Now it adds approximately $90,000,000 per year to the value of the southern cotton crop. It yields a salad oil that compares favorably with the oil from the Mediterranean olive groves, a high-class stock food, and a valuable fertilizer. It has become the basis of a great and growing industry, which is located almost entirely in the Southern States.

If Emerson had been writing of the iron and steel industry of the United States, he would then have found little to say about the South. Some years later, in 1880, the total output of southern iron ore was but 842,454 tons. In 1907 it amounted to 6,316,027 tons, or approximately as much as the total production of the United States in Emerson's time. With practically inexhaustible supplies of iron ore, coal, and limestone in close proximity, the South is building up a great iron and steel industry. As has been the case in the Pittsburg district, our southern iron and steel centers are attracting manufacturers of machinery, of tools, and other articles which use iron and steel as their raw materials.

Prior to 1880 coal was mined in the Southern States, outside of Maryland and West Virginia, chiefly for domestic use. The development of southern industries has brought about an enormous increase in the demand for steam coal and coking coal, and the total production of the South has increased from 6,037,003 tons in 1880 to 94,829,835 tons in 1907. Southern coal fields are so extensive as to assure an abundance of fuel for domestic use, for the generation of power, and for producing coke for centuries to come. The supply is adequate, not only for the use of the South, but for shipment to the North and for export to foreign countries.

The South is not wholly dependent on coal for its power. It is singularly rich in water powers. A glance at the map of our section will show large numbers of streams having their sources in the Southern Appalachian Mountains and flowing to the Atlantic Ocean and the Gulf of Mexico. Along the upper waters of these streams the fall is so considerable that the water of the same stream can, in many cases, be used for power generation at several different points. Before the hydro-electric engineer entered the field and demonstrated the possibility of power transmission for long distances the use of a water power was limited to the plants that could be located at the point where it was available. It is now no longer necessary to locate the factory at the power site; the hydro-electric engineer takes the power generated at a single point to factory sites throughout a large territory.

The climatic and soil conditions of the South are so varied that within its limits there can be produced, profitably, all the products of the Temperate Zone and many of those of the Tropics. It is furnishing each year an increasing proportion of the fruits and vegetables consumed in the United States. Southern-grown tobacco is manufactured in southern factories. Beneath the soil of the South are stores of marble and stone for the builder, clay for the potter and brickmaker, and a wide range of useful and ornamental minerals. Marble and granite from its quarries are going into monumental buildings in the North as well as in the South. Southern progress in the future will take the direction, not only of the expansion of industries engaged in primary manufacturing, but also of a multiplication of industries which will use its primary products as their raw materials. Cotton textiles,

in increasing quantities, will be made into articles ready for wear in southern factories. Iron and steel will be made more generally in southern establishments into structural shapes. Southern leather will be sent to the markets of other localities in the form of boots and shoes, harness, and belting, and the products of southern sawmills will be shipped to other localities, not only in the form of furniture, but manufactured into the great variety of other commodities of which wood is a raw material.

There is nothing artificial about our southern industrial progress. It rests on the solid ground of the conversion of southern raw materials into commodities ready for use. It is only by the utilization of its raw materials that a community can attain the highest degree of prosperity. The relatively greater advance of the North in population and wealth in former years was due to the fact that it used, not only its own raw materials, but a large proportion of those produced in the South as well. In fact, the raw materials of the South furnished the basis of great and prosperous industries in the North and in other countries. The South is now using its raw materials in ever-increasing quantities and is adding to the profits of their production the profits of manufacturing.

Side by side with the industrial development of the South there is taking place an advance in agriculture of fully as great economic importance. While raising larger quantities of the distinctively southern agricultural products, the farmers of our section are each year devoting more attention to diversified farming. An important factor in this agricultural advance has been the growth of a large number of industrial communities in all parts of the South, affording to the farmer a home market for an increasing proportion of his products.

We are living, Mr. Toastmaster, in an era of specialization of production in which the tendency is for each community to devote its energies principally to those industries best suited for its locality. One of the most important factors in bringing about specialization of production is climate. Climatic differences will, therefore, tend to increase the exchange of commodities along north and south lines. In the United States the relatively greater development of traffic along east and west lines has resulted, in large part, from two causes, which will probably be less controlling in the future than in the past. One of these causes is that, the principal markets for our exports having been in Europe, they have moved to the North Atlantic ports, and our imports, having been drawn principally from Europe, have entered through these same ports and have been distributed throughout the country. The other cause results from the fact that our country has been settled from the East. The Eastern States, with their denser population and older institutions, were the ones in which manufacturing developed most largely and in which the largest consuming communities were built up. In the newer States of the West agriculture, lumbering, and mining were the predominant industries. The east and west movement of exports and imports was therefore supplemented by an eastward movement of the products of western farms, forests, and mines to the consuming and manufacturing centers of the East, and a westward movement of domestic manufactures. With the development of southern consuming and manufacturing centers, the diversification of southern agriculture, the larger use of southern forests, the opening of southern mines, the increase in southern population and purchasing power, and the growth in importance of the South Atlantic and Gulf ports, especially with reference to trade by the Panama Canal and with the Latin-American countries, there will undoubtedly be relatively a larger increase in the exchanges between the North and the South.

This, Mr. Toastmaster, will operate to the advantage of both the northern and southern sections. Rich as is the South in natural resources and industrial potentialities, it can never be wholly self-supporting. It must continue to look to the North and to the West for a large variety of commodities that can be more advantageously produced in those sections. As our southern industries continue to increase the quantity and variety of their products, our section will cease to buy, or will buy in smaller quantities, some commodities which they formerly drew almost exclusively from other manufacturing and distributing localities. I am confident, however, that the ultimate effect of this will be beneficial to both sections. What your manufacturers and merchants may lose in some lines will be much more than made up to them by enlarged demands in other lines. There will be an increased exchange of commodities between the sections, to the material advantage of both.

Adam Smith emphasized the economic importance of this exchange of commodities. In his Inquiry into the Nature and Causes of the Wealth of Nations, writing of international trade, he said:

"When the produce of any particular branch of industry exceeds what the demand of the country requires the surplus must be sent abroad and exchanged for something for which there is a demand at home. Without such exportation a part of the productive labor of the country must cease, and the value of its natural produce diminish."

What Mr. Smith said of trade between different countries applies with equal force to trade between localities in the same country. It applies with particular force to trade between localities in a country so extensive as the United States, with diversities of climate and natural resources which tend to specialize the production of different commodities in certain localities. This may best be demonstrated by a concrete illustration. You have in the Pittsburg district the greatest iron and steel industry in the United States, with every natural advantage favorable to its expansion. If, however, it had been limited to supplying the demands of this immediate locality for its products, it could never have reached anything like its present proportions, and might never have been started. Its growth and prosperity have been made possible by the ability to sell its products in other localities where they are in demand and where they can not be produced so advantageously.

What is true of the Pittsburg district and its iron and steel industry is true of every community and of every industry in the United States. The exchange of commodities between localities can not be effected without transportation. The extent to which it can be carried on depends upon the capacity of the transportation agencies which are available. Hence it follows that there is a very intimate relation between the development of any community and its transportation agencies. Its material progress and its increase in population and wealth are limited by the capacity of its carriers. No community, therefore, can afford to stand apart from its carriers or to be indifferent to the economic conditions which surround them. In this age of world-wide commerce the interest of any community in transportation can not be merely local. It is national and even international in its scope.

In international transportation you have, in connection with the South, a special interest in the establishment of direct and regular steamship lines between the United States and the Latin-American countries. Our country has an important geographical advantage with reference to this Latin-American trade. Our southern ports are particularly well located with respect to it. Yet there is not to-day a single regular steamship line from any South Atlantic or Gulf port to any Latin-American port south of Venezuela. There are a few lines, generally under foreign flags, running from New York to Brazil, Argentina, and, by way of the Straits of Magellan, to Chile and Peru. The vessels employed in these lines are generally freight carriers, too slow, and sailing at too great intervals, to render efficient mail service, and with poor accommodations for passengers. There are direct and regular lines to these countries from Great Britain, Germany, France, Spain, and Italy. The mails between South America and Europe are swift, regular, and certain. Between South America and the United States they are slow, irregular, and uncertain.

In spite of inadequate direct transportation facilities, however, the trade of the United States with the Latin-American countries is growing more rapidly than our foreign trade as a whole. It is the most promising export trade we have to-day, notwithstanding the fact that goods from the United States are, in many cases, carried across the Atlantic to Europe and back again to South America. The people of those countries consume large quantities of commodities that can advantageously be produced in the South and elsewhere in the United States. That American manufacturers can compete successfully in the Latin-American markets with those of Europe is unquestionable, and, although our trade with those countries is growing, I believe that if we are to realize the full benefit of our geographical advantage with relation to it we must have direct and regular steamship communication not only from the North Atlantic, but also from the South Atlantic and Gulf ports. While we may differ, Mr. Toastmaster, as to the best means for bringing this about, I think we must all agree as to its importance to our industrial and commercial progress.

Within the United States the interest of our communities in transportation embraces the improvement of our harbors and our inland waterways to the highest state of economic efficiency and the increase of railway facilities so as to keep them constantly up to the demands for railway service. Your interest in the adequacy of railway facilities is not restricted to lines in this immediate locality, for the delay of a carload of goods on a railway in Georgia or in Kansas may be as hurtful to a Pittsburg shipper as if it occurred within your city limits.

In no part of the United States, Mr. Toastmaster, is the matter of adequate rail facilities of more importance than in the Southern States Prior to the civil war the railways of the South compared favorably with the lines in the Northern States. Alternately used and destroyed, first by one army and then by the other, there was little left of them at the end of that conflict but their rights of way and their debts. The older ones of us here this evening remember what they were like about the time Emerson was writing his essay on "Resources." The task of rebuilding these wrecked properties and of welding together disjointed lines of different gauges into standard-gauge systems, capable of rendering efficient service, was made more difficult by the fact that, as a result of the war, the financial resources and credit of the South had been shattered. There were not lacking courageous southern men who were able to inspire some of their fellow-citizens of the North with their faith in the South, and in its future, and together they undertook the task. Working shoulder to shoulder, these men linked the sections together in bands of steel, and not the least of their services was that of softening the prejudices left by war, drawing the North and South together in closer social and commercial contact, and welding them into one people.

The work is not yet done, for the railways of the South have hardly been built up beyond a single-track system. Comparing the section south of the Ohio and Potomac rivers and east of the Mississippi with the somewhat smaller section north of the Ohio and Potomac and east of Illinois, we find that this northern section has more than 12 times as much double-track mileage as the Southeast, and more miles of third track and fourth track than the entire double-track mileage of the Southeast. Considering the United States as a whole, with the possible exception of a few localities, the need of new railway lines is secondary to the improvement of existing lines and the increase of their carrying capacity. As to the South, I have no hesitation in saying that its most pressing economic need to-day is an increase in the carrying capacity of its existing railway lines, especially in the way of providing an increase in double-track mileage.

So far as the resources at their command have permitted, the men entrusted with the management of the railways of the South have provided increased facilities. In the ten years prior to the business depression which began in the fall of 1907, the increase in railway facilities in our section was materially greater than the increase in capitalization, and the increase in service performed was very largely in excess both of the increase in capital and in facilities. The traffic of the South had reached such proportions as to tax existing railway facilities to the utmost. The point had been reached where any material increase in southern agricultural and industrial production would have been impossible without a corresponding increase in railway facilities. Therefore, as we look to the future with confidence in the ability of our people to reach a higher level of prosperity than they have yet attained, we are confronted with the necessity for an increase in facilities in the way of double-tracking the more congested parts of our railway lines. These urgently needed facilities can be provided, Mr. Toastmaster, only by attracting the investment of additional capital in railway enterprises in our section.

If a Pittsburg manufacturing company is seeking capital for the enlargement of its plant, its managers must be able to convince those with money to invest that if they put it into this plant they can expect to earn, at least, approximately the same rate of profit as is earned by capital in other lines of business. The desire of each man to better his own condition and to provide for those dependent upon him is the mainspring of human progress. A man is not induced to invest his money in a farm by the philanthropic motive of growing grain to feed his fellow-men, but by the desire of gain. Another is not moved to build a cotton factory by an altruistic desire to clothe mankind, but by the expectation that he can sell cotton goods at a profit. Exactly the same expectation of gain leads to investments in a railway enterprise.

The provision of these adequate transportation facilities is a matter that concerns all classes of people. Whether or not they can be provided will depend, in large measure, upon the character of regulatory policies that are adopted. The proper field of regulation is the prevention of wrong and the safeguarding of the rights, both of the buyers of transportation and of the railways.

Regulations within this field should have for its object the prevention of abuses, and not administration of the business of the railways. It is undeniable, Mr. Toastmaster, that, in the early days of transportation by rail, certain abuses were developed. The most serious of these was the granting of special rates or special service to individual shippers. When this practice arose, the economic principles governing

railway transportation had not been formulated. In other lines of business, to a greater extent than at present, each transaction was a matter of special bargain. The prices of all commodities and of services were everywhere determined by what Adam Smith called "the higgling of the market." It was not considered criminal for a shopkeeper to sell a suit of clothes to one customer at a certain price and to sell to the next customer at a price substantially lower, rather than permit him to patronize a rival across the street. Charges for railway service were not recognized as standing on a different basis. The shipper who was a skillful bargainer, and who was in a position to divert traffic to a rival line, generally obtained concessions in rates. As the peculiar nature of the railway business has come to be better understood, and as its economic relations to all other lines of business have been studied, it has come to be realized that such discriminations between shippers similarly situated are economically wrong. They are wrong because the railway company is a common carrier, and as such should avoid unjust discriminations between its patrons, and also because it maintains a public highway to which each individual in the community is entitled to access on equal terms.

If regulation for the correction and prevention of abuses is to be beneficial, certain fundamental truths must be kept in mind. It must be recognized that transportation is essential to profitable production; that the railways of a community are an indispensable factor in its progress and development; that they are built by private capital and operated by private individuals, and that they have property rights in whatever remains to them as the net result of their operation. It is their property, in the use and enjoyment of which their owners are protected by the fundamental law of the land, and should be protected by public opinion to the same extent as any citizen is protected in the possession and enjoyment of his home, his farm, or his factory. It must be recognized that when public regulation has been carried to the extent of preventing unreasonable charges and unjust discrimination, the owners of a railway are entitled to have the same liberty in its management as is enjoyed by the owner of any other business. You can not put a great business such as this, on the success and prosperity of which all other lines of business are dependent, in a straitjacket of legislative and administrative restrictions and regulations and expect it to thrive and keep pace with the demands of the country for increased transportation facilities.

An intelligent understanding on the part of the public of the effect of regulatory policies upon the railways and upon all those interested in adequate facilities and efficient service is the more important for the reason that, on account of the character and location of the property of a railway company and the nature of its business, it must depend, probably more than any other business enterprise, upon public opinion for the protection of its property and its rights and for its ability efficiently to perform its service for the public.

It may not be improper for me to point out that if your railways are to increase their carrying capacity as your demand for transportation facilities grows, they must have the support of public opinion in times of prosperity as well as in times of adversity. It should not be withdrawn as soon as an improvement in railway operating results is apparent, for the inevitable effect would be to retard that development of transportation interests which is essential to the industrial and commercial progress of the United States. The railways of the country can not provide increased facilities if they are to be held down to the level of a bare existence, and if the first sign of an increase in net income is to be the signal for a demand for cheaper service.

It is important, therefore, that, in considering policies of railway regulation, we should look beyond their immediate objects to their ultimate results. Any reduction in transportation charges, if it is obtained at the price of impaired efficiency, is not only an invasion of the rights of private property, but is injurious both to the railway and to those who pay the reduced rates for its service. This was clearly set forth by the Supreme Court of the United States, in its recent decision in the Knoxville Water Company case, in which the court said:

"A slight gain to the consumer which he will obtain from a reduction in the rates charged by public service corporations is as nothing compared with his share in the ruin which would be brought about by denying to private property its just reward, thus unsettling values and destroying confidence."

I think that the economic soundness of this statement can not be questioned, for it is based on the fact that the public generally is concerned in the efficiency of public service corporations.

I need not tell a Pittsburg audience that the public interest in efficient transportation service is supplemented by the importance of railway wage-paying and purchasing power as a factor in general prosperity. The economic importance of this is being more generally recognized. One of the most noteworthy instances of this was in the opinion of the Virginia Corporation Commission accompanying its recent order authorizing an advance in intrastate passenger rates from 2 cents to 2½ cents a mile. The commission said:

"Accepting as true the familiar and accepted statement that no large business interest can be injuriously affected without injuring the community as a whole, we believe that the failure of the railways to prosper so forces the reduction of the number of their employees and their wages, so reduces the ability and disposition of the railway companies to enter into new contracts for extensions, betterments, and improvements, so curtails their power to purchase supplies of many kinds, thus affecting many other enterprises whose prosperity depends upon the purchasing power of the railroads, and so discourages the investment of capital in new as well as old railway enterprises, as to amount to a public calamity."

The soundness of these views of the Virginia Commission will not be disputed in the Pittsburg district, where such a large proportion of your industries are dependent directly or indirectly upon railway purchasing power. You know the widespread effects of the enforced economies of the railways of the United States during the business depression. I think that no one will disagree with me in the opinion that the depression would have been less severe and that the recovery would have been more rapid if the railways had been able to maintain their normal rate of expenditures.

As a result of the discussion of the past few years the economic relations of the railways to the business of the country are coming to be better understood. The people generally are taking the view that the primary needs of the United States in respect to transportation are adequate facilities and efficient service. They agree with the Virginia Corporation Commission in its further admirable statement that "new capital must be supplied if these needs are to be adequately met, and we can only induce this new capital to seek investment here by pursuing a course which will attract it to this State." Accepting this as voicing the trend of public opinion, not only in Virginia but in the United States, we can look forward to an era of more intelligent and mutually helpful cooperation between our people and their railways for the advancement of their common interests. In the social and material progress that will come to our Nation as a result of the solution of our transportation problems in conformity with economic principles, the South will be no laggard. It is in truth, Mr. Toastmaster, a land of opportunity, with natural resources unexcelled by those of any other section of the earth. Its people have shown their quality in the courage with which they turned to repairing the damage wrought by war and in the splendid agricultural and industrial structure they have erected upon the ruins of their former systems. They can point to "that which they have done as but earnest of the things that they shall do," and can say to all the world:

"Here is bread and wealth and power and education for every man who has the heart to use his opportunity."

The CHAIRMAN. The time of the gentleman and the time of the session has expired.

Mr. HILL. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

The committee accordingly rose; and Mr. COLE having taken the chair as Speaker pro tempore, Mr. OLMSTED, 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 come to no resolution thereon.

ADJOURNMENT.

The SPEAKER pro tempore. The hour of 10.30 p. m. having arrived, under the previous order, the House stands adjourned until 10 o'clock a. m. to-morrow.

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. ANDERSON: A bill (H. R. 6104) for the purchase of a site and the erection thereon of a public building at Bucyrus, Ohio—to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 6105) for the purchase of a site and the erection thereon of a public building at Fremont, Ohio—to the Committee on Public Buildings and Grounds.

By Mr. BARCLAY: A bill (H. R. 6106) to provide for the erection of a public building at Dubois, Pa.—to the Committee on Public Buildings and Grounds.

By Mr. AUSTIN: A bill (H. R. 6107) declaring such persons as were engaged in the operation and construction of the United States military railroads during the war of the rebellion to have been a part of the Army of the United States and having a pensionable status in accordance therewith—to the Committee on Military Affairs.

By Mr. MADDEN: A bill (H. R. 6108) to establish a postal savings bank system, and to provide for the conduct and regulation of the same—to the Committee on the Post-Office and Post-Roads.

By Mr. BYRNS: A bill (H. R. 6109) for the relief of tobacco growers—to the Committee on Ways and Means.

By Mr. LAFEAN: A bill (H. R. 6110) to pay railway postal clerks actual and necessary traveling expenses—to the Committee on the Post-Office and Post-Roads.

By Mr. BYRNS: A bill (H. R. 6179) to locate, map, and mark field of battle fought near Nashville, Tenn., December 15 and 16, 1864; to construct driveways, etc., and make an appropriation for same—to the Committee on Military Affairs.

By Mr. WOODS of Iowa: A bill (H. R. 6180) to amend the first paragraph of the fourth division and the first paragraph of the fifth division of section 3244 of the Revised Statutes—to the Committee on Ways and Means.

By Mr. BURKE of South Dakota: Memorial of the legislature of South Dakota, asking Congress to maintain and increase the tariff upon wool—to the Committee on Ways and Means.

By the SPEAKER: Memorial of the legislature of Colorado, praying for the readjustment of the revenue from forest reserves—to the Committee on the Public Lands.

By Mr. CAPRON: Memorial of the legislature of the State of Rhode Island, praying Congress to reimburse the State of Rhode Island and the town of New Shoreham for expenditures in opening, keeping, and protecting the breachway at Great Salt Pond, Block Island—to the Committee on Claims.

Also, memorial of the assembly of the State of Rhode Island, opposing the taxation of inheritances for federal purposes—to the Committee on Ways and Means.

By Mr. SHEFFIELD: Memorial of the legislature of Rhode Island, requesting the Senators and Representatives in Congress from Rhode Island to oppose the taxation on inheritances for federal purposes—to the Committee on Ways and Means.

By Mr. MONDELL: Memorial memorializing Congress not to reduce the tariff on coal—to the Committee on Ways and Means.

Also, memorial, opposing the further reduction of the tariff on sugar—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. ALEXANDER of New York: A bill (H. R. 6111) for the relief of Peter G. Straub—to the Committee on Claims.

By Mr. ANDERSON: A bill (H. R. 6112) granting an increase of pension to John W. Fowler—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6113) granting an increase of pension to William B. Holmes—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6114) granting an increase of pension to Charles W. Hale—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6115) granting an increase of pension to Philip Zerbe—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6116) granting an increase of pension to Rudolph Geisiu—to the Committee on Invalid Pensions.

By Mr. ASHBROOK: A bill (H. R. 6117) for the relief of Nathan Finnegan—to the Committee on Claims.

By Mr. AUSTIN: A bill (H. R. 6118) granting an increase of pension to Orlin L. Smith—to the Committee on Invalid Pensions.

By Mr. BOWERS: A bill (H. R. 6119) granting an increase of pension to Amile Bonham—to the Committee on Pensions.

By Mr. BURNETT: A bill (H. R. 6120) for the relief of James Barron—to the Committee on War Claims.

By Mr. CAMPBELL: A bill (H. R. 6121) granting an increase of pension to Thomas C. Bird—to the Committee on Invalid Pensions.

By Mr. COOPER of Pennsylvania: A bill (H. R. 6122) granting an increase of pension to William B. Perry—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6123) granting an increase of pension to Henry S. Walls—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6124) granting an increase of pension to George W. Arison—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6125) granting an increase of pension to Henry T. Blair—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6126) granting an increase of pension to Hiram Pile—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6127) granting an increase of pension to William J. Brown—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6128) granting an increase of pension to John D. Mallory—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6129) granting an increase of pension to William Newell—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6130) granting an increase of pension to George Cable—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6131) granting an increase of pension to Robert M. Smith—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6132) granting an increase of pension to Albert G. Beeson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6133) granting an increase of pension to Isaac Coldren—to the Committee on Invalid Pensions.

By Mr. CULLOP: A bill (H. R. 6134) granting a pension to John Kiplinger—to the Committee on Invalid Pensions.

By Mr. EDWARDS of Georgia: A bill (H. R. 6135) granting an increase of pension to A. Sidney Alden—to the Committee on Invalid Pensions.

By Mr. FOELKER: A bill (H. R. 6136) granting an increase of pension to Samuel B. Marshall—to the Committee on Invalid Pensions.

By Mr. GARRETT: A bill (H. R. 6137) granting an increase of pension to Joseph M. Green—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6138) granting an increase of pension to Hugh A. Catron—to the Committee on Invalid Pensions.

By Mr. HAMMOND: A bill (H. R. 6139) granting an increase of pension to Albert Steinhauser—to the Committee on Pensions.

By Mr. HOWARD: A bill (H. R. 6140) for the relief of Matthew McDaniel—to the Committee on War Claims.

Also, a bill (H. R. 6141) for the relief of John Billups—to the Committee on War Claims.

Also, a bill (H. R. 6142) for the relief of the heirs of James Stewart and John Lee McMichael, deceased—to the Committee on War Claims.

Also, a bill (H. R. 6143) for the relief of the heirs of Larkin Clark, deceased—to the Committee on War Claims.

Also, a bill (H. R. 6144) for the relief of the heirs of Matthew Higginbotham, deceased—to the Committee on War Claims.

Also, a bill (H. R. 6145) for the relief of the heirs of John Fisher, deceased—to the Committee on War Claims.

Also, a bill (H. R. 6146) for the relief of the heirs of Thomas N. Poullain, deceased—to the Committee on War Claims.

Also, a bill (H. R. 6147) for the relief of the heirs of James Roberts, late of Jasper County, Ga.—to the Committee on Claims.

Also, a bill (H. R. 6148) for the relief of the heirs at law of J. A. Carter, late of Putnam County, Ga.—to the Committee on War Claims.

Also, a bill (H. R. 6149) for the relief of the estate of William R. Poole, deceased—to the Committee on War Claims.

Also, a bill (H. R. 6150) for the relief of Martha Strickland, widow of William Strickland—to the Committee on Military Affairs.

By Mr. HAY: A bill (H. R. 6151) for the relief of C. A. Sprinkel—to the Committee on War Claims.

Also, a bill (H. R. 6152) for the relief of Wesley Rankins—to the Committee on War Claims.

Also, a bill (H. R. 6153) for the relief of James W. Nickens—to the Committee on War Claims.

Also, a bill (H. R. 6154) for the relief of William Mason—to the Committee on War Claims.

Also, a bill (H. R. 6155) for the relief of John S. Lupton—to the Committee on War Claims.

Also, a bill (H. R. 6156) for the relief of John N. Bell—to the Committee on War Claims.

Also, a bill (H. R. 6157) for the relief of James H. Hottel—to the Committee on War Claims.

Also, a bill (H. R. 6158) for the relief of the heirs of James F. Rinker, deceased—to the Committee on War Claims.

Also, a bill (H. R. 6159) for the relief of the heirs of Thomas A. Crow, deceased—to the Committee on War Claims.

Also, a bill (H. R. 6160) for the relief of the heirs of A. S. Gray, deceased—to the Committee on War Claims.

Also, a bill (H. R. 6161) for the relief of the estate of Branon Thatcher, deceased—to the Committee on War Claims.

Also, a bill (H. R. 6162) for the relief of the estates of James and Eliza M. Lewis, deceased—to the Committee on War Claims.

Also, a bill (H. R. 6163) for the relief of the estate of Thomas Clevenger, deceased—to the Committee on War Claims.

Also, a bill (H. R. 6164) for the relief of the estate of Robert Barr, deceased—to the Committee on War Claims.

By Mr. KELIHER: A bill (H. R. 6165) granting a pension to Joseph Kerrins—to the Committee on Pensions.

Also, a bill (H. R. 6166) granting a pension to Martha E. Sonnenbrodt—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6167) granting a pension to Timothy J. Mahoney—to the Committee on Pensions.

Also, a bill (H. R. 6168) granting an increase of pension to Seba Coffin—to the Committee on Invalid Pensions.

By Mr. LAMB: A bill (H. R. 6169) for the relief of the Richmond Locomotive Works, successor of the Richmond Locomotive and Machine Works—to the Committee on Claims.

By Mr. LOWDEN: A bill (H. R. 6170) granting an increase of pension to Edward Reubeno—to the Committee on Invalid Pensions.

By Mr. MORGAN of Oklahoma: A bill (H. R. 6171) granting an increase of pension to John Davidson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6172) granting an increase of pension to Thomas Rader—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6173) granting an increase of pension to Levi W. Bevis—to the Committee on Invalid Pensions.

By Mr. MORRISON: A bill (H. R. 6174) granting a pension to Louise Theobald—to the Committee on Pensions.

By Mr. RAUCH: A bill (H. R. 6175) granting an increase of pension to James H. Brown—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6176) granting an increase of pension to Charles F. Buck—to the Committee on Invalid Pensions.

Also, a bill (H. R. 6177) to correct the military record of Benjamin Sharp—to the Committee on Military Affairs.

By Mr. THOMAS of North Carolina: A bill (H. R. 6178) granting a pension to William L. Carlton—to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER: Petition of municipal council of Fajado, P. R., praying for a liberalizing of the organic act of Porto Rico in an amply democratic sense—to the Committee on Insular Affairs.

Also, petition of L. T. Wilson and others of the Eighteenth Congressional District of Illinois, against a duty on tea and coffee—to the Committee on Ways and Means.

Also, petitions of Andrew P. Hughes and 36 others, of Hillsboro, Ill., and of Henry H. Hoff and 7 others, for the creation

of a national highways commission and for an appropriation to aid in maintenance of public roads—to the Committee on Agriculture.

Also, petitions of J. E. Dyer, of North Easton, Mass., and other individuals and firms and corporations in the United States, for removal of the duty on sugar—to the Committee on Ways and Means.

By Mr. ALEXANDER of New York: Petition of residents of the Thirty-sixth Congressional District of New York, against a duty on tea and coffee—to the Committee on Ways and Means.

By Mr. ASHBROOK: Petition of Cigar Makers' Union No. 176, of Newark, Ohio, against admission of cigars from the Philippines save at regular import duty—to the Committee on Ways and Means.

Br. Mr. BOOHER. Paper to accompany bill for relief of Charles S. Armstrong and Joseph Tudell—to the Committee on Invalid Pensions.

By Mr. BOWERS: Paper to accompany bill for relief of Amile Bonham—to the Committee on Invalid Pensions.

By Mr. BURLEIGH: Petition of F. W. Briggs, of Pittsfield, Me., for creation of a national highways commission—to the Committee on Agriculture.

By Mr. BURNETT: Petition of J. N. McCrelass, of Horton, Ala., favoring repeal of duty on raw and refined sugar—to the Committee on Ways and Means.

By Mr. COOK: Petition of National Board of Trade, favoring appropriation of not less than $50,000,000 annually for improvement of inland waterways—to the Committee on Rivers and Harbors.

Also, petition of National Board of Trade, favoring assessment of specific duties, and a permanent nonpartisan expert tariff commission—to the Committee on Ways and Means.

Also, petition of Wallace Wilson Hosiery Company, of Frankford, Pa., and 400 employees, opposing reduction of tariff on hosiery—to the Committee on Ways and Means.

By Mr. DODDS: Petition of certain citizens of Traverse City, Mich., against a duty on tea and coffee—to the Committee on Ways and Means.

By Mr. ESCH: Petition of merchants of Milwaukee, against proposed advance of duty on gloves and stockings—to the Committee on Ways and Means.

Also, petition of citizens of the Seventh Congressional District of Wisconsin, against a duty on tea and coffee—to the Committee on Ways and Means.

Also, petition of the Chamber of Commerce of Milwaukee, Wis., against reduction of the duty on barley—to the Committee on Ways and Means.

By Mr. FULLER: Petition of the legislature of the State of Wyoming, in opposition to any reduction of present tariff on wool and hides—to the Committee on Ways and Means.

Also, petition of American Artificial Marble Company, of Philadelphia, Pa., and others, against proposed increase of duty on Keene's cement—to the Committee on Ways and Means.

Also, petition of State Savings, Loan and Trust Company, of Quincy, Ill., for a free art schedule—to the Committee on Ways and Means.

Also, petition of James McManus, of Chicago, Ill., for a reduction of tariff on sugar—to the Committee on Ways and Means.

By Mr. HAMMOND: Petition of C. F. Norwood and 72 others of Bolaton, Minn., for reduction of the duty on sugar—to the Committee on Ways and Means.

By Mr. HANNA: Petition of citizens of North Dakota, against a duty on tea and coffee—to the Committee on Ways and Means.

Also, petition of state convention at Minot, N. Dak., favoring placing lumber, coal, and iron on the free list—to the Committee on Ways and Means.

Also, petition of the legislature of North Dakota, for retention of present duty on all farm products—to the Committee on Ways and Means.

Also, petition of the legislature of North Dakota, for a law to effect more beneficent changes touching laws regarding the health of Russian immigrants—to the Committee on Immigration and Naturalization.

Also, petition of the legislature of North Dakota, favoring a federal license law relative to sale of liquor—to the Committee on Alcoholic Liquor Traffic.

Also, petition of Dickinson (N. Dak.) Lodge, No. 1137, Benevolent and Protective Order of Elks, favoring a reserve for the American elk—to the Committee on the Public Lands.

Also, petition of citizens of North Dakota, against reduction of duty on barley, wheat, and other grains—to the Committee on Ways and Means.

Also, petition of citizens of North Dakota, for reduction of duty on sugar—to the Committee on Ways and Means.

Also, petition of citizens of North Dakota, favoring federal inspection of grain—to the Committee on Interstate and Foreign Commerce.

By Mr. HAYES: Petition of Chamber of Commerce of San Francisco, Cal., favoring immediate occupancy of the new immigration station on Angel Island—to the Committee on Immigration and Naturalization.

By Mr. HENRY of Connecticut: Petitions of Kellogg & Bulkeley Company, and Dodd Lithographing Company, and others, favoring a higher duty on lithographic products—to the Committee on Ways and Means.

Also, petition of Pouren defense commission, against surrender of Jan Janov Pouren to the Russian Government—to the Committee on Foreign Affairs.

Also, petition of Hebrew citizens of Connecticut, in behalf of industrial education as per the so-called "Davis bill"—to the Committee on Education.

Also, petitions of New Britain Record, and Case, Lockwood & Brainard Company, and others, against printing of stamped envelopes by the Federal Government—to the Committee on the Post-Office and Post-Roads.

By Mr. HIGGINS: Petition of Danbury Business Men's Association, against a duty on tea, coffee, cocoa, and spices—to the Committee on Ways and Means.

Also, petition of citizens of Connecticut, favoring reduction of duty on raw and refined sugars—to the Committee on Ways and Means.

By Mr. HOWELL of New Jersey: Petition of residents of Third Congressional District of New Jersey, against a duty on tea and coffee—to the Committee on Ways and Means.

By Mr. HUBBARD of West Virginia: Paper to accompany bill for relief of John M. Null (H. R. 2487)—to the Committee on Invalid Pensions.

By Mr. HUFF: Petition of citizens of Westmoreland County, Pa., against tax on tea or coffee—to the Committee on Ways and Means.

Also, petition of American plate-glass manufacturers, favoring a higher rate of duty on plate glass—to the Committee on Ways and Means.

By Mr. HULL of Iowa: Petition of citizens of Iowa, favoring repeal of duty on raw and refined sugars—to the Committee on Ways and Means.

Also, petition of citizens of the Seventh Congressional District of Iowa, against parcels-post and postal savings bank laws—to the Committee on the Post-Office and Post-Roads.

By Mr. KELIHER: Petition of citizens of Boston, Mass., for removal of duty on tea and coffee—to the Committee on Ways and Means.

Also, petition of Boston lithographers, for a higher import duty on all lithographic products—to the Committee on Ways and Means.

By Mr. LAFEAN: Petition of residents of the Twentieth Congressional District of Pennsylvania, for a duty on hides—to the Committee on Ways and Means.

By Mr. LANGHAM: Petition of citizens doing business in city of East Brady, Pa., against postal savings bank and parcels-post laws—to the Committee on the Post-Office and Post-Roads.

By Mr. JAMES: Petition of business firms of Louisville, Ky., against a duty on hides—to the Committee on Ways and Means.

By Mr. LOWDEN: Petition of citizens of Savanna, Ill., against a duty on tea and coffee—to the Committee on Ways and Means.

By Mr. McKINNEY: Petition of residents and business men of the Fourteenth Congressional District of Illinois, against parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. MARTIN of Colorado: Petition of conference of lead-ore producers of Idaho, Utah, Colorado, and Nevada, against a reduction of the duty on lead ore—to the Committee on Ways and Means.

By Mr. MILLINGTON: Petition of various residents of the Twenty-seventh Congressional District of New York, against a duty on tea, coffee, cocoa, and spices—to the Committee on Ways and Means.

Also, petition of residents of the Twenty-seventh Congressional District of New York, favoring a rearrangement of the tariff on linoleum and oilcloth—to the Committee on Ways and Means.

By Mr. NORRIS: Petition of residents of Oxford, Nebr., against the enactment of a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. O'CONNELL: Petition of citizens of Boston, against a proposed tax on tea—to the Committee on Ways and Means.

By Mr. RAINEY: Petition of merchants of Petersburg, Granville, Mason City, Chandlerville, Franklin, and Waverly, Ill., against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of Mound City (Ill.) Board of Trade, favoring appropriation of not less than $55,000,000 per annum for development of internal waterways—to the Committee on Rivers and Harbors.

Also, petition of Mrs. W. H. H. King and 15 other ladies of Jacksonville, Ill., against use of the Hetch Hetchy Valley as a reservoir—to the Committee on Ways and Means.

Also, petition of Mrs. W. H. H. King and 15 other ladies and Conservation Club, of Jacksonville, Ill., against use of the Hetch Hetchy Valley, Cal., as a reservoir—to the Committee on the Public Lands.

By Mr. REYNOLDS: Petition of 678 citizens of Bedford and Blair counties, Pa., favoring removal of the duty on hides—to the Committee on Ways and Means.

By Mr. RHINOCK: Petition of citizens of the Sixth Congressional District of Kentucky, against a duty on tea and coffee—to the Committee on Ways and Means.

Also, petition of H. D. Brady, favoring a higher tariff on willow-basket material—to the Committee on Ways and Means.

By Mr. ROTHERMEL: Petition of manufacturers and miners of slate and slate products, requesting no change be made in existing tariff on slate and slate products—to the Committee on Ways and Means.

By Mr. SHEFFIELD: Petition of Mary E. Drury and 59 others, of Providence, R. I., asking removal of tax on tea and coffee—to the Committee on Ways and Means.

By Mr. TAYLOR of Colorado: Petition of conference of lead-ore producers of Idaho, Utah, Colorado, and Nevada, against reduction of duty on lead ore—to the Committee on Ways and Means.

By Mr. THOMAS of North Carolina: Paper to accompany bill for relief of William E. Carlton—to the Committee on Pensions.

By Mr. TIRRELL: Petition of citizens of the Fourth Congressional District of Massachusetts, against a duty on tea and coffee—to the Committee on Ways and Means.

By Mr. WEBB: Petition of G. D. Ray and other citizens of Yancy and Mitchell counties, N. C., asking for a specific duty of 6 cents per pound on mica in addition to 3 per cent ad valorem duty proposed—to the Committee on Ways and Means.

By Mr. WHEELER: Petitions of J. C. Scowden and 10 others and A. Dunn & Son and others, of Tidioute, and W. J. Haas and others, of Emlenton, all in the State of Pennsylvania, against parcels-post and postal savings bank laws—to the Committee on the Post-Office and Post-Roads.

Also, petition of P. L. Williams' Sons and others, of Sharon, Pa., favoring free hides—to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES.

FRIDAY, *April 2, 1909.*

The House met at 10 o'clock a. m., and was called to order by Mr. Alexander McDowell, Clerk of the House, who read the following communication:

SPEAKER'S ROOM,
HOUSE OF REPRESENTATIVES,
Washington, D. C.

I hereby designate Hon. JOHN DALZELL Speaker pro tempore.

J. G. CANNON.

APRIL 2, 1909.

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.

JANITOR SERVICE.

Mr. HUGHES of West Virginia. Mr. Speaker, I want to ask unanimous consent for the consideration of several resolutions as from the Committee on Accounts, to take care of some matters which appear to be urgent. Certain employees not yet provided for are doing work and can not get their pay until these resolutions are passed.

Mr. CLARK of Missouri. Mr. Speaker, I understand that these resolutions only provide for a continuation of services that is already here. There is no objection to it.

Mr. HUGHES of West Virginia. That is correct.

The resolution was read as follows:

Resolved, That there shall be paid out of the contingent fund of the House, for the services of janitors to care for the rooms of the following-named committees, compensation at the rate of $60 per month from and including March 4, 1909, and during the remainder of the present session, under the direction and control of the Doorkeeper of the House, subject to the approval of the Committee on Accounts, namely:

One to the Committee on Education;

One to the Committee on Levees and Improvements of the Mississippi River, and the Committee on Reform in the Civil Service;

One to the Committee on Election of President, Vice-President, and Representatives in Congress, and the Committee on Alcoholic Liquor Traffic;

One to the Committee on Manufactures, and the Committee on Expenditures in the Department of Agriculture;

One to the Committee on Railways and Canals;

One to the Committee on Pacific Railroads;

One to the Committee on Mines and Mining, and the Committee on Private Land Claims;

One to the Committee on Militia, and the Committee on Expenditures in the War Department;

One to the Committee on Coinage, Weights, and Measures;

One to the Committee on Expenditures in the Post-Office Department, and the Committee on Expenditures in the Interior Department;

One to the Committee on Expenditures in the Department of Justice, and the Committee on Ventilation and Acoustics;

One to the Committee on Expenditures on Public Buildings, and the Committee on Mileage;

One to the Committee on Expenditures in the Department of Commerce and Labor, and the Committee on Expenditures in the State Department; and

One to the Committee on Disposition of Useless Papers in the Executive Departments.

The SPEAKER pro tempore. Is there objection?

Mr. MANN. Reserving the right to object, I would like to ask the gentleman, is this resolution for unanimous consent? The Committee on Accounts has not yet been appointed, but there is a committee ad interim. Has this been submitted to that committee, and passed upon by them?

Mr. HUGHES of West Virginia. Yes, sir. That is to say, this revives a resolution of the last Congress, which the committee then reported, and no material change has been made in it.

Mr. MANN. By the three members of the committee?

Mr. HUGHES of West Virginia. No, sir; the gentleman from Georgia [Mr. BARTLETT] is sick.

Mr. CURRIER. I beg the gentleman's pardon. I have not examined them.

Mr. MANN. Mr. Speaker, I would like the gentleman's attention to this proposition. It used to be the custom to provide janitors for these committees, because they were in this building, and there was no other provision made for taking care of the rooms. Most of these committees are now in the Office Building, and the rooms are taken care of by the force employed by the superintendent of that building. The janitors, therefore, are no longer necessary for taking care of the rooms. It may be that one or more of the important committees on expenditures to some of the departments or concerning the disposition of useless papers needs a messenger, but it does not need a janitor, as that is provided for by the force in the Office Building. I think this resolution ought to have the approval or disapproval of the minority member of the committee, and for that reason——

Mr. HUGHES of West Virginia. I did not hear the gentleman's statement.

Mr. MANN. I said to the gentleman that the janitors are now no longer needed for this purpose. These janitors are mostly for committees now roomed in the Office Building, and the rooms are not now cared for by the janitors. They are cleaned by the force employed now by the superintendent of the building. It may be they call these janitors and use them as messengers. I do not undertake to say how that is, but I do undertake to say that the situation having entirely changed, with reference to this janitor service, from what it was when the committees were in this building, and the manner and method of caring for the rooms being changed, I think this is a matter that ought to be acted upon by both the majority and the minority, and as the matter has not been submitted thus far to the minority of the committee, ad interim——

Mr. MACON. If the gentleman has any delicacy about objecting, I will object.

Mr. MANN. I have no delicacy about objecting.

Mr. GOULDEN. I would say to the gentleman, as the next member of the committee on the minority, that this resolution met with my approval. In the absence of my colleague, Mr. BARTLETT of Georgia, I have acted in his place, and I hope there will be no objection, because it is necessary for them to have a number of these messengers.

Mr. CURRIER. If the gentleman from West Virginia will permit me. As the resolution was read I thought it applied to the clerks. As I understand it now, it does not apply to the clerks.

Mr. HUGHES of West Virginia. It does not apply at all to the clerks of these committees. It is the same that was provided in the Fifty-ninth and Sixtieth Congresses. Some rearrangement has been made, where a janitor is assigned to more than one room, as a matter of convenience, made necessary by changes in the location of certain committees.