

By Mr. LENROOT: A bill (H. R. 10864) granting a pension to Henry C. Fisher—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10865) granting an increase of pension to John Lees—to the Committee on Invalid Pensions.

By Mr. LINDSAY: A bill (H. R. 10866) granting a pension to Celia Cornell—to the Committee on Pensions.

Also, a bill (H. R. 10867) granting an increase of pension to John B. Liddle—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10868) granting an increase of pension to John Soehnlein—to the Committee on Invalid Pensions.

By Mr. McHENRY: A bill (H. R. 10869) granting a pension to Charles W. Faux, alias Charles M. Ward—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10870) for the relief of J. K. Beltz—to the Committee on Military Affairs.

By Mr. McMORRAN: A bill (H. R. 10871) granting a pension to Emma R. Anderson—to the Committee on Invalid Pensions.

By Mr. MOORE of Pennsylvania: A bill (H. R. 10872) granting an increase of pension to Lewis C. Grubb—to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 10873) granting an increase of pension to John M. Squires—to the Committee on Invalid Pensions.

By Mr. OLDFIELD: A bill (H. R. 10874) granting an increase of pension to Henry B. Combs—to the Committee on Invalid Pensions.

By Mr. RICHARDSON: A bill (H. R. 10875) for the relief of Elijah A. Kilburn—to the Committee on Military Affairs.

Also, a bill (H. R. 10876) granting a pension to Lovina Montgomery—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10877) granting an increase of pension to Nannie Layman—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10878) granting an increase of pension to William Redus—to the Committee on Invalid Pensions.

By Mr. STERLING: A bill (H. R. 10879) granting an increase of pension to Absolom Wood—to the Committee on Invalid Pensions.

By Mr. THOMAS of Kentucky: A bill (H. R. 10880) granting a pension to Susan Clark—to the Committee on Invalid Pensions.

By Mr. WHEELER: A bill (H. R. 10881) granting an increase of pension to William W. Brubaker—to the Committee on Invalid Pensions.

By Mr. WICKERSHAM: A bill (H. R. 10882) granting an increase of pension to Edward G. Cannon—to the Committee on Pensions.

By Mr. WICKLIFFE: A bill (H. R. 10883) for the relief of Arthur B. Arbour, administrator of the estate of Frederick Arbour, deceased—to the Committee on War Claims.

By Mr. WOODYARD: A bill (H. R. 10884) granting an increase of pension to Charles W. Ebert—to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BARCHFELD: Paper to accompany bill for relief of Henry Krug—to the Committee on Invalid Pensions.

By Mr. COOK: Petition of Philadelphia Produce Exchange, against increase of duty on potatoes from 25 cents to 45 cents per bushel—to the Committee on Ways and Means.

By Mr. ESCH: Paper to accompany bill for relief of George K. Redmond—to the Committee on Invalid Pensions.

By Mr. HAMLIN: Paper to accompany bill for relief of M. C. Bixby, Samuel Paxton, and Jonathan C. Crane—to the Committee on Invalid Pensions.

By Mr. HAYES: Petition of Merchants' Association of San Francisco, Cal., favoring a bill entitled "An act concerning baggage and excess baggage carried by common carriers, and prescribing duties of same," etc.—to the Committee on Interstate and Foreign Commerce.

By Mr. HENRY of Texas: Paper to accompany bill for relief of Mrs. George A. Hodges—to the Committee on War Claims.

By Mr. HOLLINGSWORTH: Petition of Thoburn Post, No. 72, Grand Army of the Republic, Martins Ferry, Ohio, against engraving of Jefferson Davis's portrait on silver service of battle ship *Mississippi*—to the Committee on Naval Affairs.

By Mr. KRONMILLER: Paper to accompany bill for relief of Charles Jones—to the Committee on Military Affairs.

By Mr. LENROOT: Papers to accompany bills for relief of John Lees and Henry C. Fisher—to the Committee on Invalid Pensions.

By Mr. MARTIN of South Dakota. Petition of Western South Dakota Stock Growers' Association, favoring retention of present duty on cattle, etc.—to the Committee on Ways and Means.

By Mr. MOORE of Pennsylvania: Petitions of Franterna Independente and Society Maria S. S. del Parmone, favoring October 12 as a holiday in honor of Columbus—to the Committee on the Judiciary.

SENATE.

FRIDAY, June 18, 1909.

The Senate met at 10 o'clock a. m.

Prayer by Rev. Ulysses G. B. Pierce, D. D., of the city of Washington.

The Journal of yesterday's proceedings was read and approved.

DEATH OF REV. EDWARD E. HALE.

The VICE-PRESIDENT. The Chair lays before the Senate a note which, while framed in personal terms, as it relates to the action of the Senate, the Chair thinks it appropriate the Senate should hear.

The Secretary read as follows:

39 HIGHLAND STREET,
ROSBURY, June 15, 1909.

MY DEAR MR. VICE-PRESIDENT: The beautiful engrossed copy of the resolutions passed in the Senate last week has reached us, and I can not tell you what a treasure it will always be to us. I am sure the Senate knows how much my father cared for his relation to it, and this last mark of affection and appreciation would have moved him as it does my mother and all of us. Believe me,

Most truly, yours,

ELLEN DAY HALE.

PETITIONS AND MEMORIALS.

The VICE-PRESIDENT presented the petition of Charles A. Park, of Indianapolis, Ind., praying for the adoption of certain amendments to the general land laws, which was referred to the Committee on Public Lands.

He also presented a petition of sundry members of the Patriotic Order Sons of America, of Brooklyn, Md., and a petition of sundry members of the Patriotic Order Sons of America, of Linglestown, Pa., praying for the termination and abrogation of the extradition treaty with Russia; which were referred to the Committee on Foreign Relations.

He also presented petitions of sundry citizens of New York, South Carolina, Arkansas, Michigan, Georgia, Alabama, California, Pennsylvania, North Dakota, Illinois, and of the Territory of Alaska, praying for a reduction of the duty on raw and refined sugars; which were ordered to lie on the table.

Mr. OVERMAN presented resolutions adopted by the Tobacco Board of Trade of Winston-Salem, N. C.; which were ordered to lie on the table and to be printed in the RECORD, as follows:

Resolutions of the Tobacco Board of Trade of Winston-Salem, N. C.

At a meeting of the Tobacco Board of Trade of Winston-Salem, N. C., held June 10, 1909, at 10 o'clock a. m., the following resolutions were adopted:

Whereas a bill has been introduced in the Congress of the United States known as the "free-leaf bill," which has for its purpose the giving to tobacco growers the right to stem, twist, or otherwise manipulate their leaf tobacco and sell same free of the internal-revenue tax, we beg to earnestly protest against the passage of such a bill for the following reasons:

First. That the farmers now have the right under the law to sell their leaf tobacco in its natural state, and if they should be permitted to stem, twist, or otherwise manipulate the same without paying the internal-revenue tax it would open opportunities for others than those who are actually engaged in the production of tobacco to become directly or indirectly interested in farms, thereby defeating the object of this bill.

Second. It will induce the culture of tobacco in localities all over the country unsuited to its growth, and thereby place upon the market in these localities an inferior product at a low price, in competition with the product of the sections now engaged in the production of, and suitable to the growth of, tobacco, causing overproduction of the cheap grades and the lowering of prices, thereby materially injuring the present tobacco farmer.

Third. It will take away the safeguard of the Internal Revenue Department and offer temptations for thieving that would be disastrous to everyone in the tobacco business—farmers, dealers, and manufacturers—and would absolutely do away with the safeguard that now exists; and

Whereas a bill has been introduced to increase the tax on manufactured tobacco, therefore we hereby offer our earnest protest against this proposed increase, as it will further demoralize business, injuring everyone connected with the trade—farmers, dealers, and manufacturers—and we hereby request that you use your best efforts against the passage of this bill.

TOBACCO BOARD OF TRADE OF
WINSTON-SALEM, N. C.

F. A. COLEMAN.

C. I. OGHUM.

R. C. NORFLEET.

Mr. OVERMAN presented resolutions adopted by the Tobacco Board of Trade of Wilson, N. C., which were ordered to lie on the table and be printed in the RECORD, as follows:

At a meeting of the Wilson Tobacco Board of Trade the following resolutions were offered and adopted:

Whereas a bill has been introduced to increase the tax on manufactured tobacco, therefore we hereby offer our earnest protest against

this proposed increase, as it will demoralize business to the extent of injuring everyone connected with the trade—farmers, dealers, and manufacturers—and we hereby request that you use your best efforts against the passage of this bill.

Whereas a bill has been introduced, known as the "free-leaf bill," which has for its purpose giving the right to the farmers to stem, twist, or otherwise manipulate their tobacco and sell same free of tax, we beg to submit our earnest protest against the passage of same, for the following reasons:

First. That the farmers have every right under the present law to sell; and if they are permitted to twist or otherwise manipulate it, it will open opportunities for others to become interested in farms, and the whole object and aim of this bill will be done away with.

Second. It will cause tobacco to be raised in new communities and supply their vicinities, much to the injury of the present growers; and if developed to any extent, overproduction, with lower prices, will follow.

Third. It will take away the safeguard of the Internal Revenue Department and offer temptations for thieving that would be disastrous to everyone in the tobacco business—farmers, dealers, and manufacturers—and would absolutely do away with the safeguards that now exist.

WILSON TOBACCO BOARD OF TRADE,
W. J. BOYKIN, *President*,
H. P. WATSON, *Secretary*.

Mr. PERKINS presented a petition of the Department of California and Nevada, Grand Army of the Republic, and a petition of Whipple Post, No. 49, Grand Army of the Republic, of Eureka, Cal., praying for the enactment of legislation to extend the provisions of the general pension laws to the officers and privates of the First Battalion Mountaineers, California Volunteers, and to their widows and minor children, which were referred to the Committee on Pensions.

Mr. LODGE presented a petition of the Board of Trade of Greenfield, Mass., praying for a removal of the duty on hides, which was ordered to lie on the table.

Mr. DEPEW presented memorials of members of the Klebold Press composing room chapel, of New York City; of members of the New York Journal electrotype chapel, of New York City; of the stereotypers and electrotypers employed by the Troy Record Company, of Troy; and of members of the New York Herald stereotypers' chapel, of New York City, all in the State of New York, remonstrating against the inclusion in the new tariff bill of any duty on news print paper and wood pulp, which were ordered to lie on the table.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WARREN:

A bill (S. 2626) granting to the Montana, Wyoming and Southern Railway Company additional lands for terminal purposes on the Fort Keogh Military Reservation, Mont.; to the Committee on Military Affairs.

By Mr. BRANDEGEE:

A bill (S. 2627) granting an increase of pension to George F. Keeling; to the Committee on Pensions.

By Mr. PERKINS:

A bill (S. 2628) to provide for the naturalization of aliens who have served or shall hereafter serve five years in the United States Navy or Marine Corps; to the Committee on Naval Affairs.

By Mr. PILES:

A bill (S. 2629) granting increase of pensions to survivors of the Indian wars under the acts of July 27, 1892, and June 27, 1902; to the Committee on Pensions.

By Mr. OWEN:

A bill (S. 2630) for the erection of a statue of Sequoyah, a Cherokee Indian, the inventor of the Cherokee alphabet; to the Committee on the Library.

A bill (S. 2631) to establish a fish hatchery at or near Tahlequah, Okla.; to the Committee on Fisheries.

A bill (S. 2632) for the relief of the Miami Indians; to the Committee on Indian Affairs; and

A bill (S. 2633) for the establishment of a probation system in the United States courts, except in the District of Columbia (with an accompanying paper); to the Committee on the Judiciary.

CHAPLAIN OF THE SENATE.

Mr. HALE submitted the following resolution (S. Res. 58) which was considered by unanimous consent, and agreed to:

Senate resolution 58.

Resolved, That until otherwise ordered Rev. Ulysses G. B. Pierce, D. D., shall act as the Chaplain of the Senate.

THE TARIFF.

The VICE-PRESIDENT. The morning business is closed, and the first bill on the calendar will be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

The VICE-PRESIDENT. The pending amendment is that offered by the Senator from Rhode Island [Mr. ALDRICH] on behalf of the Committee on Finance.

Mr. ALDRICH. I beg the Chair's pardon. I think the pending amendment is the one offered by the Senator from Nebraska [Mr. BROWN] to the amendment of the committee.

The VICE-PRESIDENT. The motion of the Senator from Nebraska is practically a motion to strike out. The Chair thinks that the text should be perfected before the motion to strike out is considered.

Mr. BURKETT. Very possibly my colleague [Mr. BROWN] will want to continue his remarks this morning. I suggest the absence of a quorum.

Mr. BEVERIDGE. The Senator from Nebraska [Mr. BROWN] is on his way here now. I think that course is very advisable.

The VICE-PRESIDENT. The Senator from Nebraska suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Clay	Gamble	Page
Beveridge	Crane	Guggenheim	Paynter
Borah	Crawford	Hale	Penrose
Brandeggee	Culberson	Heyburn	Perkins
Briggs	Cullom	Hughes	Piles
Bristow	Cummins	Johnson, N. Dak.	Root
Brown	Davis	Johnston, Ala.	Scott
Bulkeley	Depew	Jones	Simmons
Burkett	Dillingham	Kean	Smoot
Burnham	Dixon	Lodge	Sutherland
Burrows	Dolliver	McLaurin	Tullman
Burton	Fletcher	Martin	Warner
Carter	Flint	Nelson	Warren
Chamberlain	Foster	Nixon	Wetmore
Clapp	Frye	Oliver	
Clark, Wyo.	Gallinger	Overman	

The VICE-PRESIDENT. Sixty-two Senators have answered to the roll call. A quorum of the Senate is present.

Mr. BROWN. Mr. President, I desire to say that I have about concluded my remarks at this time.

The evidence conclusively shows a combination and conspiracy on the part of the print-paper manufacturers to control the production, fix the price of print paper, and to maintain it at excessive and extortionate rates, all at the expense of the newspaper publishers of the country and to the injury of the general public. I present the following evidence to sustain this charge, compiled from the testimony before the House committee:

THE PAPER SITUATION IN 1907.

"In September, 1907, newspaper publishers had notice from the president of the American Paper and Pulp Association that consumption had overtaken production and that a real scarcity was likely in the year 1908 (p. 182). The International Paper Company had told paper consumers that it had oversold 18,000 tons on its production and to that extent must cancel contracts with regular customers for 1908 (p. 92), and that it could not sell them paper, notably the Philadelphia Inquirer (p. 393), even at 5 cents per pound. The Springfield (Mass.) Union was notified by the International Paper Company that the allotment for New England had been curtailed, and its supply of paper to that publication must be stopped (p. 74); that the International Paper Company had given out generally it would make no contract for more than one year (p. 114). It had refused to sell to the Farm and Fireside (p. 82) or to the Newark Evening News (p. 91).

The publisher of the New York Journal of Commerce has been told to act promptly or get left (p. 82).

The Philadelphia Inquirer has been allowed twenty days in which to accept an advance of \$12 per ton on 13,000 tons, a total increase of \$156,000 per annum, or go without any prospect of a supply.

The Philadelphia Inquirer, as well as many other newspapers, had been informed that other paper makers were not in position to make quotations.

Many newspapers had been notified that the paper mill which they had then contracted with could no longer supply them because the mills were oversold; other newspapers had been told by paper companies that they had no paper for sale; that they were buying paper elsewhere to meet their contracts; and that the market was bare.

The Paper Trade Journal had announced \$3.10 on July 1, 1907, as the maximum price for news print paper. The paper-trade publications printed a report in September of a meeting of paper makers which advanced prices \$3 per ton and fixed rates for that period at \$2.60 for less than 1,000 tons and \$2.85 for sheets.

Mr. K. B. Fullerton, of the Manufacturers' Paper Company, announced that he had sold 300 tons at 3 cents per pound, that the entire surplus stock of 60,000 tons of news had disappeared, that the American mills were unable to supply the demand, that they were obliged to look to Canadian mills for all that they

could spare, and that there had never been such a boom in the American paper trade in thirty-five years.

It was stated to the Ways and Means Committee that John A. Davis had bought up 20,000 tons of paper in 1907, to starve the market, and that in March, 1908, in common with others, he had, by threats, driven the Belgo-Canadian supply of 10,000 tons from the American market.

The publishers furnished to the House committee a list of 48 instances wherein paper makers refused to quote prices or to make contracts for paper. They gave 6 references to instances where quotations were made subject to change without notice or for twenty-four hours only.

They furnished testimony of a threat of 3-cent paper by a director of the International Paper Company to Mr. Haines, of the Paterson (N. J.) Evening News.

The House committee record shows that the Cheboygan Paper Company refused to sell at any price (p. 45); that the publisher of the Poughkeepsie (N. Y.) Star was told by selling agents that the price was going to 3 cents (p. 46); that the publisher of the Adrian (Mich.) Telegram had been told by selling agents that the price was likely to go to 3 cents (p. 81); that the Ohio Daily Association, composed of 25 newspapers, had been informed prices will probably reach 3 cents (p. 82); that a representative of the International Paper Company had threatened the Allentown (Pa.) Item "that paper would be 3 cents before long" (p. 82); that a representative of the Chicago Paper Company had informed the Madison (Wis.) State Journal that prices would go to 3 cents (p. 83); that the Winfield (Kans.) Courier had been told the price would be 3 cents at mill (p. 83); that the Butler people of Chicago had predicted to the Danville (Ill.) Daily Press the price would be raised to 3 cents on January 1, 1908. The Tampa (Fla.) Tribune was raised to 3 cents (p. 394) and the publisher of the Tampa (Fla.) Times, after making a contract at \$2.80, was notified that the price had been increased to 3 cents (p. 412).

The Columbus (Ga.) Enquirer-Sun was raised by the International Paper Company on yearly contract to \$2.85 (p. 399); and the Sioux City Tribune was raised to \$2.50, with the information that the price would go to 3 cents (p. 401).

The International Paper Company price at Albany was raised from \$2.75 in March, 1907, to \$2.87 for April, 1908 (p. 405).

The Asheville (N. C.) Gazette News was raised to 3 cents (p. 406).

The Charlotte (N. C.) Observer was raised to \$2.90 (p. 406).

The Newport (R. I.) Daily News was raised to \$2.75 (p. 408).

The Chattanooga (Tenn.) News was raised to \$2.17½ (p. 408).

The Roanoke (Va.) Evening World was raised to \$2.80 (p. 410).

The Macon (Ga.) News was raised to \$2.85 (p. 412).

Paper Trade Journal, March 14, 1907: "Story of a news combine, with two holding companies to divide territory." Also reference to knowledge of "how to escape legal pitfalls."

Paper Trade Journal, March 14, 1907: Article "With practically all the sources of supply under one head, the newspaper publishers must pay the price asked for at least two years, as it would take that long to start new mills."

Paper Mill, April 20, 1907, page 18: Article headed "The news market." A paper manufacturer is quoted as saying, "We are told that news is selling both in New York and Chicago for 3 cents f. o. b. mill, and consumers can not get it even at that price."

Paper Trade Journal, May 2, page 10: "The price of news is climbing steadily toward the 3-cent mark. The increased consumption of news during the past six months is roughly estimated at about 10 to 15 per cent, while the decrease in the normal output during that time, it is said, has been in about the same proportion. With the demand increasing and the output practically decreasing, the situation looks very serious. If there should be a prolonged drought during the summer, there is no telling where the price of news may go in its upward course."

Paper Trade Journal, May 2, 1907, page 60: "The price of news in the face of such conditions is gradually advancing toward the 3-cent mark."

Paper Trade Journal, June 13, page 8: "Manufacturers are talking of still higher prices for news before long."

Paper Trade Journal, June 13, page 60: "Prices, too, are showing a marked upward tendency, and the manufacturers seem to think that 3 cents for news will be a fact before long."

Paper Trade Journal, July 4: "Meeting of mill owners in Milwaukee at the Hotel Pfister in the latter part of June, 1907."

Correspondence in Paper Mill, of August, 1907, dated Appleton, Wis., August 19, 1907, reading as follows:

"Wild reports of print paper going to double its present price are heard daily, there being a general belief that as soon as the

big merger is consummated the price will jump at least 3 or 4 cents a pound. Newspaper correspondents, gloating over the opportunity of filling the public prints with sensational matter concerning the monster trust, are sending out dispatches indicating that within a year newspapers of the country will be paying again as much for their stock as they are at present."

Paper Trade Journal, September 26, 1907, editorial: "The product of Canadian mills is contracted for, and only 100 tons a day is available for this (United States) market."

Paper Trade Journal, September 26, 1907: "No relief through Department of Justice, because Bonaparte said: 'No additional trust busting can be handled by this department. The seven now on are all the department can possibly handle during the present administration.' No readjustment of tariff until 1909."

Paper Trade Journal, September 26, 1907: "Instead of quarreling with the manufacturers of paper over the present prices of paper, the publishers should take counsel with them and should willingly cooperate with the mill owners to the end that manufacturing conditions may not double the cost of news paper within the next few years."

Paper Trade Journal, October 17, 1907, page 12: "News paper has lost none of its previous strength. Prices remain firm at the advanced figures. Some of the publishers are finding difficulty in getting additional supplies at any price. A number of eastern manufacturers are refusing to quote contract price for the next year."

Mr. President, to recapitulate my argument, I submit that the amendment by the Finance Committee, by which it is proposed to increase the low rate fixed by the House, is inexcusable and indefensible from any standpoint. I undertake to say, and I challenge the committee and its members for a contradiction based on facts in existence, that the print paper industry in this country needs no protection. These mills already have an advantage over every foreign print mill, whether it stands in Scandinavia, Germany, or Canada.

Canada is our only competitor in this market. The seas and the inferior product of other countries than Canada protect the mills of the United States against all competition worth mentioning.

This question depends upon the cost of production at home and abroad. If foreigners can manufacture print paper for less than it costs Americans, the amendment of the Finance Committee might find justification. If the fact be, as I have proved it is, that print paper can be made, and is being made, at a less cost here than elsewhere, then any duty in any amount is wholly wrong in principle and utterly unendurable and extortionate in practice.

Canada had an investigation into the subject in 1901. The testimony in that investigation showed that the American mills had an advantage of \$5 per ton in the cost of production of print paper, for the reason that the American mills are so much nearer the great market for the finished product, thereby allowing our mills to fill larger orders near the factories. On this account, the continuance and uninterrupted operation of the mills becomes necessary and lessens the cost of production. Following that report, the manufacturers of Canada petitioned their government to continue the 25 per cent ad valorem duty levied on paper importation.

Does it not seem a little strange that Canada should levy any duty at all on the paper importations, if paper could be made more cheaply in Canada than in the United States? The truth is Canada investigated the facts just as the select committee of the House investigated the facts and found it costs more to produce paper in Canada than it does in the United States, and for that reason the Dominion undertook to protect her manufacturers against the competition of the American by levying a duty on print paper of 15 per cent.

The statement of the Booth mills in Canada shows the cost of production to be \$34.11 per ton. The testimony before the House committee shows the cost per ton of the print paper made by the International Paper Company of the United States to be \$27.74. Another significant fact shown in the hearing before the select committee of the House is that western publishers testified that they bought paper from the Booth mills in Canada and paid the duty and then got it for less than they could have purchased it from the trust.

Our consul in the Province of Quebec reported that the laborers in the Canadian mills receive as high if not higher wages than those in American mills. It is undisputed by the testimony taken by this committee that many of the workers in Canadian mills are American citizens and receive higher wages than when in the United States. Indeed, they were induced to leave their native land by the offer of higher wages by the Canadian paper manufacturers.

If the committee can not argue for a protective duty by reason of the old reliable demand "to protect American labor from the ruinous competition of cheap foreign labor," on what do they base their anxiety for an increase in the rate over that fixed by the House after an exhaustive investigation? Surely the number of laborers on the newspapers and periodicals in this country, which are demanding a lower rate ought to be considered. The print paper for these men is the raw material, and the finished product goes into 10,000,000 homes as the great practical means for education and culture. The newspaper has become a common necessity in every home.

Why, there are 59 news print paper mills all told in the country. I compile from the report of the Census Bureau for 1905 and the House committee hearing. In those mills were employed approximately 19,449 persons. At the same time there were employed on the newspapers and periodicals 145,638 persons—more than seven times as many as in the paper mills. Every laborer on the great papers is affected by the remarkable increase in the rate of paper which took place within the past few years. The total wages and salaries paid by the print paper mills amounted in 1908 to approximately \$10,030,632 annually, while that of the newspapers and periodicals in 1905 reached the enormous sum of \$106,949,199. In Nebraska the newspapers alone paid out in 1905 more by \$200,000 in wages and salaries than did the paper mills in six of the leading paper-making States.

Is it in accord with the Republican principles of protection to protect 19,000 laborers, who do not need protection and who are monthly emigrating across the border into Canada to accept higher wages, and at the same time strike a blow direct at 145,000 of the most intelligent and progressive workers of the country? You can not question my loyalty to the doctrine of protection where protection is needed to develop an industry and maintain a high rate of wages for Americans, but I will not remain silent when extortion is demanded in the name of protection. The testimony before the House committee shows that the International Paper Company itself went into Canada and purchased a large amount of print paper to keep the American publishers from buying it, and this they parceled out among their foreign customers. Because of this purchase of the foreign paper, the trust had too great a supply on hand and was compelled to shut down 24 paper machines while the surplus was being consumed in American presses. And the protected laborers on these 24 machines were compelled to find other jobs.

Print paper was originally made from the waste of the wardrobe and the flax and grain fields. In 1844 a German by the name of Kellar invented a machine for converting wood into paper. While wood had been used prior to that time for paper, no way had been discovered for its conversion into the finished product except with the aid of chemicals. The invention of this machine made it possible three years later to establish the first pulp and paper factory in this country. The industry has grown and prospered since then, until to-day American mills produce more than 1,200,000 tons of print paper annually and are able to supply the American market.

Ground wood pulp is made very largely from the spruce tree, with a limited amount from the hemlock. The spruce is already nearly exhausted in the United States. Science has not yet discovered any other tree which may satisfactorily be converted into pulp by the grinding process. The extent of our spruce supply in America therefore becomes a question of commanding importance.

The domestic consumption of print paper amounts to 1,200,000 tons annually. The total consumption of spruce wood for paper purposes in the United States amounts to 2,700,000 cords per annum. One-third of this amount comes from Canada, the remainder from American forests.

There is no accurate information available to show the extent of the spruce forests in the United States except in the eastern part of the country. The Government Forest Service has made a survey and investigation, and its estimate may therefore be taken as approximately correct. The Forest Service estimate that there are 15,000,000 acres of spruce forests east of the Rocky Mountains. Maine heads the list with approximately 10,000,000 acres. New Hampshire follows with 1,200,000 acres. The spruce on the Pacific coast is more valuable for lumber, and it is used only in limited quantities for paper making. Computing the exhaustion of these spruce forests, on the basis of western consumption for paper purposes, Forester Pinchot estimates they will be exhausted as follows: Maine in twenty-eight years, New Hampshire in twenty-five years, Vermont in eleven years, New York in eight years. He also estimates that Minnesota, with her great forests of black spruce, can not continue her present output and have any left at the end of nine years. Mr. Pinchot also testified that it would be impossible to avoid

the exhaustion by reforestation, for the reason that spruce trees require from seventy-five to one hundred years to reach a diameter of 10 inches. His testimony may be found on page 1367 of the hearings before the Mann committee.

Mr. President, after a long and careful study of the questions that arise from a discussion of the paper and pulp industries, I believe I am justified in drawing the following conclusions:

1. Our pulp-wood supply is nearly exhausted.
2. The pulp-wood supply of Canada is apparently inexhaustible.
3. Free pulp would tend to conserve our pulp wood.
4. The production cost of print paper is less in the United States than in Canada.
5. A ton of news print paper costs in Canada \$34.11 to manufacture; in the United States it costs \$27.74.
6. The print-paper market is controlled in the United States by combination, and whatever duty the law may fix will assist the combination in that control in violation of the law of competition, to the injury and outrage of the public.
7. By reason of such control the cost of print paper to the consumer has been arbitrarily advanced to an unreasonable and unconscionable profit to the manufacturer.
8. Print paper advanced from \$38 in 1907 to \$42 and \$50 per ton in 1908.
9. The importation of print paper for all time has been negligible.
10. The proposed duty on pulp and print paper is therefore not necessary for protective purposes nor useful for revenue purposes. It is an outlaw duty, and should be stricken from this bill.

I ask leave to have the report of the House Select Committee on Pulp and Paper Investigation printed in the Record without reading.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Nebraska? The Chair hears none.

The report referred to is as follows:

Wood pulp, print paper, etc.

PRELIMINARY REPORT OF SELECT COMMITTEE ON PULP AND PAPER INVESTIGATION.

The Select Committee of the House, appointed under House resolution No. 344, to inquire into the elements and conditions involved in the production and supply of wood pulp and print paper in so far as the same are or may be affected by any combination or conspiracy to control, regulate, monopolize, or restrain interstate or foreign commerce and trade in the manufacture, supply, distribution, or sale of wood pulp or paper of any kind, or any of the articles entering into the same, or any of the products of paper, and how far the same may be affected by the import duties upon wood pulp or paper of any kind, and how far the same may be affected by the rapid destruction of the forests of the United States and consequent increase in the price of wood which enters into the manufacture of wood pulp, and also to inquire whether the present prices of print and other paper are controlled in whole or in part by any combination of persons or corporations engaged in commerce among the several States or with foreign nations, and, if so, to inquire into the organization, methods, and practices of such corporations or persons, and also to inquire into certain alleged facts and to obtain all possible information in regard to the same, beg leave to submit a partial and preliminary report and to say that since its appointment the committee has been diligent in making its investigation, and the members of the committee have devoted practically their entire time since appointment to the work of the committee, neglecting their other official duties for that purpose.

The committee listened with interest, attention, and care from April 25 to May 14 to the witnesses appearing in behalf of the contentions of the American Newspaper Publishers' Association, and followed with painstaking care the statements made and evidence presented by Mr. John Norris, who appeared as the special representative of that association. Every opportunity has been given to newspaper publishers to present evidence before the committee, though not all of the publishers who offered to appear or whom the committee would like to hear have yet been examined.

In addition to the testimony presented before the committee, your committee sent out, on May 6, 7,000 letters to various newspapers and other publications throughout the country, asking that a schedule inclosed to them be filled out and returned to the committee, giving certain information as to prices, etc., which schedules, as rapidly as returned, were, up to May 21, turned over to the Census Office for tabulation, and the results of which tabulation have been carefully examined by your committee and are printed in the hearings. Of the schedules which were thus sent out, 919 have been returned and tabulated.

Schedules asking for information were also sent, under the supervision of the Census Office, by your committee to the paper and pulp manufacturers of the United States, but sufficient time has not yet elapsed to have obtained very complete returns from such schedules.

CONTENTION OF PUBLISHERS.

It has been the contention of the newspaper publishing interests—
First. That the price of news-print paper was advanced in September, 1907, to \$50 per ton in New York, and correspondingly elsewhere. A figure that was claimed to be \$12 per ton in advance of the price of two years previous, and that a still further advance was threatened of \$10 per ton more, thereby planning, as claimed, an advance of \$22 per ton.

Second. That the advance actually made and the planning of a further advance were both the result of a combination or conspiracy entered into by the news-print paper manufacturers or their selling agents.

Third. That such advance in price and such combination to make further advance were caused, or at least in part aided, by the tariff duties imposed on wood pulp and print paper, and hence that, in jus-

tice to the newspaper and other printing and publishing interests of the country, the duties on pulp and paper should be repealed.

Fourth. That the decree of the United States court dissolving the General Paper Company had been willfully violated by paper manufacturers in Michigan, Wisconsin, and Minnesota, parties to that decree, who had in violation of the decree acted in concert and agreed as to prices and to the imposition of conditions upon the manufacture, sale, and distribution of the paper manufactured.

The above may not completely state the contention of the newspaper publishers, but it gives a general and fair idea of their claims.

One of the inquiries submitted to your committee was as to the effect of the destruction of the forests of the United States upon the production, supply, and price of wood pulp and print paper.

In the examination of the subject-matters your committee, in addition to the evidence presented to it by the newspaper interests and the pulp and paper manufacturing interests, have had the courteous, attentive, and valuable assistance of the Census Office, the Bureau of Statistics, the Bureau of Labor, the Division of Forestry, and the State and Treasury Departments. Every branch of the administrative service of the Government which has been called upon by your committee has rendered prompt and efficient aid in obtaining valuable information, both at home and from abroad, for the use of the committee and for the benefit of the industries interested.

Prior to the appointment of your committee the statement had been widely circulated that the advance in prices, together with the threatened advance, would entail upon the printing and publishing interests of the United States an additional cost of \$60,000,000 per annum. Subsequently it was explained by the same authority that the actual and threatened advance in news print paper would be over \$24,000,000 per annum.

NEWS PRINT PAPER.

Ordinary news print paper is composed mostly of ground wood. The process of grinding wood consists of pressing it with hydraulic pressure against rapidly revolving grindstones, operated usually with water power. In fact, steam power would be too expensive to grind the wood at the present price of paper. When this wood is ground into pulp and made clean of extraneous matter by various processes, it has mixed with it 20 to 25 per cent of wood pulp or fiber produced by chemical processes, clay to fill the paper to an evenness, coloring matter, etc. The ground pulp is the cheaper, but there is not long fiber enough in it to hold it well together, and the chemical pulp, usually called "sulphite fiber," made from the same wood, is added to give the paper strength.

ESSENTIALS OF CHEAP PAPER.

There are two primary essentials to cheap paper. First, cheap power; second, cheap pulp wood. The cheap power can only be obtained by the development of water power. The use of wood in paper making, while old in various forms, is quite modern in the form of ground wood pulp and the price of printing paper has been greatly reduced in recent years following the development of the ground wood-pulp industry. Probably the lowest price for news-print paper was reached in 1897, though it has been difficult to ascertain the prices at different periods. Most of the news-print paper is sold to the publishers on time contracts and the paper supplied directly from the paper mills.

Usually contracts for news print paper provide that the manufacturer or other seller shall deliver the paper to the publisher, who is the buyer, so that the contracts generally include both the price of the paper and the freight rate. Just how low the average price of news-print paper went in 1897, along with other things at that general period of depression, we have as yet been unable to ascertain, though it would appear that some paper was sold at about 1 1/2 cents a pound.

The tabulation of the returned schedules of newspapers by the Census Office covers but few of the large metropolitan dailies, which are the heavy consumers. From these returns the average price at present, including in many cases freight charges, to 919 newspapers is \$2.86 per hundred pounds of paper; that of these, 361 using paper in rolls have an average price of \$2.54 per hundred pounds, and 558 an average price of \$3.07 for paper in sheets. From these same returns it appears that in 1890 108 of these publishers paid an average price of \$2.84; in 1894, 132 publishers paid an average price of \$2.46; in 1897, 206 paid an average price of \$2.16; in 1900, 364 paid an average price of \$2.10; in 1905, 636 paid an average price of \$2.43; in 1907, 815 paid an average price of \$2.38 per hundred pounds. It seems probable that publishers paying high prices most readily responded to the inquiries of the committee.

It appears that the average price received by the International Paper Company for paper delivered was, in 1900, \$2.06; in 1901, \$2.12; in 1902, \$2.07; in 1903, \$2.14; in 1904, \$2.12; in 1905, \$2.07; in 1906, \$1.99; in 1907, \$2.05; and for the first three months of the current year, \$2.20 per hundred pounds.

The average selling price of the St. Regis Paper Company per hundred pounds of news-print paper f. o. b. mill for January, 1903, was \$1.75; January, 1904, \$1.75; January, 1905, \$1.74; January, 1906, \$1.47; January, 1907, \$1.75; January, 1908, \$2.13. The evidence shows that at this mill, while the selling price f. o. b. mill had increased from \$1.75 in January, 1903, to \$2.13 in January, 1908, the cost of production, excluding interest and depreciation, had increased from \$1.30 in January, 1903, to \$1.61 in January, 1908, and that in January, 1906, while the average selling price was \$1.47 the average production cost was \$1.54.

While there appears to have been complaint on the part of paper manufacturers that the selling price of paper for 1906 was too low to be fairly remunerative, yet we are inclined to think that it was not until the summer of 1907 that there was a general increase in print-paper prices. That a general increase was in fact put into effect on new contracts appears to be unquestioned. Some of the contracts then outstanding were five-year contracts, which had several years yet to run. This appears to have been quite generally true of the large metropolitan dailies, who are the principal consumers of news-print paper. In some of these contracts the prices of paper are based upon the cost of production at certain mills. Others are based upon the annual market price with a maximum price named, and others upon different terms. In one long-term contract still in force covering 90,000 tons of paper a year the price is \$1.88 per hundred pounds delivered to the publisher.

It has been impossible for your committee yet to ascertain what proportion of the print-paper consumption in the United States is under new contracts or at advanced prices. But it appears that the International Paper Company, the largest producer of news-print paper, determined in June, 1907, to advance its price of paper on new contracts to \$2.10 per hundred pounds f. o. b. mill, and at a meeting of its selling committee, held October 11, 1907, it was the unanimous sense of that committee that contracts with large customers for 1908

should be based upon \$2.50 per hundred pounds delivered. Other news-print paper makers generally advanced their prices, so far as your committee has ascertained, about the same time or shortly thereafter.

The advance in price made by the International Paper Company on new contracts was close to 50 cents per hundred pounds, or \$10 per ton. While this advance has applied up to the present time on probably less than one-half the news-print paper consumption, yet, if the advance which was made should be applied to the entire consumption of news-print paper in the United States, it would probably amount to an advance of about \$10,000,000 per annum.

This advance in the price of paper to the publisher on new contracts was in a degree coincident with the decline in the quantity of advertising which followed the recent panic.

COMBINATION IN RESTRAINT OF TRADE.

The evidence before the committee so far fails to prove any combination of print-paper manufacturers to advance prices or otherwise in restraint of trade, but considerable evidence was presented which might excite suspicion that such a combination had been made and was in existence. Evidence was presented in relation to a combination of manila and fiber manufacturers, and it seems to be admitted that that combination did exist, has since been dissolved with a fall in the price of its products, and is now under investigation through the Department of Justice in the United States court at New York.

Such of the paper manufacturers as have appeared before your committee during its hearings have strenuously and completely denied under oath the existence of any combination, agreement, or understanding of any nature whatever among the paper manufacturers or their selling agents to regulate, control, or advance the price of paper, the assignment of customers, or for any other purpose in restraint of trade.

INCREASED COST OF PRODUCTION.

The mill owners insist that there has been a decided increase in the cost of producing paper, caused—

- First. By increase in the cost of pulp wood and wood pulp.
- Second. By increase in the wages of the employees.
- Third. By reduction of the hours of labor per employee per day.
- Fourth. By the increase in the cost of other articles which enter into the production of paper.

INCREASED COST OF WOOD PULP.

There seems to have been a decided increase in the cost of pulp wood. This is admitted by everyone. The average cost to the International Paper Company of pulp wood in the rough, per cord, delivered at the mill, from 1898 to 1908, is stated to us as follows:

1898	5.33
1899	5.26
1900	6.07
1901	6.43
1902	6.83
1903	6.77
1904	7.49
1905	7.79
1906	8.00
1907	8.54
1908 (first 3 months)	10.14

The average cost to the Northwest Paper Company, at Cloquet, Minn., for pulp wood per cord, in the rough, 8-foot lengths:

1902	3.15
1903	3.40
1904	3.60
1905	4.10
1906	5.15
1907	7.40

The average cost of rossed pulp wood per cord to the Remington group of mills, delivered at the mill, was—

1904	11.00
1905	11.12
1906	11.50
1907	13.30
1908 (first 3 months)	14.00

The average cost of rossed pulp wood per cord to the Frank Gilbert Paper Company, delivered at the mill, was—

1894	6.25
1895	8.12
1896	8.12
1897	8.12
1898	8.50
1899	8.75
1900	8.30
1901	8.50
1902	9.00
1903	10.50
1904	11.00
1905	11.21
1906	11.61
1907	13.30
1908 (first 3 months)	13.80

The evidence so far taken would seem to indicate that last summer there became a genuine scare among the mill owners as to the supply of pulp wood for 1908. For the first time the Wisconsin mills purchased pulp wood in Quebec, 1,400 miles distant. Owing to the shortage in the western available supply of pulp wood, the western mills purchased 50,000 cords of pulp wood in Quebec during 1907. It is possible this had much to do with the increase in the price of pulp wood and more or less to do with the increase in the price of paper.

COST OF GROUND PULP.

According to the books of the International Paper Company, the average cost to it of producing 1 ton of ground-wood pulp in 1907 was \$14.42, composed of the following items:

Pulp wood	9.50
Wages	2.53
Grindstones	.11
Felts	.13
Wires	.04
Screen plates	.05
Beltting	.07
Lubricants	.04
Repair material	.77
Repair labor	.32

Fuel	\$0.03
Barn expense	.02
Miscellaneous operating	.07
Office expense	.02
Water rents	.40
Insurances and taxes	.15
Administration expense	.15

The average cost of the amount of ground pulp used in the production of 1 ton of news-print paper was—

1907	\$12.22
1906	11.49
1905	11.08
1904	11.56
1903	10.24
1902	9.41
1901	10.00
1900	9.54
1908 (January and February)	12.77

The cost of production of ground pulp by the Northwest Paper Company per ton, dry weight, was—

1902	\$10.60
1903	12.20
1904	9.87
1905	9.39
1906	13.52
1907	17.10

The cost of production of ground pulp to the St. Regis Paper Company, of the State of New York, per hundred pounds, dry weight, was—

1902	\$0.55
1903	.59
1904	.62
1905	.64
1906	.68
1907	.74
1908 (first two months)	.77

During 1907, ground-wood pulp sold in the market as high as \$30 per ton.

The cost to the International Paper Company of sulphite fiber, per ton, was—

1901	\$25.85
1907	31.38

The cost of production of sulphite fiber to the St. Regis Paper Company, per hundred pounds, dry weight, was—

1902	\$1.36
1903	1.41
1904	1.46
1905	1.46
1906	1.54
1907	1.50
1908	1.61

The average cost to the International Paper Company of the materials used in the manufacture of 1 ton of paper in 1901 was \$21.49, as follows:

Ground pulp	\$10.00
Sulphite fiber	9.02
Sundry fibers	.36
Waste paper	.06
Wrappers	.76
Fillers	.67
Alum	.27
Bleaching	.10
Coloring	.10
Sizing	.15

In 1907 the total cost of materials per ton of paper was \$23.27.

LABOR COST.

The average cost to the International Paper Company of labor in the production of 1 ton of paper from the prepared materials was—

1900	\$3.80
1901	4.00
1902	4.11
1903	4.15
1904	3.94
1905	3.83
1906	3.80
1907	4.19
1908 (January)	4.29
1908 (February)	4.38

The average cost to the International Paper Company of labor in the production of 1 ton of paper from the delivery of the pulp wood at the mill was—

1900	\$7.74
1901	8.02
1902	8.13
1903	8.18
1904	8.04
1905	7.86
1906	7.63
1907	8.52
1908 (first 3 months)	8.81

In the Northwest Paper Company the average cost of labor in the pulp and paper manufacture in 1907 was 18 per cent higher than in 1904.

In the John Edwards Mill, of Wisconsin, the cost of labor in the manufacture of 1 ton of paper from the prepared materials was—

1899	\$3.26
1900	3.00
1901	3.22
1902	3.28
1903	3.32
1904	3.12
1905	3.12
1906	3.25
1907	3.88

In the Northwest Paper Company the cost of labor in 1 ton of paper from the tree in the forest to the completed paper in rolls is stated at \$16.23 in 1907, divided as follows:

Labor in 1 ton of paper from tree to the paper mill, including preparation of the materials	\$10.61
Labor in the paper mill proper	5.62

There seems to have been a considerable increase in the average weekly wage of the employees in the paper and pulp mills. This increase has not been greater than seems to your committee to have been necessary, owing to the increased cost of living, and the wages now paid in the paper and pulp mills would not be generally considered high as compared with other skilled labor, though this may be largely owing to the fact that the mills are generally located on streams apart from large centers of population.

HOURS OF LABOR.

Owing to the fact that the machinery is largely operated in the mills by water power, it is economical to run them night and day. Up to about 1900 or 1901 the employees worked on what is known as the two-tour or two-shift system—that is, an employee would work one week eleven hours during the daytime for six days, or sixty-six hours, and the next week thirteen hours during the night for six nights, or seventy-eight hours.

There were and are, of course, some employees about the mill who work only during the day, but the employees connected with the making and preparation of pulp and the making of paper work at machines that run day and night. About 1901 the hours of labor in the eastern news-print paper mills of the United States were generally reduced, so that an employee alternately worked one week eleven hours per day, or sixty-six hours, and five nights per week of thirteen hours each, or sixty-five hours. Under this system the mills shut down Saturday night. This reduction of hours was accomplished without reduction in wages, and, in fact, it would appear that notwithstanding the reduction in hours there were some increases in wages.

In 1906 and 1907 the International Paper Company and a large number of other eastern news-print paper mills put into effect what is called "the three-tour system," under which there are three shifts of men, each working eight hours per day for six days in the week. This shortening of hours was accomplished without reduction in the wages of the men per week, and in some cases the wages have been increased, so that they are now higher under the eight-hour system than they were under the longer hours.

The reduction in the hours of labor has not been adopted in the Wisconsin and other western mills, where the hours still alternate between sixty-six and seventy-eight hours per week, or an average of twelve hours per day.

In the opinion of your committee it would be very unfortunate to adopt any legislation which would result in a return in the eastern news-print mills to the former system of twelve hours' work per day or which would operate to continue such system in the western mills. While the adoption of the three-tour system instead of the two tour does not advance the wages paid in the mill to the extent of one-half, yet it makes a very considerable and decided increase in the number of employees paid and the total amount of the wages paid out.

According to the advance figures from the Twenty-second Annual Report on Factory Inspection of the New York State department of labor, kindly furnished to the committee by Hon. L. W. Hatch, chief statistician, it appears there were 14,004 employees in 198 paper and pulp mills in New York State, exclusive of New York City, in 1907. Of these, 4,050, or 28.9 per cent, worked less than fifty-one hours per week; 6,302, or 45 per cent, worked more than sixty-three hours per week. In 1906, 3.9 per cent of the employees worked less than fifty-one hours per week, and the number in 1907 was 28.9 per cent. In 1906, 599 employees worked less than fifty-seven hours per week. In 1907 the number was 5,267.

SOME INCREASE IN THE PRICE OF PAPER JUSTIFIED.

It would appear that the increase in the value and cost of pulp wood, the increase in wages, the decrease in the hours of labor of many of the employees, and the increase in the cost of other materials used, justified some increase in the price of paper over the prices previously prevailing, notwithstanding some economies perfected in the production of pulp and paper. The International Paper Company is the largest producer of news-print paper in the United States and produces from 30 to 40 per cent of the entire output.

The evidence shows that the net earnings of that company for the fiscal year ending June 30, 1901, were \$3,054,000; that the average net earnings of the company for the fiscal years from 1899 to 1905, inclusive, were \$2,316,000; that for the fiscal year ending June 30, 1906, the net earnings fell off to \$1,985,000, and for the fiscal year ending June 30, 1907, to \$1,623,000, and for the first six months of the calendar year 1907 to \$777,000; that about the middle of the calendar year 1907 the manufacturing department of the said company submitted reports showing an estimated increased cost of production for the calendar year of 1908 of \$1,500,000 over that for the fiscal year ending June 30, 1907, based on the same quantity of paper. This estimate followed the introduction of the eight-hour system in its mills and was coincident with the scare in reference to the supply and cost of pulp wood. The estimate was based upon an increase of \$300,000 in the cost of labor and \$1,200,000 in the cost of pulp wood.

The evidence shows that at the Hudson River mill, the best equipped of the International Company, the cost of production per ton of news-print paper in 1907, excluding depreciation, interest, and administration expenses, was \$27.59, and for the first three months of 1908, \$30.34. At one of the mills of the International Company the same cost for 1907 was \$37.10.

At the St. Regis mill, one of the modern mills, the cost of production at the mill of news-print paper, excluding depreciation and interest, as shown by the books of the company, was—

	Per 100 pounds.
1902	\$1.34
1903	1.39
1904	1.42
1905	1.55
1906	1.53
1907	1.60
1908 (January and February)	1.66

At the Northwest Paper Company the cost was—

	Per 100 pounds.
1903	\$1.58
1904	1.50
1905	1.52
1906	1.70
1907	1.94

At the Dells Paper and Pulp Company, Eau Claire, Wis., the cost was—

	Per 100 pounds.
1902	\$1.45
1903	1.49
1904	1.48
1905	1.45
1906	1.49
1907	1.79

At the Dells Paper and Pulp Company the difference between the actual cost of production and the selling price per hundred pounds of news-print paper was—

1902	\$0.50
1903	.51
1904	.53
1905	.44
1906	.23
1907	.15

This last represents the net profits excluding any charge for interest or depreciation.

The sworn evidence in behalf of the International Paper Company, based upon its books, shows that the average total cost to it of news-print paper delivered to the customer was \$40.09 per ton for the calendar year 1907, composed of the following items:

Cost of production, including materials, labor, taxes, insurance, and other mill expenses	\$32.38
Cost of administration	1.04
Interest on bonds	1.99
Expenses of delivery	4.68
Total	40.00

Under the estimate submitted by the manufacturing department of the increased cost of production for 1908, it was estimated that the cost in 1908 of paper delivered would be \$43.41. During the first three months of 1907 the International Paper Company delivered 111,718 tons of news print paper, which were billed to consumers at \$40.90 per ton, or \$4,569,000. For the first three months of 1908 the same company delivered 90,791 tons, which were billed to the consumers at \$44.14 per ton, or \$4,008,000.

The evidence shows that the grand total of contracts for paper on the books of the International Paper Company May 1, 1908, called for 427,622 tons at an average price of \$44.53 delivered. The evidence shows that the average selling price of the International Paper Company of news-print paper at the mill, not including cost of delivery, on both domestic and foreign business, was as follows:

Fiscal year.	Domestic.	Foreign.
1900	\$35.54	\$38.02
1901	36.28	38.78
1902	35.80	36.82
1903	37.70	36.48
1904	37.80	37.76
1905	36.94	38.48
1906	35.52	37.76
1907	36.64	37.04

THREE-CENT PAPER.

One of the claims urged by the Publishers' Association was that it was the intention of the paper manufacturers to further increase the price of paper on a basis of 3 cents per pound, or \$60 per ton, delivered at New York, with prices corresponding elsewhere. Such a condition would add more than \$10,000,000 above the present cost of paper. The paper manufacturers strenuously denied there having ever been such an intention, and from the evidence submitted to the committee we find that such an advance was never contemplated.

CANADIAN COMPETITION.

The principal competition with the news print paper and pulp mills of the United States comes from the Canadian mills. From Canada we import a large and rapidly increasing amount of pulp wood. We also import a considerable quantity of wood pulp and are now importing some quantity of news print paper.

Consul-General Foster, at Ottawa, Ontario, reports that the average price of news-print paper at the Laurentide Paper Company mill, at Ottawa, per ton was—

1902	\$38.41
1903	38.83
1904	38.17
1905	37.46
1906	36.41
1907	36.16

While the average price of news print paper at the Canadian mills may be now a trifle less than in the United States, it was until the last year apparently as high, or higher, at the Canadian mills than at the mills in the United States. It is claimed by the paper manufacturers that the low prices now prevailing at the Canadian mills are temporary in nature and the result of the depression in the news print paper market in England and Canada.

EXPORTATION FROM CANADA.

Some of the provincial governments in Canada now discriminate against pulp wood for exportation. It is said that most of the forests in the Provinces of Quebec and Ontario suitable for pulp wood are public, or Crown, lands belonging to the provincial governments. The Province of Quebec makes a license or stumpage charge of 65 cents for each cord of pulp wood cut on its Crown lands, with a reduction or rebate of 25 cents for each cord manufactured into pulp within the Dominion of Canada.

This amounts to an export charge of 25 cents per cord, or nearly 40 per cent of the original license or stumpage charge. It is from the Province of Quebec that most of the pulp wood now imported into the United States is obtained. Wisconsin and other western paper and pulp mills could much more cheaply obtain pulp wood from the Province of Ontario than from Quebec, but the Province of Ontario absolutely prohibits the exportation from Canada of any pulp wood cut on its public lands, though permitting such cutting for manufacture at home.

Canada has immense tracts of spruce forests, spruce being particularly well adapted for making paper. And while these forests have doubtless advanced more or less in value for the production of lumber, yet they ought, together with the spruce forests of the United States, furnish spruce pulp wood in sufficient quantities for paper making for a long time in the future, or perhaps indefinitely with proper conservation.

REMOVAL OF THE TARIFF.

The question as to the removal of the tariff on print paper and wood pulp is intimately connected with the conservation of the forest resources of the United States, as well as its effect upon the paper manufacturing industry and the newspaper-publishing industry. Your committee has taken in its preliminary investigation about 2,000 printed pages of testimony, involving many tables of cost and price.

The committee has not yet completed its investigations and is not yet prepared to make a recommendation as to the permanent policy of the United States in regard to the duty on paper and pulp, except that the committee is firmly of the opinion that the tariff on news-print paper and on wood pulp should not be removed as to paper or pulp coming from any country or place which prohibits the exportation of pulp wood, or which levies any export duty on paper, pulp, or pulp wood, or makes any higher charge in any way upon wood pulp or pulp wood intended for exportation to the United States.

The evidence taken so far would seem to indicate that the temporary suspension or entire removal of the present tariff would not have any great immediate effect, and if the tariff is removed at any time it should be coupled with the right to free exportation of pulp wood from the Canadian forests. The removal of the tariff on print paper and wood pulp, if followed by an export duty on pulp wood coming from Canada, would probably result in a considerable increase in the price of print paper and the early destruction of the pulp-wood forests in the United States.

A low or even moderate price for print paper in the future is dependent mainly upon the future supply and cost of pulp wood. About one-third of the pulp wood now consumed in the manufacture of paper by our mills is imported from Canada. If an export duty should be levied by Canada upon the exportation of pulp wood, or if the Province of Quebec should follow the example of the Province of Ontario and entirely prohibit the exportation of pulp wood cut on its crown lands, the cost of pulp wood in the United States would be greatly enhanced and the price of paper would go up.

A mistaken policy now adopted and put into effect by the United States upon this subject might easily prove of inestimable damage and cause the practical destruction of the cheap daily newspaper.

It would seem that for the American publisher to be assured of low prices for his paper, it is essential to maintain paper mills in the United States. Any policy that would give the Canadian mills a preferential advantage over American mills in obtaining the raw material at a lower price must inevitably result in the dismantling of American paper machines and the ultimate dependence of American publishers on Canadian mills. Under such conditions Canada could levy export duties on print paper that would result in enhanced prices without the presence of competition from American paper manufacturers.

So far as the information yet presented to the committee discloses the facts, your committee is inclined to the opinion that if the American pulp mills can obtain pulp wood from Canada on even terms with the Canadian mills, they can make ground wood pulp as cheaply as it can be imported from Canada free of any duty. What effect the removal of the tariff upon paper would have as to Norwegian and other European competition, your committee is at present unable to say, though it has been claimed before your committee that the wages paid in European countries are only one-third to one-half of the wages paid in the mills of the United States, and that under free-trade competition the low wages in the European countries would be disastrous to the wage scale and the hour scale in the American paper mills.

Your committee proposes during the summer vacation to continue its investigations and expects to be able to present to the House at the next session of Congress definite recommendations, based upon complete information thoroughly considered, as to the various matters of inquiry submitted to the committee. In not presenting at this time definite conclusions and recommendations your committee is guided in part by the fact that no combination in restraint of trade has been proven by the evidence to exist among the paper manufacturers, and that the evidence does not show any intention on the part of the paper manufacturers to further increase the present price of news-print paper, but that on the other hand the evidence does show that the upward tendency in the price of paper, which was so marked during the year 1907, reached its limit some months ago, probably as the result of economic conditions, and that at present the tendency of the news-print paper market is downward. One contract with a large daily paper was recently concluded on the basis of \$2.20 per hundred, delivered in Chicago.

The scare of last year as to the future supply and price of pulp wood and as to the ability of the mills to furnish news-print paper enough to meet the demands of consumption has subsided, and when new contracts are made during the present year for pulp wood to be delivered in 1909 the price is likely to be lower than the prices now being paid for pulp wood on contracts made last year. The decreased consumption of paper consequent upon the general business conditions of the country means a lessened demand for pulp wood, and we believe a consequent return to normal prices.

THE STEVENS BILL.

The so-called "Stevens bill" (H. R. 18608) provides for the repeal of the tariff law so far as it applies to wood pulp and printing paper, with the proviso that if any country or dependency shall impose an export duty on pulp wood there shall be imposed a duty on wood pulp and print paper when imported from such country or dependency to the amount in the case of wood pulp of the export duty and to the amount in the case of printing paper of one-tenth of 1 cent per pound for each dollar of export duty per cord of pulp wood and proportionately for fractions of a dollar of such export duty.

The Stevens bill does not purport to repeal or change the tariff laws as to any class of paper or paper products except printing paper, though all other kinds of paper are affected by the same natural conditions

which have affected the supply and price of printing paper. We doubt whether anyone after full consideration would desire the enactment of the Stevens bill into law in its present shape. The bill makes no provision against the present order of the Ontario government prohibiting the exportation of pulp wood. It contains no safeguard against a similar order by the government of Quebec.

If the Stevens bill should be enacted into law in its present shape, and the Province of Quebec should by order provide that no pulp wood cut on Crown lands should be exported from Canada, it would cause an immediate rise in the price of paper; it would enhance greatly the price of pulp-wood timber in the United States; it would cause the destruction of American forests; it would cripple the paper-manufacturing industry in our country; it would in every way do much harm and prove of benefit in no way.

The spruce forests of Canada and the water-power development in the United States can profitably and economically be used together in the production of print paper at low prices. The necessary cooperation of these two great natural resources may be brought about by mutual agreement or treaty between our country and Canada or perhaps by thoroughly considered and well-safeguarded legislation. It would be much better to secure such cooperation by mutual agreement with the Canadian government, if that can be done. Just what obstacles may be in the way of such an agreement, by reason of the fact that the ownership of the Crown lands is in the provincial governments, or for other reasons, your committee has not fully considered.

As the present price of paper would not to any considerable degree be immediately affected by the repeal of the tariff, and as the passage of the Stevens bill in its present form might spell "ruin" to the paper industry and ruinously high prices for paper in the near future, your committee believe it the part of wisdom before making recommendations for positive legislation to await until its investigation has been completed and thoroughly digested.

All of which is respectfully submitted.

JAMES R. MANN.
JAMES M. MILLER.
WILLIAM H. STAFFORD.
HENRY T. BANNON.

VIEWS OF THE MINORITY.

The undersigned members of the Select Committee on Pulp and Paper Investigation, acting under House resolution No. 344, respectfully recommend the passage of H. R. 18608, introduced by Mr. STEVENS, of Minnesota.

An acute situation, which might be termed trade hysteria, was precipitated in 1907 in news-print manufacture when a group of sixteen Wisconsin mills, known as the Wisconsin Wood Pulp Association, bought 50,000 cords of pulp wood in the Province of Quebec, Canada. This purchase entailed a transportation of that material a distance of 1,500 miles. It introduced a new and unlooked-for factor into what was more or less of a speculative operation. It demoralized the pulp-wood markets of the United States, as well as of Canada, where nearly 1,000,000 cords of pulp wood are bought for export to the United States. It started paper quotations upward until one paper trade journal reported that the current prices for news-print paper on July 1, 1907, ranged from \$52 to \$62 per ton. (See Doctor North's letter to Mr. DALZELL, Hearings, p. 219.) This advance had been foretold by papers, salesmen, and others nearly a year prior to a so-called paper famine.

The Wisconsin and other mills are rapidly exhausting their supply of available spruce, as is shown by their effort to buy and ship wood a distance of 1,500 miles. More than one-half of the spruce wood used in American mills for making news-print paper comes from Canada. At the time that the Wisconsin purchase of Quebec wood caused the trade flurry the officials of the International Paper Company (a corporation producing about one-third of the entire supply of news-print paper manufactured in the United States) computed that the increased cost of their labor by reason of shorter hours had added \$300,000 per annum, or 60 cents per ton, to their expenses, and that their wood would cost \$1,200,000 additional, or \$2.40 upon each ton of paper produced, a total of \$3 per ton upon their entire output of about 500,000 tons for news, manila, and other varieties of paper. (Hearings, p. 1096.)

They also figured that of their news-print paper output, only 55 per cent could be taxed with these burdens because the other 45 per cent of their news-print production had been tied up with low-priced contracts covering the year. Accordingly, they decided upon \$50 per ton delivered as their minimum upon all future sales, which substantially fixed that price for the entire market. This figure carried with it an average advance of about \$10 per ton in a period of two years. The action was too abrupt. It provoked trouble and resentment at a time when newspaper revenues were shrinking because of depressed business conditions. It brought to the attention of the country a situation that demands rectification.

Immediately following the panic of October, 1907, the newspaper publishers sought to offset their losses caused by diminished advertising revenues and by increased cost of paper. They reduced the number of pages of their papers, resulting in a diminution of consumption. The paper mills, which had been taxed to supply the market, soon found their stocks accumulating, with decreasing demand for their product. The market was soon glutted, and paper makers were confronted with the alternative of reducing their prices or closing their mills and discharging their labor.

They decided to maintain the high prices, and this action on their part threw many of their employees into idleness. They kept their prices so far above the normal level that Canadian mills were able to pay the duty of \$6 per ton and to undersell American mills in the American market, doing this while paying wages for labor that compared favorably with the wages paid by the American mills. (Hearings, pp. 691, 805, 995.) This maintenance of high prices under such conditions brought about the unlooked for result of giving to Canadian labor some of that work of production which otherwise would have gone to American labor.

Many cases of hardship have been brought to the attention of the committee. For instance, the Philadelphia Inquirer, using 13,000 tons of news-print paper annually, at a price of \$38 per ton, was notified that it must agree within twenty days to pay an additional price of \$12 per ton, aggregating \$156,000 per annum, or take chances upon its supply of paper. (Hearings, p. 393.) Inquiries at that time showed that a supply elsewhere was not obtainable. The Baltimore American was notified that it must pay \$12 per ton advance upon a consumption of approximately 5,000 tons per annum, or a total advance of \$60,000 per annum, and it had no recourse but to pay. (Hearings, p. 242.)

Many papers published in small cities and towns yielding a meager income had found their entire profits to disappear with this advance. Inquiries made by them disclosed the fact that no other mill than the one from which they had previously obtained their paper could supply them. They were thus forced to the alternative of contracting at the higher price or a suspension of publication. Their embarrassment was aggravated by the inability of newspaper publishers to pass along these burdens of higher price for paper to their customers.

These hardships and this inability to have their customers share the added cost of paper present a case of urgency that differentiates this request for tariff removal from other pending propositions of similar character. The price of a newspaper is like the price of a postage stamp. It is measurably fixed. It can not be raised or lowered to meet the constantly changing prices of raw material. In this respect it is unique.

Evidence of concert of action on the part of the paper makers in obtaining higher prices are furnished by reports from many newspapers located in every part of the country, though actual violation of the criminal statutes has not been shown. However, the paper makers failed to explain the uniformity of price or to entirely justify their advance in price. They admit that numerous meetings of manufacturers have been held, but they deny that prices were definitely fixed at those meetings. They claim that the increased prices were forced upon them by reduction in the hours of labor and by the increased cost of wood.

The total labor cost of the International Paper Company increased 66 cents per ton from 1906 to 1907. An audit of the accounts of the largest mill operated by it (Hearings, pp. 705-710) disclosed the fact that the labor cost of a ton of paper had not increased in that mill in 1907 over 1906, but had diminished \$1.13 per ton by reason of the introduction of improved machinery and of improved methods, and that this diminution in cost was possible and had been accomplished notwithstanding a reduction in the hours of labor of the entire mill force. The testimony also showed that the reduction in the hours of labor was not general throughout the entire country, though all mills raised their prices upon the allegation that "their labor cost had thereby been increased."

The claim that pulp wood had increased in price has more merit than the claim of increased labor cost, but the increase in wood cost did not justify the advances which the paper makers ultimately adopted. The high quotations for pulp wood are open to the suspicion that they are the results of the methods of the larger paper companies which engaged in a scramble for the ownership of timber lands and then bought their supplies in the open market upon the theory that they should conserve their forests and not cut from their own lands but buy from outsiders.

It was shown that the International Paper Company had acquired control of over 4,000,000 acres of spruce timber tracts in the United States and in Canada, and that other large investments by American paper makers had been made in Canadian woodlands. (Hearings, p. 486.) As appears from Canadian reports relating to the export of over 1,836,772 cords of pulp wood, there was no increase in cost during the years 1905, 1906, 1907. The average prices certified by the paper makers upon their exportations in these years were:

1905	\$4.38
1906	4.31
1907	4.37

(Hearings, p. 483.)

These prices were certified by shippers who had no apparent incentive for undervaluation.

An extraordinary and unaccountable secrecy marked the relations of manufacturer and publisher; contracts with large consumers were made under obligations of confidence and secrecy. Requests by the select committee to publishers of metropolitan dailies for information which would illuminate the subject were almost uniformly disregarded. Mail and telegraphic invitations to them to appear and testify were accepted by few. The metropolitan dailies had the advantage of long-time contracts, which had been denied to others, and they viewed with a measure of indifference the burdens suddenly heaped upon a considerable number of smaller papers.

It is upon these publications issued outside of the big cities that the advance in paper prices has been made to fall heavily. Five newspapers in New York City, consuming about 550 tons of news-print paper per day, are practically exempt for the time being from additional cost on account of unexpired contracts.

When an industry is made the beneficiary of a protective tariff and consumers everywhere are taxed to support it, it assumes an obligation to provide for expansion as the needs of the country may require.

It is also under obligation to promote the interests of the labor employed in such protected industries. The testimony submitted to the committee indicates that these obligations were not regarded by the paper makers.

The bill which we recommend will check a destruction of our woodlands, which has been estimated to exceed 1,800 square miles per annum, solely for the purposes of pulp and paper manufacture. Mr. Pinchot, of the Forestry Bureau (Hearings, p. 1357), says that from the meager data at hand the available supply of pulp wood in the United States is as follows:

	Years.
New York (which is the principal paper-making State)	8½
Pennsylvania	9
Minnesota	9
Vermont	11
New Hampshire	25
Maine	25½

Every consideration of public policy suggests the conservation of our woodlands. When the trees are cut from the hills the land loses its absorptive qualities and the rain passes off as if from a tin roof, causing floods and subsequent droughts, carrying rich soil into the rivers, and entailing baleful consequences upon our national resources.

We find that the existing duties have raised the price of wood pulp and print paper not only in itself, but by giving to the paper manufacturers a shelter behind which they could organize combinations which, if not technically susceptible of proof as "unlawful trusts," are, in our opinion, in reality such. It is true that the tariff of itself, perhaps, might not account for the full advance in price, but the tariff plus the tariff-engendered combinations do account for all of it.

We find that the revenues derived from import duties on pulp and printing paper are so small, and the benefits to be obtained from the abolition of those duties are so considerable, that we urge the placing of pulp and printing paper on the free list. We believe that relief

from existing conditions can be fully and promptly secured only by the immediate consideration and passage of H. R. 18608, known as the "Stevens bill."

T. W. SIMS.
WILLIAM H. RYAN.

House of Representatives, Sixtieth Congress, second session, Report No. 2206.

Pulp and paper investigation.

February 15, 1909.—Referred to the Committee on Ways and Means and ordered to be printed.

Mr. MANN, from the Select Committee on Pulp and Paper Investigation, submitted the following report:

The Select Committee appointed under House resolution No. 344, to make investigations concerning pulp wood, pulp, and paper, beg leave to report as follows:

Papers are made from a large number of different materials originating from the fibrous portions of plants. The materials used are, generally speaking, in the nature of waste products. Linen and cotton rags, old papers of various sorts, straws, and the products of the forests not commercially profitable for the manufacture of lumber furnish in the main the raw material from which paper-making pulp is manufactured. Linen rags in the main constitute the material from which the highest grades of paper are made, cotton rags from which lower qualities of paper are made, and different kinds of wood producing different characters of wood pulp, out of which lower grades of paper are manufactured. The refuse material, such as straw, from various of the annual farm crops are also used to a large extent in the production of low grades of paper and strawboards.

There are three processes generally used in this country for the production of pulp or fiber from wood. These are the ground-wood process, sulphite process, and the soda process. The cheap production of the lower grades of paper depend largely upon the cheapness of the ground-wood process. Practically only one kind of tree is used to much extent in the ground-wood process, and that is the spruce tree, including its various varieties.

The ground-wood process consists in pressing a 2-foot stick of spruce wood by hydraulic pressure against a revolving grindstone, the power used being entirely water power capable of operating under favorable conditions twenty-four hours per day. By this process about a ton of ground wood can be obtained from a cord of spruce wood.

The sulphite process consists of a chemical treatment of chipped spruce or hemlock wood with sulphurous acid, by which 1,000 to 1,200 pounds of sulphite fiber may be obtained from a cord of wood.

The soda process consists of the chemical treatment of chipped woods of various kinds, including both soft and hard woods, with caustic soda, by which process about the same number of pounds of soda fiber can be produced from a cord of wood as in the case of the sulphite process.

The ground-wood process is by far the cheapest process known for producing pulp from raw material, and, in addition to being the cheapest process, it produces a larger quantity of pulp than can be produced by any other process from raw materials.

The cheaper grades of paper are usually produced by mechanically mixing ground wood pulp with other kinds of pulp in different degrees of percentage. The ordinary news-print paper is generally produced by the use of about 80 per cent of ground wood and about 20 per cent of sulphite fiber, though the exact percentages differ in different papers and in different mills, it depending somewhat upon the character of the paper to be produced and somewhat upon the character of the ground wood and the sulphite fiber used. Whether other kinds of wood besides spruce can be profitably used for the production of cheap print paper is a matter concerning which there is some difference of opinion, but as a matter of fact practically all of the ground wood manufactured to-day is manufactured by the aid of water power from the different varieties of spruce with a slight admixture of balsam.

So far as the investigations of the committee can indicate, it would seem that the production of news-print paper or the other very cheap grades of paper are to-day dependent upon the continuation of cheap ground wood produced from spruce trees, and that condition is likely to continue to prevail in the future. The amount of spruce forests throughout the world is, of course, limited. The largest spruce forests are in the United States, Canada, Norway, and Sweden. Spruce is used not only for the production of ground wood, but is also the material generally used for the production of sulphite fiber. Not only is this the case, but the best spruce trees of saw-log size are worth more for manufacture into lumber than they are for manufacture at present prices into pulp or fiber.

The amount of spruce consumed in the United States east of the Rocky Mountains during the year 1907, the last year for which we have complete reports, was about 1,260,000 cords for ground wood, about 1,420,000 cords for sulphite fiber, and about 1,300,000 feet b. m., equal to about 2,600,000 cords of lumber, making a total of about 5,280,000 cords. The amount of spruce imported from Canada into the United States for paper making during the fiscal year ending June 30, 1908, is stated at about 920,491 cords. The amount of standing spruce in the United States east of the Rocky Mountains is variously estimated with very rough estimates or guesses at about 35,000,000,000 feet, equal to about 70,000,000 cords, and the total annual production is estimated at about 770,000,000 feet, or about 1,540,000 cords. The amount of standing spruce in the Dominion of Canada can not to-day be safely estimated with any considerable degree of accuracy based upon our present knowledge.

The cheapness of ground wood depends upon cost and convenience of spruce wood, water power, established mills, and transportation. It is quite evident that there is not to-day enough spruce forests standing in the United States to furnish a future constant supply based upon the present methods of manufacture, the probable needs of the future, and the present methods of forest conservation and waste.

Your committee believe and recommend that both the General Government and the state governments, within the limits of their respective jurisdictions, should endeavor to encourage the production of spruce forests, both by giving a more adequate fire protection and by exempting as far as can be young forests from the ordinary rates of taxation. If adequate protection can be given from the danger of fire losses and young spruce forests can be exempted from taxation, private owners may be led to use lands which would otherwise run to waste for the production of forests. The benefit to be obtained from continued production of spruce in the future will not go only to those who may own the forests, but the benefits through the cheapness of paper will be received by the entire population. A private owner can not in general afford to grow a crop which will not mature within from fifty to a hundred years, paying taxes each year upon the value of the

ground and the crop and running the risk all the time of having his entire crop swept away by a forest fire started without his fault and against which his efforts are in vain. There should be organized fire protection in every considerable forest in the United States.

It would be quite possible for the National Government to start large tracts of young spruce forest. If our country should be shut off from the utilization of its present water powers and mills in grinding spruce wood imported from Canada, it would, we think, be the duty of the General Government or of the different state governments to organize, own, protect, and control large areas of young spruce forests, ready to furnish an adequate supply of spruce wood when the existing forests shall have in the main been exhausted.

It is highly probable, however, that there exists sufficient spruce forests and spruce forest lands in the United States and Canada which, if protected by any reasonable conservation and reproduction methods, will furnish a sufficient supply of spruce wood for paper making for all time to come.

We believe and recommend that the tariff on ground wood coming into the United States be removed and ground wood admitted free under certain conditions. Practically, the question relates in the main to our relations with Canada. In some of the Provinces of Canada pulp wood can not now be exported from the Dominion if cut upon the public lands, and in other Provinces there is a higher charge for pulp wood cut upon the public lands if such pulp wood is to be exported. We therefore recommend that in revising the tariff there be inserted the following schedule:

"Mechanically ground wood pulp, one-twelfth of 1 cent per pound, dry weight: *Provided, however,* That mechanically ground wood pulp shall be admitted free of duty from any country, dependency, province, or other subdivision of government which does not forbid or restrict the exportation of or impose any export duty, export license fee, or other export charge of any kind whatsoever, either directly or indirectly (whether in the form of additional charge or license fee, or otherwise), upon mechanically ground wood pulp or wood for use in the manufacture of wood pulp.

"Chemical wood pulp, unbleached, one-sixth of 1 cent per pound, dry weight; bleached, one-fourth of 1 cent per pound, dry weight: *Provided,* That if any country, dependency, or province shall impose an export duty or other export charge of any kind whatsoever, either directly or indirectly, on pulp wood exported to the United States, the amount of such export duty or other export charge shall be added as an additional duty to the duties herein imposed upon, wood pulp when imported from such country, dependency, or province."

It can not be expected that Canada or its Provinces will remove the present discriminations as to the exportation of pulp wood to the United States or cease from adding additional discriminations unless we also lessen the tariff on the cheap paper which is made mainly from spruce wood.

The United States is amply able to protect its future supply of cheap paper and its future supply of spruce wood by undertaking the production of new spruce forests and the conservation and reproduction of existing spruce forests, but a very large proportion of the spruce forests of Canada, consisting of small, black spruce timber, is practically valueless for manufacture into lumber and profitable to cut only for the manufacture of ground wood and cheap paper. It would seem desirable, both for our own country generally, for the pulp and paper mills of our country now largely dependent upon the Canadian pulp-wood supply, as well as a matter of neighborly courtesy and interest, if we endeavor to utilize in our country with its great reading population those Canadian forests of spruce which if shut out of our country would be of little value; and we believe and recommend that in the long run it will be mutually profitable, both to the publishers and other users of cheap paper in the United States, to the mills producing print paper, to the owners of American spruce forests, to the owners of the Canadian spruce forests, and to the mutual good feeling and respect of our two countries, if a considerable reduction be made in the tariff on the cheaper grades of print paper, dependent, however, upon receiving from Canada (so far as the supply comes from her) the removal of all discriminations now existing in that country or its provinces against the exportation of pulp wood into the United States and the prevention of future discriminations in the exportation of either ground wood or paper. We therefore recommend that in the revision of the tariff the following schedule be inserted:

"Printing paper, unsized, sized or glued, suitable for newspaper and books, valued at not above two and one-fourth cents per pound, one-tenth of one cent per pound; valued above two and one-fourth cents and not above two and one-half cents per pound, two-tenths of one cent per pound; valued above two and one-half cents per pound and not above three cents per pound, five-tenths of one cent per pound; valued above three cents and not above four cents per pound, six-tenths of one cent per pound; valued above four cents and not above five cents per pound, eight-tenths of one cent per pound; valued above five cents per pound, fifteen per centum ad valorem: *Provided,* That if any country, dependency, or province shall impose an export duty or other export charge of any kind whatsoever upon pulp wood, wood pulp, or printing paper, exported to the United States, or if any country, dependency, or province forbids or restricts the exportation of pulp wood, wood pulp or paper to the United States in any way there shall be imposed upon printing paper, when imported from such country, dependency, or province, an additional duty of two-tenths of one cent per pound, if valued at two and one-half cents per pound or less, and in addition thereto the amount of the export duty or other export charge imposed by such country, dependency, or province upon the printing paper imported from such country into the United States."

The present tariff on print paper valued at 2 cents per pound or less is three-tenths of 1 cent a pound; valued at over 2 cents a pound and not over 2½ cents a pound, four-tenths of 1 cent a pound. The schedule we propose is one-tenth of 1 cent a pound on paper valued at not over 2½ cents a pound, and two-tenths of 1 cent a pound on paper valued above 2½ cents and not above 2½ cents per pound. This in the main is a reduction in the tariff on ordinary news-print paper from \$6 a ton to \$2 per ton.

The retention of a duty of one-tenth of 1 cent per pound, as suggested, is justified both on the principles of a tariff for revenue and a tariff for protection. It is not desirable to strike down or injure the present paper mills in the United States. To do so would not only be very expensive to the present paper-mill owners and employees, but would, probably, in the future enhance the cost and price of paper. The duty proposed is about equal to the additional cost of labor in the United States and the additional cost of materials used by the paper mills caused by other tariff provisions.

The committee also recommend that the Bureau of Plant Industry make investigations in the procurement and breeding of annual and

perennial plants in the endeavor to find either some new plant or some existing plant which through breeding to that end can be profitably used for the commercial manufacture of paper, not believing, however, that it is possible to find or produce any annual or perennial plant which can successfully compete with spruce ground wood in the production of the cheaper grades of print paper. We recommend also that the Forest Service investigate the question of the production of ground wood and sulphite fiber from other kinds of wood than those now used. It is not unlikely in our opinion that by a difference in the mechanical treatment, or by some other slight treatment, it will be possible to successfully manufacture a good cheap grade of news printing paper by the ground-wood process from other than spruce.

That there is an enormous waste in the forests is conceded by everybody familiar with the facts. Much of what would otherwise be waste is now absorbed in pulp manufacture. A large proportion of the spruce wood used in the United States for ground wood would be valueless if not so used, and the same is true to a much greater degree in the case of woods used for sulphite and soda fiber. In many places in the eastern and southeastern States, and in some cases in western States, practically all of the waste from lumbering is saved and used in the production of either sulphite or soda fiber. This saving should be encouraged in every way practicable. In some of the eastern mills, where the trees are cut into saw logs and manufactured into lumber, the slabs and edgings, limbs and tops, in the proper kinds of wood, are used in the manufacture of sulphite, and the same is true of other kinds of wood which are manufactured into soda fiber. The manufacture of sulphite and soda from fibers is not overly profitable under existing conditions, and as the main competition with these products is from mills in Europe, where the labor is much cheaper and many of the articles which are used in the processes are much cheaper, we do not think that the present rate of duty on chemical pulp, consisting in the main of sulphite and soda fiber and also a sulphate fiber, should be disturbed, and in the recommendation we have made above we have recommended that the existing rates of duty upon chemical pulp should not be disturbed as they now exist.

Your committee has taken a vast amount of testimony, which is acknowledged to be of great benefit in the pulp and paper trade. We have collected a large amount of information which, both at present and in the future, will prove of immense service to those who are interested in the use or production of pulp or paper. Your committee personally has visited and inspected carefully a large number of pulp and paper mills, have inspected and examined forests, both in the United States and in Canada, have given long study to the woods used, have considered every phase of the subject concerning which information was available, and have reached the conclusions hereinabove stated. It is not practicable, or, in the opinion of your committee, necessary for the committee in this report to set forth in detail or even in a general way the results of the information obtained.

The committee has obtained from a large number of newspaper publishers of the United States schedules showing the cost to them of paper through a series of years, which schedules have been tabulated and published in the committee's hearings.

The committee has also obtained schedules from the pulp and paper manufacturers of the United States, giving information concerning the capital invested, the cost of production, the percentage of cost paid in wages, the selling price of the articles produced, the quantity of production, etc., which schedules have been reduced to general tabulations and the tabulations published in the hearings.

The committee has also carefully investigated, through schedules and through the aid of the Department of Labor, the percentage of wages going into the cost of production of pulp and paper and the cost of labor per unit both for pulp and paper, including the cost from the forest to the finished product, all of which tables are published in the hearings.

The committee has also investigated, through statements obtained from manufacturers in Canada and through personal investigation by the Department of Labor, the wage cost in Canadian mills. The committee has also obtained information concerning the wage cost and cost of production in Sweden. The committee has also obtained through the Treasury Department full information as to the importations of pulp wood, wood pulp, and print paper into the United States from different places and at different ports of entry. The committee has also obtained full and complete information as to the exportation and importation of paper and paper-making materials from and to the different countries of the world. All of this information has been published in the hearings of the committee, comprising between 3,000 and 4,000 pages of printed testimony, and all of which has been carefully and conscientiously considered by the committee in forming its decision.

The members of your committee, when appointed, had no special or general knowledge of the subject. They have labored diligently and as effectively as they could. The effort of your committee has been to arrive at facts and just conclusions, regardless of personal bias or partisan considerations. The recommendations which the committee present are the unanimous views of the entire membership of the committee. In making its report to the House, the committee begs leave to express its thanks and appreciation for the services rendered to the committee by the President, by the State Department, by the Census Office, by the Bureau of Statistics, by the Bureau of Corporations, by the Bureau of Labor, by the Forest Service, and by the Bureau of Plant Industry. We also beg to acknowledge the courtesy of information freely and voluntarily furnished by many of the mill owners and by the American Pulp and Paper Association, as well as the American Publishers' Association, and the chairman of its committee on paper.

While your committee does not feel that it has exhausted the subject, it can only say it has done as well as its members knew how.

Your committee begs leave to state that unless otherwise directed by the House it will continue and complete the work of publishing and indexing the tabulations prepared and the evidence taken by the committee.

All of which is respectfully submitted.

JAMES R. MANN.
JAMES M. MILLER.
WILLIAM H. STAFFORD.
HENRY T. BANNON.
THELUS W. SIMS.
WILLIAM H. RYAN.

Mr. HALE. The senior Senator from New Hampshire [Mr. GALLINGER] proposes to take the floor. He has been sent for and will be here in a minute or two.

The VICE-PRESIDENT. Is it the wish of the Senator from Rhode Island to dispose of the other committee amendments to the paragraph? That might be done while awaiting the return of the Senator from New Hampshire.

Mr. ALDRICH. I think we can not do that, because they are all dependent on the disposition of the pending amendment. We might take up some other matter. There is one amendment to paragraph 1 which we might take up in the absence of the Senator from New Hampshire.

The VICE-PRESIDENT. The Senator from Rhode Island, without objection, offers an amendment to paragraph 1.

Mr. ALDRICH. It is an amendment relating to boracic acid, which should have been made some time ago. It takes a pound and a half of borax to make a pound of boracic acid, and the rate should have been fixed at 3 cents a pound on boracic acid. I ask that that modification be made.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. In paragraph 1, page 2, line 15, after the words "boracic acid" and the comma, strike out "two" and insert "three," so as to read:

Boracic acid, 3 cents per pound.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PENROSE. In line 20, I should like to move an amendment to place the duty on oxalic acid at 2 cents per pound.

The VICE-PRESIDENT. The Secretary will state the amendment.

The SECRETARY. In line 20, after the words "oxalic acid" and the comma, strike out "1 cent" and insert "2 cents," so as to read:

Oxalic acid, 2 cents per pound.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE-PRESIDENT. The paragraph as amended will be agreed to, without objection.

Mr. ALDRICH. I offer an amendment to paragraph 86, page 20, in regard to Keene's cement. I will not ask to have it considered now, but ask to have it printed in order that the Senate may be advised of its character.

The VICE-PRESIDENT. The amendment will be received and printed.

The amendment is, on page 20, to strike out all of line 12 and to insert the following:

If valued at \$10 per ton or less, \$3.50 per ton; if valued above \$10 and not above \$15 per ton, \$5 per ton; if valued above \$15 and not above \$30 per ton, \$10 per ton; if valued above \$30 per ton, \$14 per ton.

Mr. GALLINGER. Mr. President, I have persistently refrained from unnecessarily occupying any time in the discussion of abstract tariff matters, feeling an intense desire to have this bill become a law at the earliest possible moment. The great business interests of the country are anxiously watching our proceedings, and the laboring men are hoping and praying for a settlement of the controversy, believing that industrial activity will then be accelerated and added employment be given to the class to which they belong. But notwithstanding my disinclination to occupy the attention of the Senate, I feel constrained to submit some observations against the proposed reduction of duties on print paper and wood pulp, and especially to enter my solemn protest against the free-trade argument of the Senator from Nebraska and the industrial war scare that he has raised between this country of 85,000,000 people and the Dominion of Canada, with six or seven million population. With some knowledge of the relations between the United States and Canada, neither the heated speech of the Senator from Nebraska nor the heated speech of the premier of the Province of Quebec—not the premier of the Dominion—will alarm me in the least.

Mr. President, it is interesting to note the fact that Senators who live in States where trees are as scarce as hen's teeth assume to instruct some of the rest of us on questions that presumably we fairly well understand.

They see devastating floods, disastrous droughts; and all kinds of damage to property interests if those who own forests, and who largely derive a living from forest products, are not by legislation regulated and restrained in their legitimate pursuits. But, Mr. President, from the time of the first memorable flood to the present day the earth has been visited by floods and droughts and pestilence, and doubtless will be to the end of time. Very likely the ruthless and indiscriminate removal of the forests has had a tendency to disturb the equal and normal flow of water in the streams of the country, but the ex-

tent to which this has occurred has been greatly exaggerated. The truth is that under modern methods of lumbering many of the evils of the past have been cured and the dangers from floods have been reduced to the minimum.

As an illustration of what New Hampshire is doing in the direction of forest preservation, I beg to call attention to some of the provisions of our statutes on that subject.

For many years New Hampshire has had a forestry commission, appointed by the governor, and in addition public-spirited citizens several years ago organized a voluntary commission which has done splendid work. Our laws have been designed to conserve the timber lands of the State along practical lines, and at the last session of the legislature the laws were amended and strengthened so as to provide for the appointment of a state forester and fire wardens in every town and city of the State, their duties being clearly defined, and largely following the provisions of the statutes relating to our national forest reserves. The law is complete in its details and can not fail to adequately protect the forests of the State. Reforestation is also being carried on with a view to the indefinite perpetuation of the timber supply.

It will thus be seen that New Hampshire is not unmindful of the best interests of her forests, and what is true of New Hampshire is relatively true of the other States where trees are a valuable asset to the owners of the land. Marvelous progress has been made in that direction of late years, and the profligacy and vandalism which formerly prevailed, and which we all deplore, will inevitably come to an end.

At a very largely attended meeting of Adirondack timber-land owners, held in Watertown, N. Y., on the 9th of March last, the following resolutions were adopted:

Resolved, That this conference of owners of 1,250,000 acres of timber lands in the Adirondack region declare itself in favor of the adoption by all timber-land owners of such practical methods as will insure the conservation of the Adirondack forests, and in favor of legislation which will accomplish this end.

Resolved, That this conference of owners of 1,250,000 acreage of timber land in the Adirondacks declare its belief that the removal or reduction of present duties on lumber, paper, or other forest products will not lead to the conservation of the forests, but to their speedy destruction, and will discourage any effort on the part of timber-land owners to adopt approved forest methods and reforestation.

The observations I have made, Mr. President, are preliminary to a discussion of the proposition embodied in the bill as it came from the House, to put wood pulp on the free list and reduce the duty on print paper from six to two dollars per ton. I shall endeavor to point out that no reduction whatever should be made, but if it should be decided to act otherwise the reduction should not be so sweeping and cruel as to destroy one of the leading industries of the United States and transfer it to our neighbors on the North. It has been truthfully represented that the reduction of these duties will seriously injure the industry without any corresponding advantage in any direction. Thirty-two States have paper and pulp mills, and there are great possibilities for the industry if not destroyed by tariff legislation.

The value of the paper and pulp produced in the United States during 1907 is estimated to be \$250,000,000, and the total value of news print paper produced during 1907 in the United States is estimated to be \$50,000,000.

A year ago the demand was made that Congress should immediately take the duty off from print paper and pulp, allegations being made that the whole industry consisted of a monopoly and that extortionate prices were being demanded under the shield of the tariff. A special committee of investigation was appointed by the House of Representatives, with the result that it has been conclusively shown that there is no monopoly in the business or any branch of it; that there is no combination in restraint of trade among the manufacturers of news print paper; and that the recent small increase in price was due to natural causes, such as increase in cost of labor and of wood. Prices were shown not to be exorbitant. It has also been shown that the tariff has not been responsible for any rise in the price of paper. These conclusions were foreshadowed by the preliminary report of the investigating committee and confirmed by their final determination.

Nevertheless, the committee, from a process of reasoning not easily understood, recommended the removal of all restrictions on the importation of ground wood pulp and a decrease in the duty on news print paper from \$6 to \$2 per ton, such privileges to be enjoyed by such countries or dependencies as give us pulp wood on equal terms with the domestic consumer. Practically speaking, this means that the Province of Quebec can get the benefit of these concessions by lowering its charge for pulp-wood stumpage by an amount equal to 37½ cents per ton of paper. The eastern mills depend for from only one-fourth to one-third of their supply upon the Provinces of New Brunswick and Quebec. New Brunswick has no export duty or other form

of embargo on pulp wood. Quebec charges 25 cents per cord more for stumpage on wood pulp cut from crown lands if such wood is exported to the United States. The utmost the American manufacturers can gain, therefore, is the removal of this 25-cent discrimination, in return for which it is proposed to give a reduction of \$4 per ton in the duty on paper.

As most of the Canadian paper and ground wood pulp is produced in Quebec, the competition in this country will be felt principally by the eastern mills. In other words, the eastern mills will gain practically nothing in the way of concessions by Canada, but will suffer greatly from our own concessions. The duties are now so low as to afford no sound excuse for repeal or reduction on any economic grounds, or for complaint by Canada, which country has equal duties in her tariff against us.

Mr. President, if the principles of the Republican party and platform were adhered to, the duties on paper and pulp might rightly be increased rather than diminished. The Republican party, in its platform, made a specific avowal of its intention in regard to the revision of the tariff along lines of protection to all industries. The Democratic platform made a specific avowal of its intention to remove the duty on paper and pulp. It now remains to be seen whether Congress will follow out the principles of the Republican party or yield to the unreasonable and unreasoning demands of the Democratic party.

The grounds on which the Democratic platform proposed to remove the duty from paper and pulp have been shown to be erroneous. The chief reason advanced was the preservation of our forests. The American people have recently learned a good many things about the relation of the paper industry to the forests which they did not know before. Less than 2 per cent of the total consumption of wood in this country is domestic pulp wood. Further consideration of the relation of the tariff to forest conservation has persuaded many people that lowering the tariff on paper or removing it would tend to destroy rather than to conserve the forests in this country and compel the owners of timber lands to strip them promptly before being driven out of business or over to Canada. The forestry commissioners of the States of New York, Maine, Vermont, and New Hampshire have all stated that this will be the result.

The forestry commissioner of the State of Maine very truthfully says:

Since the advent of the pulp and paper industry in Maine, covering a period of less than twenty years, the system of handling our forest lands has been completely revolutionized. Prior to ten years ago, in cutting logs in the woods, it has been demonstrated by actual tests and measurements that only from 60 to 65 per cent of the volume of lumber trees actually cut was saved and utilized for lumber purposes, while since that period, on account of the paper industry, it has been demonstrated by later measurements and experiments that from 80 to 85 per cent of the volume of the lumber trees is actually utilized, and what is of far greater importance is the fact that crooked, seamy, and defective trees, as well as all of the undersized trees formerly cut and destroyed in swamping roads and in making yards and landings, are now all utilized.

The forestry commission of the State of New Hampshire memorialized the congressional delegation from that State in these words:

To the New Hampshire congressional delegation:

GENTLEMEN: The New Hampshire forestry commission, believing that the removal or substantial reduction of the existing tariff rates on print paper, wood pulp, and lumber would work a serious and irreparable injury to two of our most important industries, upon which several thousand of our people depend for a living, and compel the rapid stripping of our forests of all soft-wood trees now usable for lumber or pulp, earnestly protest against the removal or reduction of the existing duties, and ask our Senators and Members of the House of Representatives in Congress to do everything in their power to retain the duties upon print paper, wood pulp, and lumber as they now are.

ROBERT E. FAULKNER, *Secretary*,

ROBERT P. BASS,

JASON E. TOLLES, *President*,

New Hampshire Forestry Commission.

CONCORD, N. H., March 17, 1909.

Mr. President, as a matter of fact, the paper manufacturers have for eleven years advocated the adoption of practical forestry methods and conservation of the forests in this country, and it is with this object that they have acquired timber lands in Canada, and now own twice as much forest area in Canada as in the United States. Some of the largest holders of timber lands in the United States for years have been operating their timber lands in accordance with the advice of the Forestry Department in Washington. A concerted movement has recently been started, representing three-fifths of the paper manufacturers' holdings of timber lands, for the purpose of extending the application of forestry principles not only on the part of paper manufacturers, but to make an example to be followed by other industries. This movement will surely be killed if the paper industry is deprived of adequate protection, and the value of 2,700,000 acres of timber lands New England owned by paper manufacturers will be seriously jeopardized.

No valid argument for lowering the duty on paper has been advanced. The principles of the protective tariff and the pledges of the Republican party, the conservation of the forest and the perpetuation of the paper industry in this country, and particularly in New England, the welfare of the numerous communities largely dependent upon the paper industry, as well as the general prosperity of the country, are all positive reasons why the tariff should not be lowered. The present duty on print paper is only 15 per cent ad valorem, being among the lowest duties in the bill. The proposed duty of \$2 per ton, or about 5 per cent, on print paper would not cover the difference in labor alone, while in addition there is a difference of \$7 or \$8 per ton in the cost of wood in favor of Canadian mills. Such a reduction as is proposed would inevitably lead to a readjustment of wages and hours of many thousands of wage-earners in this industry, if, indeed, it did not blot the industry out of existence. The simple truth is that removal or reduction of duty will increase the profit of the Canadian manufacturer, deprive our Government of much-needed revenue, encourage the building of mills in Canada, and discourage the building of mills in the United States. That will be the inevitable result.

New Hampshire has 28 paper mills, the estimated capital being \$16,000,000; number of wage-earners, not including operations in the woods, 4,000; wages paid annually, \$2,000,000; value of products, about \$10,000,000. The yearly capacity of the mills are: Paper, 200,000 tons; ground wood, 200,000 tons; sulphite, 150,000 tons. They have 40,000 horsepower. The timber lands owned by paper makers in the State aggregate 700,000 acres. These timber lands can not be conserved unless the industry is on a profitable basis.

New Hampshire ranks seventh in capital and output among the States manufacturing paper.

Maine has a much greater stake in this matter than New Hampshire, which will doubtless be adverted to by the Senators from that State.

At this point, Mr. President, I ask permission to insert, without reading, a brief table showing the enormous increases in the importation of paper and pulp under the rates of the Dingley law.

The PRESIDING OFFICER (Mr. PAGE in the chair). Without objection, the matter will be inserted in the RECORD.

The matter referred to is as follows:

Statement showing increase under Dingley Act of imports of paper and pulp into the United States, 1898-1909. [Compiled from the reports of the Bureau of Statistics, Department of Commerce and Labor.]

Fiscal Year.	Printing paper, valued at not over 2 cents per pound. ^a			Mechanical ground wood pulp. ^a			Chemical pulp, bleached and unbleached. ^b			Total imports of pulp, paper, and manufactures of paper. (Schedule M.)	
	Quantity.	Value at shipping point.	Duties collected.	Quantity.	Value at shipping point.	Duties collected.	Quantity.	Value at shipping point.	Duties collected.	Value.	Duties collected. ^c
	Pounds.			Pounds.			Pounds.				
1898				48,270,574	\$277,536.17	\$40,225.50	16,170,510	\$296,311.00	\$33,536.40	\$6,324,372.00	\$1,004,947.65
1899	50	\$1.00	\$0.15	49,033,269	287,795.43	40,861.68	22,877,915	390,554.98	44,786.27	6,943,510.00	1,103,563.44
1900	171,424	3,411.00	514.27	70,222,823	491,889.36	58,519.04	110,320,755	1,914,208.36	200,628.87	9,772,901.00	1,628,180.61
1901	36,277	724.00	108.83	32,979,155	145,920.27	19,149.32	79,425,575	1,430,097.50	145,889.67	9,871,927.00	1,507,229.01
1902	98,686	1,927.47	295.77	42,892,200	286,221.89	35,743.53	105,752,161	1,781,286.58	197,396.67	10,414,190.00	1,690,866.87
1903	41,306	763.00	123.92	87,350,675	567,141.81	77,661.51	168,595,354	2,821,730.56	339,957.58	12,444,744.00	2,091,798.03
1904	3,781,160	70,281.00	11,351.12	160,136,127	1,113,698.14	145,177.46	139,098,375	2,497,519.51	280,224.83	13,449,941.00	2,274,167.91
1905	6,638,242	124,563.00	19,896.76	232,757,369	1,662,611.25	206,924.02	143,221,154	2,833,537.00	290,387.94	14,714,452.00	2,542,106.70
1906	3,576,718	64,382.00	10,730.15	182,044,993	1,237,628.65	154,563.34	169,392,862	3,339,109.61	238,784.89	17,183,651.00	2,978,498.25
1907	17,466,620	312,772.00	52,619.42	235,413,303	1,528,975.04	201,970.69	242,099,569	4,850,156.65	477,190.95	23,628,051.00	4,231,262.49
1908	29,058,120	546,772.81	88,418.96	256,790,634	1,749,250.31	217,638.87	286,159,107	5,540,553.56	540,878.96	25,573,077.00	4,725,399.84
1909 ^d	42,102,819	791,533.00	126,306.45	303,388,500	2,427,108.00	252,823.75	353,408,604	6,553,328.00	547,109.76	24,510,931.00	4,645,765.84

^a Imported entirely from Canada.

^b This pulp comes from Canada, Norway, Sweden, Finland, and Germany.

^c Estimated at 21 per cent on dutiable imports on basis of collections of 1907.

^d Printing paper exported from Canada to United States, March 31, 1908-9, as per official statement of Dominion government. Quantity not specified; estimated at 1.88 cents per pound. Duty, three-tenths cent per pound.

^e Exported from Canada to United States, as per official statement of Dominion government. Value not specified; estimated at eight-tenths cent per pound. Duty, one-twelfth cent per pound.

^f Estimated for the full fiscal year of 1909 on basis of figures for nine months, viz, 265,052,703 pounds; value, \$4,914,996.

^g Estimated for the full fiscal year of 1909 on basis of figures for nine months, viz, \$18,383,198.

Mr. GALLINGER. It appears from this table that in 1899 we imported 50 pounds of print paper, while in 1908 we imported 29,058,120 pounds, and the estimate for 1909 is over 42,000,000 pounds. Of mechanical ground pulp, we imported in 1898, 48,270,574 pounds, and the estimate for 1909 is 303,388,500 pounds. Of chemical pulp, we imported in 1899, 16,170,510 pounds; in 1908, 286,159,107 pounds; and the estimate for the present year is 353,408,604 pounds.

Mr. FRYE. And full duty was paid on all of it.

Mr. GALLINGER. As the Senator from Maine very aptly suggests, the full duty was paid on all these importations, aggregating an enormous amount of foreign product.

The rates of duty on print paper in our various tariff laws have been 7½ per cent in 1789, 30 per cent in 1846, 35 per cent in 1862 and 1872, 15 per cent in 1883, 1890, and 1897, and it is now proposed by the House bill to reduce it to 5 per cent, or \$2 per ton, the lowest rate ever known in the history of the country. It is in striking contrast to the duties in other countries. In Austria-Hungary the duty is \$16.44; in Finland, \$71.55; in France, \$22.58; in Germany, \$21.42; in Italy, \$26.06; in Norway, \$7.24; in Sweden, \$24.12; in Canada, \$6 to \$6.75; and in Mexico, \$33.62. I do not vouch for the absolute accuracy of those figures, but they are certainly approximately correct.

Now, let us look at the average price at which paper was sold to consumers in Great Britain, France, Germany, and the United States in the years 1890, 1895, 1900, 1905, and 1908:

	Great Britain.	France.	Germany.	United States.
1890	\$77.72	\$77.95	\$64.68	\$68.00
1895	50.52	55.29	49.58	45.00
1900	48.00	58.46	56.05	43.64
1905	42.92	54.12	47.44	42.75
1908	44.20	55.86	46.35	44.41

It will be seen that the price in the United States has averaged considerably less than in the other countries named, including free-trade Great Britain, so that on this ground there is no excuse whatever for lowering the duties. The price has been kept down by domestic competition.

Mr. SIMMONS. I do not know that I understood the Senator correctly. Did I understand the Senator to say that print paper is cheaper in the United States than anywhere else?

Mr. GALLINGER. The figures that I have submitted show that, and I believe them to be accurate.

Mr. SIMMONS. That is print paper?

Mr. GALLINGER. Print paper.

It is conceded that no trust exists; that there is no combination to advance prices, and the importations of paper at \$6 and of pulp wood at existing rates is reasonably heavy. Why then should this industry be singled out for slaughter?

Is it because of the clamor of a portion of the newspaper press of the country? If so, it can well be ignored, as they are now purchasing print paper at a less cost than it can be obtained in free-trade England, or any other leading country of the world.

The truth is, scores of the leading newspapers of the country are opposed to the proposed reduction. I will not burden the RECORD by reproducing their utterances, but will ask to insert a strong editorial from the Albany Evening Journal, one of the most stalwart Republican papers of the country. Under the heading "An imperiled industry," that great newspaper says:

Washington correspondents' prognostications of the United States Senate's action in the highly important matter of duties on wood pulp and print paper are naturally conflicting since they are all guesswork. According to some reports, a compromise schedule is likely to be enacted which will restore the duty on pulp and increase that prescribed for paper in the bill that came from the House.

Other reports have it that unless stronger effort is made by the advocates of protection of the pulp and paper industry there is likelihood that the Senate will pass the pulp and paper schedule as the House fixed it.

In the meantime, powerful publishers' associations have adopted resolutions asking for free pulp and a merely nominal duty on paper.

Among the newspapers in the membership of those associations are many which would oppose with all their might any proposition to leave other industries equally exposed to foreign competition.

Selfishness has strangely blinded the great majority of these to the necessarily all-inclusive scope of the principle of protection. Because they hope to get cheaper paper through abolition of the tariff on pulp and the reduction of the duty on paper, they demand these things regardless of the certainly detrimental and possibly ruinous effects upon great industries in which Americans have millions invested and which give employment to thousands of American workmen. This is virtually a demand for legislation favoring special interests. Most of the newspapers that make it would severely condemn a similar demand coming from any other source.

In order to gain increased circulation, the newspapers of this country have decreased the price of their publications to a nominal sum, which in many cases does not cover the cost of publication. Now, most of them are proceeding on the theory that the makers of pulp and paper should be compelled to reduce the prices of their products to a level at which the reduction would be sufficient to reimburse the makers of newspapers for the reduction which they made in the price of newspapers; and the publishers are pursuing this course in total disregard of the interests of the manufacturers of pulp and paper, who have no source of revenue aside from their output which would correspond to the publishers' advertising columns to make up the loss from sales.

Stated in plainest terms, the proposition to establish absolute free trade in wood pulp and virtual free trade in print paper is one to transfer the prosperity of the owners of the pulp and paper mills of the United States—and the term "owners" includes, of course, every holder of even a few shares of the stock of these properties—to the Canadian pulp and paper mills, with the sole object in view that American publishers may get cheaper paper to recompense them for price reduction of their publications, which most of them now believe they carried too far to be consistent with sound business policy.

The Evening Journal has previously pointed out that the blow, if the Congress should deliver it, would fall with especially crushing effect upon the pulp and paper manufacturers of the Eastern States. For them there could be no possible compensating benefit, since pulp wood is admitted free, and the Canadian Provinces from which they get part of their supply impose no export duty or its equivalent.

Western pulp and paper manufacturers think they see a possible benefit coming to them because the Canadian Province from which they get part of their supply of pulp wood imposes an export tax, which possibly might be removed in consideration of the free admission of Canadian pulp and paper.

But even they would doubtless find themselves to be losing winners when the product of the Canadian mills would come into their markets.

In brief, then, this is the situation which confronts the Congress: On the other hand, the consumers of paper, expecting benefit to their business, and the western pulp and paper manufacturers, who hope for benefit of exceedingly doubtful value, are demanding free trade in pulp and paper, regardless of whom that would ruin; on the other hand, the pulp and paper manufacturers of the Eastern States make the wholly fair demand that protection from unfair and possibly ruinous foreign competition be not taken away from them.

Between these conflicting contentions the United States Senate, in duty and in honor bound to give equal consideration to all interests, should not find it at all difficult, if it holds closely to the course of impartial justice, to make a decision, which ought to be in favor of the manufacturers whose business, representing millions of invested capital, has been placed in jeopardy by the action of the House, yielding to the clamor of special interests.

A very large number of similar utterances from leading newspapers are in my possession, but I will not burden the RECORD with them.

A New York gentleman, who is the second largest stockholder in one of the leading dailies of the country, recently wrote me protesting against the reduction of duty on the ground that it will inevitably result in an advance of price to the American consumer. What he says is well worth heeding. These are his words:

The United States manufactures half of the white paper output of the world, and the northeastern section of the United States, including the States of Maine, New Hampshire, Vermont, and Pennsylvania, manufactures more than 70 per cent of the domestic output. I know that free trade in wood pulp will close every wood-pulp manufactory in the Northeast, and I am satisfied that the reduction from \$6 to \$2 a ton in the duty on white paper will put an end to scientific forestry and result in the ripping and tearing out of all the spruce and balsam timber in the Northeast without reference to size in the deadly competition with Canada, which will inevitably ensue under a 66½ per cent reduction in the duty on white paper, and will mean eventually the transfer of the paper-making machinery to Canadian soil. As a newspaper man, I respectfully submit that the Northeast, where the pulp and paper mills are located, the strongest Republican section of the United States outside of Pittsburgh and Philadelphia, should not be betrayed in the house of its friends.

Mr. President, I can not refrain from quoting a letter written by Mr. A. P. Moore, president and editor in chief of the Pittsburgh Leader, addressed to the chairman of the Finance Committee. It is so entirely just that it ought to appeal to every fair-minded man. Mr. Moore says:

Coming from Pittsburgh, which naturally is a tariff-protection center, I am interested in the tariff legislation. We want a tariff on iron and steel, and, while it might be possible I could secure print paper somewhat cheaper for a time if the tariff on print paper and wood pulp was taken off, I feel that in fairness to all American industries it would not be right to take the tariff off paper and pulp. If paper is put on the free list, it means that a great American industry, employing perhaps a hundred thousand men, will be driven from this country to Canada. As an American business man, I do not want to be compelled to buy my paper in Canada and be subject to the whims of the Canadian manufacturer. The indications are that if paper and pulp are admitted free, the Canadian government will place an export duty on these materials, and the result will be that the American publisher

will be at the mercy of the foreign manufacturers, and we then can not employ our antitrust laws to get at them. What the American publisher wants is stability in price and quality. When the tariff is adjusted, it will be possible for us to make contracts with the American paper manufacturers for a term of years, say, for five or ten, and we will know exactly what we are doing. If the tariff is taken off, it will mean that we will have to make contracts from year to year, with the chance that the company we are dealing with will go into bankruptcy and we will be at the mercy of some foreigner. A newspaper must have paper every day in the year. It can not shut down for a single day, and can not take the chances the iron and steel or any other business takes. This is a grave question, and I am afraid some of my brother publishers who are taking only a selfish view of this question will live to regret their action if paper and pulp are admitted free into this country. It will drive our own industries out, and if any one of them fails for a single day's production it will almost mean ruination to them.

In round figures, I purchase for my publication \$150,000 worth of paper a year. I am naturally anxious to buy it as cheaply as possible, but I am not in the business for a week, a month, or a year, but must go on indefinitely. If your committee will go into this matter as we have had to do and get a thorough understanding, I am sure you will permit the tariff to remain on paper and pulp as it is. If I can assist in any way with information, I will only be too glad to do so, as I think it is the duty of any newspaper publisher to do.

These quotations are sufficient to show that the newspapers of the country are far from being united on this question, and the same thing can be said of the magazines. Indeed the clamor largely comes from the cheap and sensational part of the newspaper press.

And again I am tempted to inquire: "Why single out this industry for slaughter?"

Think of the injustice that is proposed! The average ad valorem duties in the bill is about 45 per cent, and it is solemnly proposed that pulp wood shall be free, and the duty on print paper be fixed at 5 per cent. Surely the Senator from Nebraska, when he looks at the duties on the products of his own State, will blush to think that he is about to do so flagrant an injustice to other sections of the country.

In addition to the immense harm that will come to the manufacturers and workmen directly engaged in the industry, another class will be made to suffer serious loss, and that is the 69 builders of machines for making paper who have petitioned the Senate against the proposed reduction of duties. The invested capital in that line of business is \$7,650,000; the annual output is \$4,000,000; and the number of employees is about 3,000. These men import nothing, but use American iron, copper, and lumber in their industry. Surely they, too, deserve consideration at the hands of the Republican party. On what hypothesis is it to be denied?

I ask permission, without reading, to insert a statement of the men who are engaged in building machines for paper making; also statement of the American manufacturers of machinery for paper making; statement of the American manufacturers of paper makers' felts and jackets; statement of the American manufacturers of wire cloth; and an appeal of southern paper clay producers to Congress for protection to the paper industry which affords the only market for paper clay. These statements are of the greatest possible importance, and I trust that they will receive the careful consideration of the Senate.

The PRESIDING OFFICER. Without objection, it will be inserted.

The matter referred to is as follows:

Statement of the American builders of machines for paper making.

To the Senate and House of Representatives:

GENTLEMEN: The builders of paper-making machines in the United States, engaged exclusively in that branch of industrial development, are 10 in number.

We respectfully represent to you:

First:
Our invested capital is..... \$7,650,000
Our annual output is..... \$4,000,000

The number of employees engaged by us is, approximately, 3,000 men.
Second. The materials consumed in our business are exclusively American products, chiefly iron, copper, and lumber. We import absolutely nothing for the manufacture of these machines.

Third. Our labor is chiefly highly skilled mechanical labor, and the wage paid these men, on an average, is 100 per cent higher than in Germany, France, and England.

Fourth. Our business has been created by and depends absolutely for its existence upon the life and continuous development of the paper industry in the United States.

Fifth. Our equipment and the talent employed in all departments of our business is peculiarly adapted and arranged, and our factories built for the sole purpose of manufacturing paper-making machines, and can not be successfully diverted to any other use. Hence, any legislation which would tend to injure or destroy the paper-making industry as it exists at the present time in the United States must, in the same measure, injure and destroy our business.

The undersigned corporations have been and are conducting their business with absolute independence, each of the other; and there is not at this time, nor has there ever been, any alliance or combination of interests among us whatsoever.

We have met this day in Washington, and this document has been jointly prepared by us for the sole purpose of asking you to protect our industry, and thereby our individual interests, being driven to make this appeal to you through the fear of the enactment of adverse legislation

affecting the paper-making industry by any reduction in the tariff on paper and wood pulp.

The Bagley & Sewall Company, Watertown, N. Y.; Stuart D. Lansing, secretary; Rice, Barton & Fales Machine and Iron Company, Worcester, Mass.; Charles S. Barton, president; The J. H. Horne & Sons Company, Lawrence, Mass.; B. F. Horne, president; The Smith & Winchester Manufacturing Company, South Windham, Conn.; W. P. Barstow, secretary; The Pusey & Jones Company, Wilmington, Del.; Stirling H. Thomas, general manager; Beloit Iron Works, Beloit, Wis.; A. Aldrich, president; The Moore & White Company, Philadelphia, Pa.; John H. White, president; Sandy Hill Iron and Brass Works, Sandy Hill, N. Y.; R. C. Tefft, president; The Black-Clauson Company, Hamilton, Ohio; F. C. Trowbridge, secretary-treasurer; Downingtown Manufacturing Company, East Downingtown, Pa.; Guyon Miller, secretary and manager.

WASHINGTON, D. C., May 6, 1909.

Statement of the American manufacturers of machinery for paper making.

To the Senate and House of Representatives:

GENTLEMEN: The manufacturers of machinery in connection with paper making in the United States respectfully represent to you:

The materials consumed in our business are almost exclusively American products, chiefly iron, copper, brass, and lumber. We import practically nothing for the manufacture of these machines.

Our labor is chiefly highly skilled mechanical labor and the wage paid to these men, on an average, is 100 per cent higher than in Germany, France, and England.

A proportion of our business has been created by and depends absolutely for its existence upon the life and continuous development of the paper industry in the United States.

The equipment and the talent employed in our departments arranged for that particular branch of our business is peculiarly adapted to the purpose of manufacturing paper and pulp machinery and supplies and can not be successfully diverted to any other use. Hence any legislation which would tend to injure or destroy the paper-making industry as it exists at the present time in the United States must, in the same measure, injure and destroy our business.

The undersigned corporations have been, and are, conducting their business with absolute independence, each of the other; and there is not at this time, nor has there ever been, any alliance or combination of interests among us whatsoever.

This document has been jointly prepared by us for the sole purpose of asking you to protect our industry, and thereby our individual interests, being driven to make this appeal to you through the fear of the enactment of adverse legislation affecting the paper-making industry by any reduction in the tariff on paper and wood pulp.

Respectfully submitted.

Bath Iron Works, Bath, Me.; The Portland Company, Portland, Me.; Waterville Iron Works, Waterville, Me.; Improved Machinery Company, Nashua, N. H.; Bellows Falls Machine Company, Bellows Falls, Vt.; Boston Woven Hose Company, Boston, Mass.; Manhattan Rubber Company, Boston, Mass.; Melsel Press and Manufacturing Company, Boston, Mass.; Revere Rubber Company, Boston, Mass.; Mr. Otto Wandel, East Walpole, Mass.; D. M. Dillon Steam Boiler Works, Fitchburg, Mass.; Union Screen Plate Company, Fitchburg, Mass.; Norwood Engineering Company, Florence, Mass.; Deane Steam Pump Company, Holyoke, Mass.; Holyoke Machine Company, Holyoke, Mass.; Holyoke Steam Boiler Works, Holyoke, Mass.; Messrs. J. & J. W. Jolly, Holyoke, Mass.; Dillon Machine Company, Lawrence, Mass.; Emerson Manufacturing Company, Lawrence, Mass.; Hamblet Machine Company, Lawrence, Mass.; Lawrence Steam Pump Company, Lawrence, Mass.; Clark Machine Company, Lawrence, Mass.; Frank H. Davis, 75 Crescent avenue, North Cambridge, Mass.; E. D. Jones & Sons Company, Pittsfield, Mass.; James Lefel & Co., Springfield, Mass.; McMahon & Co., Worcester, Mass.; Mr. Frederick Fuller, Providence, R. I.; Farrel Foundry and Machine Company, Ansonia, Conn.; Morris Machine Works, Baldwinville, N. Y.; Continental Iron Works, Brooklyn, N. Y.; Carthage Machine Company, Carthage, N. Y.; Ryther & Pringle Company, Carthage, N. Y.; Dilts Machine Works, Fulton, N. Y.; Glens Falls Machine Works, Glens Falls, N. Y.; The Noble & Wood Machine Company, Hoosick Falls, N. Y.; Racquette Foundry and Machine Company, Messina, N. Y.; New York Belting and Packing Company, 91 Chambers street, N. Y.; Dobbie Foundry and Machine Company, Niagara Falls, N. Y.; Crescent Paper and Machine Company, Phoenix, N. Y.; Friction Pulley and Machine Works, Sandy Hill, N. Y.; G. S. Witham, Jr., Sandy Hill, N. Y.; Baker & Shevlin Company, Saratoga Springs, N. Y.; Goulds Manufacturing Company, Seneca Falls, N. Y.; Ticonderoga Machine Works, Ticonderoga, N. Y.; Harmon Machine Company, Watertown, N. Y.; Stebbins Engineering and Manufacturing Company, Watertown, N. Y.; Risdon-Alcott Turbine Company, Mount Holly, N. J.; Robins Conveying Belt Company, Passaic, N. J.; Annandale Screen Plate Company, Paterson, N. J.; Taylor & Styles Manufacturing Company, Riegelsville, N. J.; George W. Newhall Engineering Company, Philadelphia, Pa.; R. D. Wood & Co., Philadelphia, Pa.; S. Morgan Smith Company, York, Pa.; Lobell Car Wheel Company, Wilmington, Del.; J. Morton Poole Company, Wilmington, Del.; Biggs Boiler Works, Akron, Ohio; B. F. Goodrich Company, Akron, Ohio; Hill Clutch Company, Cleveland, Ohio; The Jeffrey Manufacturing Company, Columbus, Ohio; Dayton Globe Iron Works Company, Dayton, Ohio; H. L. Ormann, Dayton, Ohio; Seybold Machine Company, Dayton, Ohio; Sandusky Foundry

and Machine Company, Sandusky, Ohio; M. J. Roach, Anderson, Ind.; The Webster Manufacturing Company, 1075 West Fifteenth street, Chicago, Ill.; Werner & Pfeiderer, Saginaw, Mich.; Appleton Machine Works Company, Appleton, Wis.; Valley Iron Works Company, Appleton, Wis.; Manitowoc Boiler Works, Manitowoc, Wis.

JUNE, 1909.

Statement of the American manufacturers of paper-makers' felts and jackets.

To the Senate and House of Representatives:

The manufacturers of paper-makers' felts and jackets in the United States respectfully represent to the United States Senate and the House of Representatives:

A felt is an endless woolen belt or blanket in size from 11 feet long by 36 inches wide to 170 feet long by 176 inches wide.

The felt is made entirely of wool and used exclusively in the manufacture of pulp and paper.

This industry is represented by the following 12 independent companies: Knox Woolen Company, Camden, Me.; Draper Brothers, Canton, Mass.; Albany Felt Company, Albany, N. Y.; F. C. Huyck & Sons, Albany, N. Y.; H. Waterbury Sons Company, Oriskany, N. Y.; Waterbury Felt Company, Skaneateles, N. Y.; Lockport Felt Company, Lockport, N. Y.; Philadelphia Felt Manufacturing Company, Philadelphia, Pa.; Heathcote & Sons, Glen Rock, Pa.; Orr Felt and Blanket Company, Piqua, Ohio; Shuier & Benninghofen, Hamilton, Ohio; and Appleton Woolen Mills, Appleton, Wis.

The capital invested in the industry is about \$7,000,000.

The labor employed in the felt industry is highly skilled, requiring long apprenticeship, and the average wage is about three times that paid in any other country for similar work.

Special and expensive machinery is necessary, and the business is absolutely dependent upon the continued operation of the paper industry. Most of our machinery would be useless for any other line of work.

From our necessarily thorough knowledge of the paper industry, we positively know that any reduction in the present tariff on news print paper and wood pulp would drive the industry into Canada. It would follow that the felt industry would be destroyed, there being no other outlet for our production, as the Canadian duty and antidumping law, together with their preferential duty in favor of England, absolutely prohibit export.

We therefore urge the retention of the present duties on news print paper and wood pulp.

Respectfully submitted.

APPLETON WOOLEN MILLS,
ORR FELT AND BLANKET COMPANY,
LOCKPORT FELT COMPANY,
ALBANY FELT COMPANY,
F. C. HUYCK & SONS,
Committee.

Statement of the American manufacturers of Fourdrinier wire cloth.

To the Senate and House of Representatives:

GENTLEMEN: The manufacturers of Fourdrinier wires in the United States respectfully represent:

DESCRIPTION OF FOURDRINIER CLOTH.

1. The Fourdrinier wire is a wire cloth ranging in size from a cloth 33 feet long by 43 inches wide to a cloth 70 feet long by 168 inches wide. This wire cloth is used exclusively and without exception in the manufacture of paper. It follows, therefore, that the paper trade is the sole consumer and customer of the Fourdrinier wire industry. There is no other outlet or demand for the Fourdrinier wires.

NUMBER OF AMERICAN MANUFACTURERS.

2. The Fourdrinier wire industry is represented by about 16 independent manufacturers in the United States, as follows:

The William Cable Excelsior Wire Manufacturing Company, New York City; the Eastwood Wire and Chemical Company, Belleville, N. J.; Cheney Biglow Wire Works, Springfield, Mass.; Buchanan & Bolt Wire Company, Holyoke, Mass.; The W. S. Tyler Company, Cleveland, Ohio; The Lindsay Wire Weaving Company, Cleveland, Ohio; De Witt Wire Cloth Company, New York City; Federal Wire Cloth Company, Harrison, N. J.; Globe Wire Company, Harrison, N. J.; The Thistle Wire Cloth Company, Lee, Mass.; The Appleton Wire Cloth Company, Appleton, Wis.; Wisconsin Wire Works Company, Appleton, Wis.; Thomas E. Gleeson, East Newark, N. J.; H. T. McCluskey & Sons, New Haven, Conn.; J. Walter Perry, Southport, Conn.; The Brown & Sellers Company, Holyoke, Mass.

ANNUAL OUTPUT.

3. The total annual output of this industry in the United States is of the value of about \$2,500,000.

WHERE SOLD.

4. The entire product of this American industry is sold solely in the United States. It has no material foreign market, as the same wires are made more cheaply in Great Britain, Germany, France, and other countries abroad.

For the last-mentioned reason there is no export possibility, and on the basis of cost of manufacturing Fourdrinier wires in the United States, it is impossible for the manufacturers in this country to export Fourdrinier wires to foreign countries in competition with the Fourdrinier wires made in England, Scotland, France, Germany, or, in fact, any foreign country.

CANADIAN DUTY.

Canada has a duty of 25 per cent on Fourdrinier wires imported from the United States, but even were this duty removed and were American manufacturers allowed to sell their wires in Canada free of duty, they could not, as above stated, compete with other foreign manufacturers. The truth of this is evidenced by the fact that American labor used in the manufacture of Fourdrinier wires is two and one-half times as much as in Scotland and England, and three and one-half to four times as much as in Germany, France, and other foreign countries where Fourdrinier wires are manufactured.

CAPITAL INVESTED.

5. The capital invested in this industry (exclusively in the United States) is about \$5,000,000.

NUMBER OF EMPLOYEES.

6. The plants above mentioned furnish employment to about 3,000 employees at rates of wages, as above stated, from two and one-half to four times higher than foreign manufacturers pay their labor.

7. The Fourdrinier wires industry is not protected by patent or patent monopoly and is an open trade.

8. Congress has recognized in the successive tariff laws and in the pending tariff bills the propriety and justice of giving reasonable protection to this industry, which could not exist without such protection; and no complaint is made by the undersigned upon that score, although they seriously feel the growing competition of foreign importations of Fourdrinier wires constantly imported into this country from foreign countries where cheap labor enables them to manufacture at less cost, pay the duties, and successfully meet our prices.

NO TRUST OR COMBINATION IN THIS TRADE.

9. There is no combination, trust, or agreement of any description between the American manufacturers, nor any concerted method of sale or of maintaining prices for the goods of American manufacture; and there is now, and there has always been, the sharpest competition between the American manufacturers. The American public has received the benefit of this active, independent, and genuine competition.

10. The margin of profit in this American industry has always been so small that the American consumer has found no cause for complaint and has never sought to interfere with the continuance of the manufacture of these goods in this country; in other words, the American consumer is satisfied with the product and the prices.

11. The industry was established in this country more than fifty years ago and has continuously furnished employment for American labor at high rates of wage.

AMERICAN MANUFACTURERS SOLE CONSUMERS.

12. As the sole consumers of the product of this wire industry are the manufacturers of paper in the United States, the successful continuance of paper manufacturing is vital to the maintenance of the Fourdrinier wires industry, and the latter is absolutely dependent upon the former.

We are familiar with the conditions of the manufacturer of paper in the United States and abroad, and earnestly state that the paper manufacturing industry can not be successfully maintained under a material reduction of the protection covered by the existing tariff laws on paper and wood pulp. This is particularly true as to the raw material—wood pulp.

Unlimited Canadian forests with cheaper labor and cheap water powers make it utterly impossible for American wood pulp to be produced on equal terms with Canadian, as proposed by the pending bills; and reasonable protection is an absolute condition of the maintenance of that great industry.

The facts concerning the paper and wood pulp business of the United States have been presented in the hearing before the Ways and Means Committee of the House, and their conclusions are based on an absolutely unfair comparison—we know they can manufacture paper for from \$7 to \$8 per ton less in Canada than it can be produced for in the United States per ton, and we respectfully refer to the same as a part of this statement.

EMPLOYEES ALL AMERICANS AND WAGES HIGHER THAN IN ALL FOREIGN COUNTRIES—EFFECT OF PROPOSED DUTIES.

13. We beg leave to call special attention to the fact that the Fourdrinier wires industry is distinctively American; that its entire force is American; that its rates of wages are from two and one-half to four times higher than those paid in foreign countries where similar product is made; that thousands of American laborers are dependent for their livelihood upon the continuance of this business, in which they have become skilled; that the diminished duties proposed by the pending tariff bills (free wood pulp and \$2 per ton on paper) would practically wipe out the Fourdrinier wires industry and build up Canadian, French, German, and other foreign competition at the cost of the life of a worthy American industry; that in consequence the large invested capital which has become enlisted in this industry, in unquestioning reliance upon reasonable American protection against foreign cheap labor, would be practically wiped out, except, of course, such of it as remained in the form of factory property, which even then would have diminished value for any other purpose.

We freely proffer the fullest investigation of our business and the conditions herein briefly stated, and respectfully urge that this independent and competitive American industry, which has for fifty years served the American public to its complete satisfaction at reasonable prices and most moderate profit upon the invested capital, is entitled to the just consideration of Congress and to protection against practical annihilation, which would follow the passage of the proposed tariff bill with respect to the paper and wood pulp industry, upon which the Fourdrinier wires manufacture is solely dependent.

At a recent conference of a number of the above manufacturers, called solely to consider this common peril to their respective businesses, the undersigned were constituted a committee to present this statement and to furnish such information as may be desired by any committee of the Senate or House or any Member of either body, and to respectfully urge the maintenance of the present protective duties on Fourdrinier wires and reasonable protective duties on paper and wood pulp.

Dated Washington, April 30, 1909.

WILLIAMS L. RICE, *Chairman*,
CHARLES SMITH,
PROCTOR PATTERSON,
J. C. CABLE,
J. W. LAFFEY,
GEORGE ROBERTS,
By J. W. LAFFEY,
JOHN EASTWOOD,

Committee of American Manufacturers of Fourdrinier Wires.

Appeal of southern paper-clay producers to Congress for protection to the paper industry which affords the only market for paper clay.

To the Senate and House of Representatives:

The American Clay Producers' Association, with headquarters at Macon, Ga., in behalf of the owners and operators of the paper-clay de-

posits in the States of North Carolina, South Carolina, Georgia, Florida, and Alabama, desires to make respectful but earnest protest against the reduction of the tariff on pulp and paper as proposed by the Payne bill recently approved by the House of Representatives, and to briefly set forth herein its reasons for such action.

In all of the States above named there are extensive deposits of clay peculiarly suited for the use of news paper manufacturers, and in most localities the lands under which these beds are found were comparatively valueless, worth perhaps about 50 cents per acre, until the mining of clay for use in the paper industry was begun, some twenty-five years ago. Since that time the industry has materially increased, its development being accurately measured by the growth and prosperity of the paper-making industry in the United States.

At the present time there are certainly not less than 100 separate and distinct operations mining and shipping paper clay from the territory mentioned; and the lands underlaid by these deposits have enhanced to a value of from \$250 to \$500 per acre, it being estimated that the industry to-day represents a total investment of at least \$3,000,000.

The output of paper clay from these sources may be figured at about 150,000 tons per year, representing a product costing the paper manufacturers approximately \$1,500,000 per year and an expenditure of something like \$500,000 in wages to those directly employed in mining this clay.

The clay produced by the operators represented by this association is fitted for and used almost exclusively in the manufacture of news paper, there being practically no other market for it—certainly not sufficient demand from other sources to justify its operation. Any legislation, therefore, tending to destroy the paper-making industry in the United States must at the same time be destructive of the paper-clay industry, since the American clay producers can not export their product and compete with the producers of other countries, which leaves them absolutely dependent upon the domestic market.

If, by the reduction of the tariff on pulp and paper, the manufacturers of those commodities should be driven from the United States, the mining of paper clay would of necessity be at once abandoned, and any action of legislation tending to cripple the paper industry would to the same extent work injury to those engaged in the production of paper clay.

There is at this time an annual consumption of clay by paper makers amounting to something like \$3,000,000, which affords a market for our product and which must be sustained if we continue to live. About one-half of this consumption is supplied by importation, but there is no reason why we should not ultimately produce the entire amount in this country.

The paper-clay producers have been encouraged by the growth of their industry and the increasing demand for their product to make investments before mentioned in clay properties and in the improvement of their facilities for mining and preparing the clay for paper-making uses, relying upon the continuance of a policy which would not only preserve their market—the paper industry—but greatly enhance it. If now that market is to be destroyed by reduction of the tariff on pulp and paper, the investments and efforts of our people go for naught.

The experiments which have been recently made, with results which promise success, have likewise led us to believe that in the near future the cotton stalks and straws produced in the South would be made to supply a large part of the fiber used in the manufacture of paper, resulting in the location of paper mills in that locality and providing a still further demand for our paper clays at our own doors. This development, however, is, we believe, dependent upon the paper industry being encouraged by at least such protection as has been given it in the past. While not prepared to speak of the paper producers themselves, our dependence upon them for our market has led us from time to time to inquire into the condition with which they have to contend, and the conclusion has been forced upon us that such reduction of the tariff on pulp and paper as is suggested would be utterly ruinous to the industry.

In view of the foregoing, we earnestly request that your influence may be used to preserve the enterprise, and to save us from the industrial destruction which would certainly come to the American producers of paper clay in the event of any material injury to the paper-producing industry of the United States.

AMERICAN CLAY PRODUCERS' ASSN.,
J. C. LAMAR,
C. B. LAMAR,
J. F. MARSH,
Committee.

MACON, GA., May 1, 1909.

MR. GALLINGER. The builders of paper machines proper are 10 in number, and the capital and output given applies to this class of manufacturers; but, in addition, there are 69 concerns that make various kinds of machinery used in paper mills, although their whole output is not taken by paper mills. The capital of these 69 concerns is not determined, but is very large, enormously in excess of the \$7,650,000 stated. In addition there are 26 large concerns that make paper-machine clothing, like felts and wires, exclusively, and producers of paper clay, for which there is no other demand. It was claimed by the Senator from Nebraska that Canadian mills have to pay more for machine clothing and supplies on account of their duties against the United States. As a matter of fact, these United States manufacturers of machine clothing and supplies can not compete for Canadian trade to any considerable extent, because the Canadian duties against England are much less than against the United States, and Canada gets most of these articles cheaper from England than we get them from our domestic manufacturers.

A great deal of misinformation has been put in circulation concerning the cost of making print paper in this country. In seeking information on that subject, I was pleased to receive the following letter from Mr. Arthur C. Hastings, president of

the American Paper and Pulp Association. It sheds a flood of light on the question:

WASHINGTON, D. C., April 14, 1909.

Hon. JACOB H. GALLINGER,
United States Senate, Washington, D. C.

DEAR SIR: Our attention has been called to a letter addressed to Members of the United States Senate, in which it is stated that print paper needs no protection, for the reason, as alleged, that the Great Northern Paper Company can produce paper at a cost of \$4 per ton less than the best-equipped Canadian mills. This generalization would by no means follow from the premise, even if it were correct; but it is absolutely false. The letter goes on to state that Canadian mills can produce paper at \$29.54 per ton. It is thus implied that the Great Northern Paper Company can produce paper at \$25.54 per ton. This is in direct conflict with the testimony of that company before the Finance Committee, and, moreover, no mill in the United States can approximate that figure.

The letter further states that the annual reports of the International Paper Company disclose an average cost for ten years of \$27.74 per ton. This statement is likewise absolutely false. The annual statements do not disclose the average cost of paper, for the reason that they do not disclose the number on tons manufactured, without which data it is impossible to derive the average cost per ton. Furthermore, the International Paper Company can prove that the average cost for ten years has greatly exceeded \$27.74 per ton.

In view of the fact that the cost of wood, which constitutes 40 per cent of the cost of paper, has doubled in price in ten years, and that the average wage rate has increased at least 75 per cent, it is manifestly absurd to gauge the present or future need of protection by the average cost of production for the last ten years, even if the average cost were correctly stated.

The detailed statement which accompanies the letter referred to is a tissue of sophistry and falsehood, and we deem it unworthy of specific or detailed rebuttal.

The manufacturers of paper have submitted their evidence to the Finance Committee, and, so far as we know, it has not been successfully controverted before that body. We are content to rest our case upon the conclusion which may be reached by the Finance Committee, based upon the evidence which we have submitted, and will submit, and we merely ask you not to be prejudiced against our industry by misrepresentations intended to befog the issue as to whether our industry is entitled to the protection which we ask, namely: Six dollars per ton of print paper, equivalent to less than 15 per cent on the market price. Our contention is that the average cost of manufacture in the United States is approximately \$8 more than the cost in first-class Canadian mills, due to the advantage which the Canadian mills have in the cost of wood and labor.

Yours, respectfully,

AMERICAN PAPER AND PULP ASSOCIATION,
ARTHUR C. HASTINGS, President.

Mr. President, the select committee of the House of Representatives which made the recent paper and pulp investigation submitted a report in five large, printed volumes. Much of the testimony is conflicting, and the findings of the committee rather unsatisfactory; but, on the whole, it is favorable to the retention of the existing duties. For instance, on page 1982 of the report these words occur:

A low or even moderate price for print paper in the future is dependent mainly upon the future supply and cost of pulp wood. About one-third of the pulp wood now consumed in the manufacture of paper by our mills is imported from Canada. If an export duty should be levied by Canada—

Which is sure to follow, Mr. President, if we deliver over this industry to our Canadian neighbors—

upon the exportation of pulp wood; or if the Province of Quebec should follow the example of the Province of Ontario and entirely prohibit the exportation of pulp wood cut on its crown lands, the cost of pulp wood in the United States would be greatly enhanced, and the price of paper would go up.

It would seem that for the American publisher to be assured of low prices for his paper, it is essential to maintain paper mills in the United States.

That is the opinion of the select committee which has been so often quoted. The committee further says:

Any policy that would give the Canadian mills a preferential advantage over American mills in obtaining the raw material at a lower price must inevitably result in the dismantling of American paper machines and the ultimate dependence of American publishers on Canadian mills. Under such conditions Canada could levy export duties on print paper that would result in enhancing prices without the presence of competition from American paper manufacturers.

Again, on pages 1983-1984, the committee says, in reference to a bill pending before the House of Representatives:

The so-called "Stevens bill" (H. R. 18608) provides for the repeal of the tariff law so far as it applies to wood pulp and printing paper, with the proviso that if any country or dependency shall impose an export duty on pulp wood there shall be imposed a duty on wood pulp and print paper when imported from such country or dependency to the amount in the case of wood pulp of the export duty and to the amount in the case of printing paper of one-tenth of 1 cent per pound for each dollar of export duty per cord of pulp wood and proportionately for fractions of a dollar of such export duty.

The Stevens bill does not purport to repeal or change the tariff laws as to any class of paper or paper products except printing paper, though all other kinds of paper are affected by the same natural conditions which have affected the supply and price of printing paper. We doubt whether anyone after full consideration would desire the enactment of the Stevens bill into law in its present shape. The bill makes no provision against the present order of the Ontario government prohibiting the exportation of pulp wood. It contains no safeguard against a similar order by the government of Quebec.

If the Stevens bill should be enacted into law in its present shape and the Province of Quebec should by order provide that no pulp wood cut on crown lands should be exported from Canada, it would cause an immediate rise in the price of paper; it would enhance greatly the price of pulp-wood timber in the United States; it would cause the destruction of American forests; it would cripple the paper manufacturing industry in our country; it would in every way do much harm and prove of benefit in no way.

As the present price of paper would not to any considerable degree be immediately affected by the repeal of the tariff, and as the passage of the Stevens bill in its present form might spell ruin to the paper industry and ruinously high prices for paper in the near future, your committee believe it the part of wisdom before making recommendations for positive legislation to await until its investigation has been completed and thoroughly digested.

Notwithstanding this declaration, a tariff bill was sent to the Senate which, in my judgment, spells ruin to the paper industry of the country and which will create ruinously high prices for paper in the near future, and this Senate is solemnly asked to pass that bill. Surely no such act of legislative folly will be committed.

Mr. BROWN. Mr. President—

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Nebraska?

Mr. GALLINGER. With pleasure.

Mr. BROWN. The Senator from New Hampshire has quoted from the preliminary report. Is not that true?

Mr. GALLINGER. I quote from pages 1983 and 1984, which must be from either the third or fourth volume.

Mr. BROWN. One can not tell what volume of the report the Senator is quoting from; but it is not a part of the final report. I hold in my hand here the preliminary report, No. 25, published by the House of Representatives, and the words which the Senator has just read are in the preliminary report, before the investigation had been finished, and that report is only signed by a portion of the members of the committee.

Mr. GALLINGER. Well, Mr. President, I think I have made no mistake in the pages cited. If I have, it is a mistake on the part of the stenographer, but it does not make any special difference. That was the opinion of the committee at any rate at one stage of their proceedings. I think their final report does not change their attitude materially.

But, Mr. President, not only are we to be put at the mercy of Canada if the House bill becomes a law, but beyond doubt Norway, Sweden, Denmark, and Finland will enter our markets. The paper mills in these countries aggregate 112, divided as follows: In Norway 23, Sweden 67, Denmark 3, and Finland 19, Finland particularly has enormous forest reserves, excellent water power, and the paper-making industry in that country is in its infancy. The cost of production in these mills is much lower than the cost of production in the United States, owing to cheaper wood and much cheaper labor. Most of them are situated within easy reach of seaboard, whence the rates of freight to the United States are as low in most cases as the rates from our mills to points of consumption in this country, and undoubtedly a large amount of paper produced by these countries will find its way here if the present duty on news print paper is largely reduced.

The chief excuse urged for the proposed legislation is that an increase has been made in the price of print paper and that it will conserve American forests. So far as American forests are concerned, it will have the opposite effect. As soon as it is settled that Canada is to have practical free trade in pulp and paper every American owner of spruce lands will strip them as soon as possible, not exercising much care in the process, the only consideration being to get as much as possible out of the lands before the industry is transferred to Canadian soil. That will be the inevitable result. As to the increased cost of paper, it has been less in percentage than almost any other American product and, as before pointed out, is selling in the United States for less than in other countries. It should be kept in mind that it costs much more to produce a ton of paper in the United States than in Canada. On this point there is a controversy, the question of wages entering into it. Fortunately, we have an official statement bearing on this subject, which ought to put the matter beyond further contention. On pages 3258-3269 of the report of the special committee of the House of Representatives, Hon. Charles P. Neill, Commissioner of Labor, supplies a table that deserves attention, from which it appears that the wages paid in this country in the paper industry are approximately 33½ per cent above those paid in Canada. I have had a careful synopsis made of those tables, which I will ask leave to insert in my remarks, and to which I call the special attention of the Senator from Nebraska [Mr. Brown].

The PRESIDING OFFICER. Without objection, the request will be granted.

The synopsis referred to is as follows:

Rate of wages paid in news print mills during 1907 in Canada and the United States, based on eight or nine hours' work.

Section.	Hours work.	Rate per day.		
		Canada.	United States.	International Paper Co.
BEATERS.				
Head beater man.....	8	\$2.52	\$2.49	\$2.52
Beater man.....	8	1.08	1.69	1.69
Clay and size man.....	8	1.17	1.37	1.54
PAPER MACHINES.				
Machine tender.....	8	3.50	3.47	3.39
Back tender.....	8	2.38	2.20	2.08
Third hands.....	8	1.69	1.73	1.69
Fourth hands.....	8	1.40	1.65	1.68
Fifth hands.....	8		1.77	1.68
Broke hustler.....	8	.96	1.69	1.68
FINISHING.				
Head finisher.....	9	1.89	2.36	2.47
Finisher.....	9	1.48	1.76	1.74
Counter.....	9	1.14	1.19	1.58
Cutter man.....	9	1.65	1.67	1.70
Cutter girl.....	9	.97	1.02	1.09
Rewinder.....	9	.98	1.71	1.58
Weigher.....	9	1.52	1.97	1.82
Core maker.....	9	1.46	1.62	
Baling press.....	9	1.29	1.75	1.65
GRINDERS.				
Head grinder man.....	8	1.68	1.90	1.82
Baling press.....	8		1.70	
Grinder man.....	8	1.25	1.71	1.70
Block handlers.....	8	1.16	1.74	1.68
GROUND-WOOD SCREENS.				
Head screen man.....	8	1.76	1.93	
Screen man.....	8	1.15	1.55	1.66
GROUND-WOOD PRESSES.				
Head pressman.....	8	1.34	1.76	1.87
Pressman.....	8	.96	1.62	1.65
ACID PLANT.				
Acid maker.....	8	1.78	2.10	2.14
Acid maker helper.....	8	1.12	1.85	
Tower man.....	8	1.25	1.51	1.40
DIGESTERS.				
Head cook.....	8	3.60	2.79	2.50
Cook.....	8	2.00	2.51	1.89
Cook helper.....	8	1.14	1.69	1.68
Blow pitman.....	8	1.13	1.69	1.73
SULPHITE SCREENS.				
Head screen man.....	8	1.36	2.22	
Screen man.....	8	1.09	1.59	1.68
SULPHITE PRESSES.				
Head pressman.....	8	1.36	2.20	2.02
Pressman.....	8	1.07	1.70	1.68
WOOD PILING AND HAND.				
Head wood handler.....	9	\$1.50	\$2.30	\$2.15
Wood handlers.....	9	1.32	1.64	1.69
River man.....	9	1.13	1.64	1.68
Teamsters.....	9	1.30	1.47	1.59
WOOD ROOM.				
Head preparer.....	9	\$1.98	\$2.43	\$2.12
Wood handler.....	9	1.28	1.61	1.68
Conveyer man.....	9	1.27	1.63	1.71
Sawyer.....	9	1.72	1.73	1.78
Barker.....	9	1.31	1.69	1.69
Splitter.....	9	1.33	1.81	1.70
Chipper.....	9	1.33	1.86	1.68
INDOOR, MISCELLANEOUS.				
Head paper load.....	9	1.80	2.15	2.01
Paper loader.....	9	1.31	1.67	1.72
Head pulp shipper.....	9	2.43	1.80	
Weigher.....	9	1.26	2.00	1.88
Pulp shipper.....	9	1.22	1.85	
Oiler.....	9	1.31	1.73	1.83
Cleaner.....	9	1.26	1.61	1.68
Filter man.....	9	1.35	2.14	1.86
Watchman.....	9	1.19	1.56	1.74
Felt man.....	9	1.22	1.74	1.58

Rate of wages paid in news print mills during 1907 in Canada and the United States, based on eight or nine hours' work—Continued.

Section.	Hours work.	Rate per day.		
		Canada.	United States.	International Paper Co.
OUTDOOR, MISCELLANEOUS.				
Racks.....	9	\$1.22	\$1.97	\$1.85
Barn boss.....	9	1.36	1.84	1.63
Teamster.....	9	1.25	1.53	1.58
Laborer.....	9	1.13	1.61	1.60
STEAM PLANT.				
Engineer.....	8	1.38	2.24	2.19
Dynamo man.....	8	1.96	2.01	1.73
Head fireman.....	8	1.44	2.17	2.28
Fireman.....	8	1.19	1.87	1.92
Coal handler.....	8	1.02	1.71	1.69
Ash handler.....	8	1.25	1.80	1.71
REPAIRS.				
Head machinist.....	9	3.37	2.96	3.25
Machinist.....	9	2.14	2.53	2.52
Machinist helper.....	9	1.33	1.60	1.85
Head millwright.....	9	3.08	3.16	2.96
Millwright.....	9	1.96	2.39	2.40
Millwright helper.....	9	1.53	2.00	1.77
Carpenter.....	9	1.77	2.37	2.28
Head piper.....	9	2.34	2.86	2.84
Piper.....	9	1.57	2.21	2.24
Blacksmith.....	9	2.29	2.51	2.57
Blacksmith helper.....	9	1.46	1.79	1.77
Mason.....	9	3.47	2.76	2.93
Mason helper.....	9	1.46	1.80	1.62
Painter.....	9	1.78	2.20	2.05
Knife grinder.....	9	1.44	1.82	1.71
Saw filer.....	9	2.34	2.07	1.74
Electrician.....	9	2.48	2.18	2.48
Lead burner.....	9	2.70	2.70	2.34
Average.....	8	1.36	1.73	1.78

Mr. GALLINGER. Again, Mr. President, the value of the raw product, as it stands in the woods of this country, is much greater than in Canada, which means that the total difference in the cost of producing a ton of paper in the United States is greatly in excess of the Canadian cost.

Recently I was handed a comparative statement of the cost of rough wood delivered at various mills in Canada and the United States, compiled from affidavits and audit certifications submitted to the Finance Committee of the Senate, from which it appears that in certain mills in New York and Wisconsin the cost is \$10.21 per cord; in Maine, New Hampshire, Vermont, Massachusetts, and New York, of the International Paper Company, \$10.38; the Oswego Falls Pulp and Paper Company, of New York, \$10.35; while in Canada the cost in various mills is as follows: Canada Paper Company, St. Francis mill, Quebec, \$5; Belgo-Canadian Paper Company, Quebec, \$5.97; Chicoutimi Pulp Company, Quebec, \$4.25; Laurentide Paper Company, Quebec, \$5.80; Montmorency Lumber Company, Quebec, \$4.45; Gres Lumber Company, Quebec, \$5.31; Dalhousie Lumber Company, Quebec, \$5.60; St. Maurice Lumber Company, Three Rivers mill, Quebec, \$4.72; Batiscan mill, Quebec, \$6.02; Pentecost Lumber Company, Quebec, \$5.54; Miramichi Lumber Company, Morrison mill, \$5.27; Chatham mill, \$5.38; D. S. Cowles, New Brunswick, \$5.50; St. George Pulp and Paper Company, New Brunswick, \$5.14; and the Spanish River Pulp and Paper Company, Ontario, \$4.30. It is proper, Mr. President, that I should say that these mills are not all print-paper mills, but it will be observed that no quotation in the entire list is above \$6.02.

This shows an average in the United States of \$10.31, as against \$5.21 in Canada, the difference in favor of Canada being \$5.10. As it takes 1½ cords of wood to make 1 ton of paper, Canada has the advantage in wood of \$7.65 per ton. In view of that fact, it is remarkable that the price of the product has been kept at as low a figure in this country as it has. Compare it with the increased cost of almost every other staple article, and see how wonderfully the price has been kept down. Compare it with the products of the farm, all of which are highly protected in this bill, and note the discrimination. The following table was furnished to me by the Secretary of Agriculture, which shows the range of wholesale prices for corn, wheat, oats, barley, and beef for the last nine years, and it is so instructive that I will read it.

Range of wholesale prices for corn, wheat, oats, barley, and beef in Chicago for years 1898-1907.

Calendar years.	Corn, contract.		Wheat, contract.		Oats, contract.		Barley, choice to fancy.		Beef, extra mess (per 100 pounds).	
	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.
1898.....	\$0.26	\$0.38	\$0.62	\$1.85	\$0.20	\$0.32	\$0.33	\$0.55	\$7.75	\$11.50
1899.....	.30	.38	.64	.79	.19	.28	.38	.55	7.75	9.25
1900.....	.30	.40	.61	.87	.21	.26	.39	.67	7.75	9.25
1901.....	.36	.67	.65	.79	.23	.48	.51	.64	8.00	9.00
1902.....	.43	.88	.67	.95	.25	.50	.53	.73	8.50	12.00
1903.....	.41	.53	.70	.93	.31	.45	.50	.62	7.25	11.00
1904.....	.42	.58	.81	1.22	.28	.40	.45	.61	7.50	9.00
1905.....	.42	.64	.77	1.24	.25	.34	.43	.55	7.50	10.00
1906.....	.39	.54	.69	.94	.28	.42	.45	.58	7.50	10.00
1907.....	.39	.66	.71	1.22	.33	.66	.51	1.10	8.50	11.50

Prices of corn, wheat, and oats as reported by Howard, Bartels & Co., and barley and beef as given in Chicago Board of Trade reports.

It will be seen from this table that the price of corn has risen from 26 cents, lowest quotation, in 1898 to 66½ cents, highest quotation, in 1907; wheat, from 62 cents in 1898 to \$1.22 in 1907; oats, from 20½ cents in 1898 to 56½ in 1907; barley, from 33 cents in 1898 to \$1.10 in 1907; and beef, from \$7.75 per hundred pounds in 1898 to \$11.50 in 1907. This means that the price of corn has advanced since 1898 150 per cent, wheat 100 per cent, oats 175 per cent, barley 225 per cent, and beef 49 per cent; and yet it is proposed by the Senator from Nebraska to put paper and pulp on the free list, while at the same time he votes for increased duties on agricultural products. Oh, consistency, consistency.

Mr. BROWN. Mr. President—

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Nebraska?

Mr. GALLINGER. I yield.

Mr. BROWN. Mr. President, we are confronted very frequently with the proposition that the prices of agricultural products have advanced so high that, therefore, any failure in the increase of the price of other products is an evidence that the agricultural interests of the country have been protected to the prejudice and disadvantage of some of the manufactured articles. Now, I call the Senator's attention to the fact that the price of all agricultural products is dependent solely on what it costs to produce them, the supply that results, and the demand for them. Is not that true?

Mr. GALLINGER. Mr. President, I ask the Senator if the recent increase in the price of wheat has resulted from the causes which he has enumerated, in view of the exploitation in the Chicago market?

Mr. BROWN. Of course, those exploitations are exceptions and ought not to be suggested seriously by the Senator as a reason controlling our judgment on this question.

Mr. GALLINGER. That depends entirely—

Mr. BROWN. The tariff did not cause it, did it?

Mr. GALLINGER. Certainly not. Neither did the tariff increase the cost of paper.

Mr. BROWN. Now, here is the point: The price of the production of a ton of paper has not only failed to increase, but has decreased ever since the invention of the machines and the time when they were first put in operation. Let me call the Senator's attention to the fact that these paper rolls are made on machines of a different width—

Mr. GALLINGER. Mr. President, I understand that. I have been in paper mills a great many times. The Senator need not instruct me on that point.

Mr. BROWN. I am not undertaking to instruct the Senator. I simply call his attention to the fact so that the Senate may hear my observation. To-day a machine can manufacture at the same cost a roll of print paper twice as wide and twice the dimensions it could formerly do.

Mr. GALLINGER. And what about the agricultural machines as compared to the old ones?

Mr. BROWN. In the last ten years there has been no such development in agricultural machines; but take the International Company itself with its 31 machines, I think, and 15 used exclusively for print-paper purposes. Some of them have a capacity of several tons a day, perhaps 50 tons more than others. Why? Because they are the improved machines, the enlarged machines. The cost of manufacture of print paper has decreased, but the cost of agriculture has not.

Mr. GALLINGER. And the cost of labor in those paper mills has increased 75 per cent.

Mr. BROWN. That is disputed by the testimony. I read from the testimony yesterday, and it failed to show any such increase in wages.

Mr. GALLINGER. The statistics I have presented to-day clearly show it. But I have made no war upon the duties upon agricultural products. The Senator says the tariff has not increased the price of agricultural products. I am not so sure about that. I venture to say, Mr. President, that if there was not a duty on Canadian hay, eggs, potatoes, and many other agricultural products, what little agriculture we have left in New England would very soon be wiped out.

Mr. BEVERIDGE. Mr. President—

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Indiana?

Mr. GALLINGER. Certainly.

Mr. BEVERIDGE. I understood, perhaps incorrectly, the Senator from New Hampshire to say, in response to the query of the Senator from Nebraska, that the extraordinary and phenomenal advance in the price of wheat could not have been caused by such and such conditions, whereupon he referred, as I suppose the Senator did refer, to the great wheat corner recently had in Chicago. I understood the Senator from Nebraska instantly to reply to the Senator from New Hampshire by a question, "Well, did the tariff cause that?" I did not understand the Senator from Nebraska—

Mr. GALLINGER. Of course the tariff did not cause that.

Mr. BEVERIDGE. Certainly not.

Mr. GALLINGER. The Senator from Nebraska intimated that some suggestion I made was unworthy to be advanced in this discussion, and that question of the Senator's was certainly unworthy of a schoolboy.

Mr. BEVERIDGE. No; the Senator from New Hampshire referred to the increase of various prices, and said to the Senator from Nebraska, "Did those extraordinary causes produce the recent sensational advance in wheat?" and the Senator from Nebraska made the statement that that was not worthy, and immediately made the retort, "Did the tariff cause it?" Of course neither caused it.

Mr. GALLINGER. Certainly not. As I was remarking, I have made no war, and propose to make no war, on the duty on agricultural products. I make no war on the increased duty above that of the Dingley law that Senators from the agricultural States have thought it necessary to put on barley and other grains. A large amount of these products is consumed in my State, and doubtless those who use them would like to get them as cheap as possible. I make no war on the duty above the Dingley law that the Senator from Nebraska has had put on pumice stone. I suppose that is a very important industry in the Senator's State; but I make no war on it.

Mr. BROWN. Mr. President—

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Nebraska?

Mr. GALLINGER. Yes.

Mr. BROWN. That is a fair illustration of the weight of the argument that the friends of this measure—

Mr. GALLINGER. I do not yield to the Senator to be offensive.

Mr. BROWN. I beg the Senator's pardon.

Mr. GALLINGER. If the Senator has anything to say in courteous response to my courteous yielding, I will listen to him.

Mr. BROWN. I want to be courteous, and I shall be courteous; but I suggest that when we are discussing a schedule that affects 1,200,000 tons of print paper and 2,700,000 cords of spruce wood in this country, an industry that spends millions every year, and the Senator suggests at the same time that we should levy a duty on that industry because a little industry that, all told, does not consume 20,000 tons of pumice manufactured in this country—

Mr. GALLINGER. Now, Mr. President, the Senator is misrepresenting me.

Mr. BROWN. And an infant industry at that, a small affair—

Mr. GALLINGER. The Senator is putting me, or attempting to put me, in a wrong position. I called attention to the fact that the Senator stands for these high duties on agricultural products; his State is interested in them. I called attention to the fact that he was very diligent in hunting out a little industry that his State is interested in; he wanted it protected to a prohibitive point, and his wish was gratified; and yet a great industry—and it is great as concerns those of us who have those industries in our States—is singled out by the Senator for slaughter. I think, Mr. President, that it is more important to look after a great industry than it is the industry of pumice stone.

Now, I will proceed. If we are to have low duties or no duties on paper and pulp at the behest of the Senator from Nebraska and other Senators, and at the demand of the cheap newspapers of the country, why not low duties on wheat and corn and oats and barley and beef for New England?

Mr. BRISTOW. Mr. President—
The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Kansas?

Mr. GALLINGER. Yes; I expected to hear from the Senator from Kansas; and I yield.

Mr. BRISTOW. I am glad the Senator was expecting it. I feel perfectly assured in saying that the Senators representing agricultural States will be delighted to have the duties reduced on agricultural products if they can be reduced on manufactured products correspondingly. They, indeed, would be glad to have the duties taken off if the duties on manufactured products can represent the difference in the cost of product here and abroad, and no more.

Mr. GALLINGER. Mr. President, I have no doubt the Senator is entirely willing to do that if we allow him to destroy the manufacturing industries of the United States. I have no question of that, but I must decline the proposition.

New England is entirely dependent on the great West for agricultural products, and their high value is a great hardship to our people. New England consumes five or six million barrels of western flour each year. If lowering duties lessens the price to the consumer, as the Senator from Kansas and certain other Senators contend, why should not New England demand lower duties on wheat and flour? New England does not do this, for the reason that New England believes in applying the protection policy equally to all sections of the country. But while doing this why should this great industry of New England be sacrificed on the altar of free trade?

Mr. President, from affidavits submitted to the Finance Committee of the Senate as to the cost of manufacturing print paper in the United States and Canada, it appears that in 10 mills in Wisconsin and Minnesota the cost per ton is \$37.36, in 11 mills in New York and Maine \$34.30, while the cost to the International Paper Company is \$35.23, being an average in the United States of \$35.63.

Mr. BROWN. Mr. President—
The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Nebraska?

Mr. GALLINGER. Yes.
Mr. BROWN. This is the second or third time that my friend has referred to affidavits submitted to the Committee on Finance, and I should like to ask him where those affidavits are, if he knows?

Mr. GALLINGER. If the Senator will apply to the chairman of the Finance Committee, I think they will be shown him.

In Canada, statistics cover the Belgo-Canadian Paper Company, the Canada Paper Company, and the Laurentide Paper Company, from which it appears that the average price in those mills is \$26.90 per ton, showing a difference in favor of Canada of \$8.73 per ton. It thus appears that not only does Canada get her wood at a cost of approximately \$8 per ton less than the United States, but that, in consequence of cheap labor, she can produce paper at \$8.73 per ton less than we can in this country.

The increase in the price of paper has been comparatively slight, and yet that increase has been urged with a great deal of vigor, energy, and denunciation as a reason for removing the duty on print paper. If that policy should prevail, this bill would be made up of a free list, and nothing else.

I want to repeat, that if the increase in the price of an article is a reason for putting it on the free list, this bill ought to be made up of a free list, and nothing else.

Even the special committee of the House admitted in their report that an increase in the price of paper was justified, their exact words being:

It would appear that the increase in the value and cost of pulp wood, the increase in wages, the decrease in the hours of labor of many of the employees, and the increase in cost of other materials used, justified some increase in the price of paper.

Of course it did, and what folly it is to use that circumstance as a reason for removing or lowering the duty.

The Senator from Nebraska charged that in 1907 the International Paper Company closed down a portion of its mills, and that it followed that action by curtailing the production and increasing the price of print paper.

The fact is that the company made 9,500 tons more paper in 1907 than in any other year of its existence.

It is also true that the company sold paper cheaper in 1907 than in any other year between 1900 and 1908, with one exception, the price for the exceptional year, 1906, being 74 cents

per ton less than in 1907. Here are the figures both as to production and price:

Year.	Production.	Price.
	Tons.	
1901.....	355,163	\$42.80
1902.....	358,901	41.88
1903.....	359,142	43.20
1904.....	386,578	42.92
1905.....	377,711	42.14
1906.....	403,180	40.58
1907.....	412,654	41.32

Now, look at the price they paid for wood:

	Per cord.
1900.....	\$5.83
1901.....	6.33
1902.....	6.58
1903.....	6.76
1904.....	7.32
1905.....	7.71
1906.....	7.92
1907.....	8.30
1908.....	9.87

The cost of making a ton of ground wood pulp in 1900 was \$10.84, and in 1908, \$16.70.

The increase in the cost of wood in 1908 over 1900 was 70 per cent, and the increase in the cost of making a ton of ground wood pulp was over 50 per cent, and yet the price of paper was not largely increased.

The growth of the paper industry in this country has been phenomenal, and it deserves fair treatment at the hands of Congress. Look at these figures compiled by the Census Office:

	Number of establishments.	Capital.	Officials, clerks, and wage-earners.	Wages.	Value of product.
1880.....	742	\$48,139,652	25,631	\$8,970,133	\$57,306,880
1890.....	649	89,829,548	31,050	13,204,828	78,937,684
1900.....	763	167,507,713	40,646	20,749,426	121,326,162
1905.....	761	277,444,471	65,964	32,019,212	188,737,189
1909.....		369,925,000	87,988	42,692,000	258,282,916

* Estimated.

Mr. BROWN. Mr. President—
The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Nebraska?

Mr. GALLINGER. Yes.
Mr. BROWN. Of course the Senator is quoting now figures covering all the paper mills of the country, is he not?

Mr. GALLINGER. Yes.
Mr. BROWN. There are over 700 of those and less than 70 of the print-paper mills, are there not?

Mr. GALLINGER. A large proportion of them are not print-paper mills. I said that the growth of the paper industry in this country had been phenomenal. The Senator need not split hairs.

Mr. BROWN. I am not splitting hairs, but we are discussing the print-paper paragraphs and not the other paragraphs.

Mr. GALLINGER. Well, Mr. President, the Senator can discuss that in his own time; I will discuss this question in my own way.

And now I will call attention to what the Senator is interested in, namely, the manufacture of news print paper, the growth of which has been as follows:

	Tons.	Value of product.
1880.....	149,177	
1890.....	196,052	\$13,106,934
1900.....	568,291	20,091,874
1905.....	912,822	35,906,160
1909 (estimated).....	1,200,000	50,000,000

The manufacture of mechanical ground wood pulp shows this result:

	Own use.	To sell.	Total.	Value.
	Tons.	Tons.	Tons.	
1880.....				\$2,256,946
1890.....	288,300	78,700	367,000	5,871,426
1900.....	306,322	280,052	586,374	9,278,502
1905.....	696,576	273,400	969,976	15,809,820
1907.....			1,225,000	24,500,000

Showing that from 1890 to 1907 the value of the product of mechanical wood-pulp mills has increased 500 per cent. Sulphite fiber has increased as follows:

	Own use.	To sell.	Total.	Value.
	Tons.	Tons.	Tons.	
1900.....	142,810	273,420	416,230	\$16,649,200
1905.....	379,082	376,940	756,022	30,240,880
1907 (estimated).....			1,000,000	40,000,000

Why destroy an industry such as that? Why not let our mills manufacture pulp and paper instead of transferring the entire business to foreign countries?

Mr. President, the American Paper and Pulp Association—a witness that will probably be discredited by some because it is a corporation—submitted a brief to the Finance Committee which is so exhaustive and convincing that I will incorporate it in my remarks. It will be said that it is from interested parties. But why should not a great industry protest against hostile and destructive legislation? The brief follows:

The Republican platform promised revision on the basis 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 paper industry was satisfied with this principle, and it asks for itself only the same application that is accorded to other industries.

We ask only enough protection to enable us to meet such conditions imposed on our industry by nature or law as we can not overcome by capital, energy, and brains. We want merely such duty as will make it unremunerative for foreign manufacturers to sell in this country at our rock-bottom prices. We want the existing business, and we want the increment that is bound to come with the further development of the country; but we are not averse to the duties being so low that some inconsiderable quantity of paper may come into this market, believing as we do that the stimulus of potential foreign competition is not a bad thing for the industry and that high duties invite criticism and attack.

In fact, we believe that when business is good and the demand is equal to the supply, the tariff has little or no direct influence upon prices, and that its chief function is, during times of depression, to prevent outside supplies coming into a market already congested. Then it is that every ton of paper or pulp imported increases our unemployed labor and capital. There is now coming into this country a large quantity of Canadian pulp and paper. There are shipments also from Germany, Norway, and elsewhere, although many of our paper and pulp mills are running on short time from lack of orders.

The duties on paper are substantially the same as they were both under the so-called "Wilson revenue" act and under the avowedly high-protection McKinley Act, and are, on the whole, less than one-half the general average. The duty on ground wood pulp, reduced to an ad valorem basis, amounts to from 8 to 13 per cent, according to market prices; on chemical pulp, about the same; and on news paper it amounts to about 15 per cent.

The total value of paper and manufactures of paper imported increased from \$2,838,738 in 1898 to \$10,727,885 in 1907, and of pulp from \$601,642 to \$6,348,857. It is certain that with higher duties much of this paper and pulp could have been displaced by domestic product.

Some European countries make various grades of paper requiring great skill and experience and the application of much labor, the manufacture of which could doubtless be established in this country by means of higher duties.

Capital is turned over in the manufacture of paper more slowly than in most industries, which means that the profit on the output ought to be correspondingly larger to make a fair return. This would entitle paper to higher duties than other commodities rather than lower if the attempt is to be made to protect a "reasonable profit."

While the industry has grown enormously, as a whole it has never been extremely profitable, competition frequently having been so fierce as to be destructive. Even before the prevailing depression most branches of the business had reached an acute state of unprofitableness, and it is certain that the lowering of tariff rates, extending as it would the scope of competitive production, would prove very disastrous.

Capital employed in the paper business has been frightened by the attacks which have been made upon it under the leadership of some of the newspaper publishers; and the Republican party, now in power, should deal with the revision of the paper schedules in a liberal and reassuring manner. The opportunities for further development in this country have by no means been exhausted, but progress is certain to be arrested by any reduction in the tariff.

The proposition to repeal the duty on ground wood pulp has no more merit than the similar proposition in reference to paper. The fact is ignored that pulp wood is on the free list. We do not need to import both pulp and pulp wood. It is certainly better for the country to have the latter imported and manufactured here into pulp. The pulp industry is in itself an important one, the amount of pulp made to sell amounting in value to many millions of dollars a year. Pulp is therefore far from being a raw material, and it would be manifestly a discrimination against pulp manufacturers to deny them the same kind and degree of protection accorded to other industries. Moreover, pulp making is a most important part of the process of paper making where the two processes are combined in one plant, as in the majority of cases. It requires proportionately as much capital and labor as the after process of converting the pulp into paper. It would be extremely illogical to cut the process of paper making in two in the middle and provide less protection for one half than for the other.

Certain newspaper publishers have demanded free paper and pulp. Among the reasons they have advanced are that putting these articles on the free list will prevent the destruction of our forests; that there is a monopoly of production in this country; that there are combinations in restraint of trade, resulting in extortion; and that the alleged high price of paper is a "tax upon intelligence." Their aim is to keep down the price of news print paper, irrespective of the welfare of the paper industry or of the importance of this industry to the country in the development of its natural resources, in the employment of capital and labor, in the support of allied industries, and in the traffic it affords to transportation companies.

It would be impracticable to admit print paper and wood pulp free of duty or to reduce the duty thereon without disturbing the whole industry. Wood pulp is the chief ingredient of half the paper made in this country and is used to some extent in almost every grade. In 1850 the value of the total output of paper in the United States was about \$10,000,000; in 1905 the value of the output of the paper and pulp mills was \$188,715,000. This rapid growth has been maintained up to the close of 1907. The output for that year must have reached \$250,000,000.

It would seem to be the utmost folly to tamper with any policy or conditions precedent to such results. It is no less the function of a protective tariff to maintain and promote the growth of industries than it is to set them upon their feet. This industry that appeared full grown in 1895 has almost doubled in size since then. Under wise guidance the industry can and will maintain this rapid rate of growth and improvement in methods for a long period to come if protection is not withdrawn. For example: In the South are abundant water powers and ample supplies of suitable wood, to say nothing of the annual waste of hundreds of thousands of tons of materials, such as cotton stalks and seed hulls and, in various sections of the country, flax and other fibrous plants. Whether the industry extends to the South and West or to Canada depends on the tariff.

Besides upward of 4,000,000 tons of annual product, the paper mills furnish freight in the way of raw materials, supplies, etc. to the common carriers of the country, roughly estimated at 4 tons for every ton of product, or 20,000,000 tons of freight annually. They consume annually not less than 3,000,000 tons of domestic coal and sustain a large number of establishments which manufacture wholly or to a large extent machinery and supplies used only in paper mills. They furnish employment directly to nearly 100,000 operatives in the manufacturing plants and to probably 50,000 in the woods, besides indirectly supporting the labor entering into the manufacture of the machinery and supplies which they purchase. It has been estimated that for every dollar which the consumer pays for paper, 70 cents goes into the common wage fund of the country. Paper manufacturers in many sections of the country have been the pioneers, stimulating the building of railroads to new points, building up thriving villages, and even cities, and utilizing water powers that had previously gone to waste, for which there might not be any other demand for years to come. In 1905, 43 per cent of all the water power developed in the United States was used by paper and pulp mills.

The industry furnishes one of the most valuable uses to which certain kinds of wood may be put. Timber that has a value on the stump of, say, \$4, by the application of American labor and the use of American materials is converted into a product worth from \$40 to \$100, according to the kind of paper for which it is used. All these facts, and many more which might be adduced, serve to demonstrate the seriousness of taking a step that would surely check the growth of the industry, if not partially ruin it.

We have as our neighbor on the north a country which has at least equal natural advantages for making some kinds of paper, where, without question, the industry would have reached much larger proportions but for the fact that our duty upon paper and pulp heretofore has given to the United States manufacturer a slight advantage in supplying our market. The result is we have not only an abundant supply of paper, but the industry as well.

Has the effect been to increase the price of paper in the United States? On the contrary, the price has, with slight fluctuations, gone steadily downward. Better news paper, for example, is furnished to-day at 2½ cents per pound than was furnished twenty-five years ago for from 6 to 8 cents. The cheapening of paper has in turn increased the demand enormously, but the increase in the capacity of our mills has never failed to keep pace with the requirements of publishers and other consumers. The normal condition, in fact, has been one of overproduction.

Being assured by the existence of the tariff that the natural increase in demand in this rapidly growing country would insure to the benefit of domestic manufacturers, capital has been readily available. Only in a country where practically an unlimited demand for its product was assured could the scale of manufacture have reached such proportions as it has in this country. Throughout all the processes of manufacture of pulp and paper larger units prevail here than in any other country, except to the extent that American machines, ideas, and methods have been appropriated elsewhere. Our pulp machines, our paper machines, and our plants are larger than in any country in the world. Thus, to the conservation of our market is directly traceable the cheapening of production, resulting in lower prices, although we pay higher wages than are paid in the paper mills of any other country, two or three times those in European countries and considerably higher than in Canada.

If the duty is removed, we must either force down wages in this country or transfer a large part of the industry to Canada. It would seem that this industry had justified its claim for future protection by past performance.

It has been urged that the duty should be taken off wood-pulp papers in the interest of forest preservation. There is no ground whatever for the claim that the removal of the duty would be for the benefit of our forests. Many erroneous impressions prevail on this subject. In the first place, there is no duty whatever upon pulp wood. As long as we can get pulp wood free of duty there is no substantial advantage to be gained by having free paper, or even free pulp. In the second place, great as is the quantity of wood used by our mills, it is, according to the Forestry Department of the United States, less than 2 per cent of the total annual drain upon our forests, and, according to the best estimates available, the quantity of any one species used for paper is less than the annual growth. More wood is used for railroad ties than for pulp, and more for shingles, and vastly more for fuel. Almost every form of forest product, excepting pulp wood, is protected by a duty. If the forests are to be preserved for use, which is the doctrine of the Forestry Service of the Government, for what better purpose could the wood be used than to supply an industry which adds so great an increment to its value before it reaches the consumer in the form of a most indispensable commodity? Finally, if the duty were removed from paper and pulp, or reduced, the manufacturers who own timber lands would be compelled to strip them, as they could not afford to continue their present conservative methods of lumbering in the face of competition with Canadian mills.

One of the reasons given in the Democratic platform for the removal of the duty from paper and pulp is the alleged existence of combinations or monopolies. It is only necessary to treat this phase of the subject in connection with news print, as newspaper publishers are the instigators of this charge, and they are avowedly interested only in so far as the price of news paper might be affected. In the recent con-

gressional investigation of the paper industry, the newspaper publishers signally failed to show any combination in restraint of trade, or any other combination which in any way controlled the price or production of news print. The paper makers, on the other hand, proved that while an advance in the price of news paper took place last year, other grades also advanced and prices went up simultaneously in the principal markets of the world. The advance in this country was shown to be due to natural causes, such as the increase in the cost of labor and pulp wood. They showed that there had been absolutely no curtailment of production, which has since been confirmed by government statistics showing a large increase in the consumption of pulp wood in 1907 over 1906. They showed that a large number of news print mills were manufacturing and selling their product entirely independent of each other, and that the largest producer made less than 35 per cent of the total output, whereas ten years previously it made more than 60 per cent.

It was developed at the investigation also that the manufacturers of news print paper were not making any inordinate profit, but, on the contrary, that most of them were securing but meager returns. The Department of Justice also has failed to find any infraction of the anti-trust laws on the part of the news print paper manufacturers.

This same cry of combination and extortion, raised by the newspapers, has filled the ears of the public spasmodically for many years, and will probably continue to be raised, regardless of facts, as long as there is a protective tariff and free-trade papers to carp at it. They have groaned under the burden of the price of paper while it has been going down from 25 cents to 2 cents a pound, and have charged restriction in production while the tonnage of news print paper has gone up from a few thousand tons a year to over 1,100,000 tons. Should there at any time be any ground for such complaints, surely the law of the land is sufficient to deal with the violators without recourse to so drastic a measure as practically removing protection from the print-paper industry, thus making the innocent suffer with the guilty.

Finally, it is claimed that the duty on paper is a "tax on intelligence." It is doubtful if any intelligent person would indorse this plea.

Mr. President, much has been said in this debate about wages, and some Senators have exerted themselves to prove that wages in foreign countries are at as high a level as in the United States. Every man who has investigated that subject knows to the contrary. Look at the report of Special Agent Clark, who has been frequently quoted in this debate. He says that in the textile industry we are paying twice the wages that are being paid in Great Britain. While the difference is not so great between the wages in this country and Canada, the difference is sufficient to place us at a great disadvantage. And yet it has been claimed, over and over again, that there is practically no difference in the wages paid in this and other countries. Truly it is a remarkable contention.

As I have before stated, the figures submitted by the United States Commissioner of Labor, Mr. Neill, put the difference in wages in the paper mills of the United States and Canada at about 33½ per cent.

Personally, I know something about this matter, derived from my frequent visits to Canada and my association with the people of that country. Aside from farmers going to the northwest Canadian Provinces, there is no emigration from this country to Canada, while Canadians flock to our forests and our mills in great numbers, simply because the wages are greater on this side of the line. In Senate Document No. 16, printed only a few days ago, our consul at Owen Sound, Ontario, speaking of lumber, says:

The cheaper labor in the woods and mills will more than offset the duty.

That is undoubtedly true, and it has an important bearing on the subject under discussion.

I have some familiarity with the paper mills of Canada. I have talked with Canadian public men and associated with the laboring men of the Dominion. I know something about the industrial condition there as compared with the industrial condition in the United States. I could cite, if it were necessary, instances with which I am familiar of men working in the paper mills of Canada, and could compare their wages with those of men in this country. But that is not necessary. But I assert it as a fundamental and unanswerable fact that the wages in this country in all our industries, paper making included, are on an average at least 30 per cent in advance of the wages paid in any Province of the Dominion of Canada.

If it were not so, Mr. President, the mills of our Eastern States, the forests of our Eastern States, the brickyards of our Eastern States, would not be filled with men coming from Canada to this country. They would remain at home. They surely do not come for their health.

It was asserted yesterday that they were better off there than here. If that be so, it is a most astounding fact that men will emigrate from their own country to a country which gives them less opportunity for comfort, happiness, and prosperity than they could get on their own farms or in their own mills or in their own forests. Who believes it?

Mr. President, nothing but an overwhelming sense of duty could have tempted me to occupy the attention of the Senate as I have for so long a time, but the people whom I represent are entitled to consideration in this matter, and in their name I demand evenhanded justice—nothing more, nothing less.

Mr. President, this matter has not escaped the attention of the labor interests of the country. The congress of the Knights of Labor has put itself on record against the proposed legislation, closing their earnest protest in these words:

Without the existing protection the great paper industry will be crippled and the wage-earner, the forest, and ultimately the consumer will be endangered by driving the industry to Canada.

It is astonishing to me how acute is the mind of some of these labor leaders, how accurately they gauge a great public question. These men know that if this industry is transferred to Canada, as it will be transferred to Canada unless it is adequately protected, the men whom they represent will be turned out of employment and suffer the consequences of such a foolish legislative act on our part. This great organization continues:

Should this industry decline it means a deathblow to many communities clustered about the paper mills.

The Senators from Maine know how that is. They know how towns and villages have been built up in Maine, clustered around paper mills, entirely dependent upon the employment they there receive. Blot them out and those communities will be like some of the mining communities where the mineral has refused to give itself up to the labor that formerly produced it. I continue to quote:

Should this industry decline it means the deathblow to many communities clustered about the paper mills and the breaking up of American homes and migration of our skilled labor to Canada and the forcing of the unskilled into other channels, now overcrowded.

In justice to American labor and industry and in the name of the vast army of American workmen who are dependent upon the paper industry for a livelihood, we ask that the existing duty of \$6 per ton on print paper and \$1.66 per ton on wood pulp be maintained in the tariff bill now pending before Congress.

Of the numerous letters received from labor men and organizations, I will content myself by inserting three, two from Berlin, N. H., and one from Watertown, N. Y. I will ask the Secretary to read the first letter.

The VICE-PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

INTERNATIONAL BROTHERHOOD
PULP, SULPHITE, AND PAPER MILL WORKERS,
Berlin, N. H., May 28, 1909.

HON. JACOB H. GALLINGER,
Washington, D. C.

DEAR SIR: We are desirous at this time of calling your attention to a proposed reduction in the duty on ground wood pulp and print paper, which is contained in the Payne bill now before Congress.

The Dingley bill calls for a duty on print paper amounting to practically \$6 per ton, and on ground wood pulp a duty amounting to practically \$1.67 per ton, or at the rate of 15 per cent ad valorem in the one case and 8½ per cent ad valorem in the other case.

It would appear as if this duty was no more than a revenue duty; but owing to the attitude of the newspapers, which are desirous of getting cheaper paper, an agitation has been going on some time for lower duties.

This organization is very strongly represented in the various paper mills throughout the Eastern and New England States, and our people express themselves in no uncertain terms, stating that should a reduction be made on the duty, as proposed, \$2 a ton on print paper and free wood pulp, it will seriously affect the paper-making industry throughout the country, and the inevitable result will be longer hours and less wages. A reduction of 66⅔ per cent on print paper and the total elimination of all duty on ground pulp can not fall to work serious consequences; and if this happens, it must surely have a very serious effect upon the interest of organized labor.

We have been convinced that paper can be made at least \$8 per ton cheaper in Canada than it can be made in this country. Should the proposed duties be enacted into law, the results will be the almost complete abandonment of American mills and great loss of employment to American labor.

We do therefore appeal to you to vote and work against any reduction in the duties on print paper and wood pulp contained in the Dingley tariff.

In conclusion, we assure you that we will appreciate any effort which you may put forth in behalf of this industry, which is being so unfairly attacked.

We are, with sincerest regards,

Very truly yours,

NELSON GAY, *President*,
GEORGE SNOW, *Secretary*.

[SEAL.]

Mr. GALLINGER. I will ask that a brief letter from the International Brotherhood of Paper Makers, Watertown, N. Y., be likewise read.

The VICE-PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

INTERNATIONAL BROTHERHOOD OF PAPER MAKERS,
Watertown, N. Y., April 20, 1909.

To the honorable Members of the United States Senate:

GENTLEMEN: On behalf of the wage-earners of the paper and pulp industry in the United States we make this last urgent appeal to you for the retention of the present protective duty on print paper. * * * We are not making this appeal in the interest of the paper manufacturers, but for the thousands of employees who are practically helpless and upon whom any reduction will immediately react.

We know the actual condition of the print-paper industry. The labor cost of producing paper is much cheaper in Canada; the raw material is very much cheaper there; the present tariff rate is absolutely necessary to maintain the standard of wages and hours of service now in

vogue, and we rely upon your sense of fairness and good judgment to protect American labor; for if the proposed reduction goes into effect, it will be a terrible blow to the wage-earner of the paper industry, and, at the same time, will not benefit a single individual in the United States, with the possible exception of a few opulent newspaper publishers.

INTERNATIONAL BROTHERHOOD OF PAPER MAKERS,
J. T. CAREY, *President*.
J. J. O'CONNOR, *Secretary*.

Mr. GALLINGER. The other letter referred to is as follows:

INTERNATIONAL BROTHERHOOD
PULP, SULPHITE, AND PAPER MILL WORKERS, LOCAL No. 23,
Berlin, N. H., March 22, 1909.

Hon. JACOB H. GALLINGER,
United States Senate, Washington, D. C.

DEAR SIR: We are led to believe that Congress, now in extra session, is preparing to pass a new tariff bill. Accordingly, we, the workers in the pulp and paper mills, feel that our means of gaining a livelihood will be greatly impaired, if not totally destroyed, if the duty on pulp and paper is removed or reduced. There is considerable difference in the wages paid the pulp and paper mill employees in Canada and this country, and with a low tariff, or no tariff at all, it would enable the Canadian manufacturers to manufacture paper some cheaper, if only the difference in labor were taken into consideration. Many of the pulp and paper mill employees would be ruined by such an act; they have built homes in the paper and pulp mill towns in this section, under the assumption that they would be allowed to enjoy many years of happiness and prosperity in their chosen towns.

We all feel very nervous over the present situation, and beg to advise you that our members and the employees in general in paper and pulp mills in this section join in petitioning you to use your utmost influence in preventing the removal or a reduction in the present duty on paper. Some people in some parts of the country may be benefited by such a move, but we, your constituents, will be greatly harmed.

We sincerely trust that you will use your best endeavors to prevent any such action by Congress.

We beg to remain,

Very truly yours,
[SEAL.]

LEWIS W. STEUART, *President*,
HERBERT W. SULLIVAN, *Secretary*.

Mr. President, only a moment longer.

Surely the protest of these laboring men, pleading for their families and their homes, deserves consideration and ought to be heeded in preference to the demands of opulent and selfish newspaper publishers.

Berlin is a city of 12,000 inhabitants, situated near the Canadian border, its chief industries being lumber and the manufacture of pulp and paper. Naturally they are alarmed, foreseeing, as they do, the inevitable destruction of their industries if hostile legislation is enacted; and in their behalf I appeal for justice in this matter. In 1880 Berlin had a population of less than 1,000, and the place has grown to its present proportions largely as a result of the development of the paper and pulp business, and other towns in southern New Hampshire have also had a phenomenal growth from the same cause.

Mr. President, I am gratified that the Committee on Finance, after patient investigation, have reported an amendment increasing the duties on print paper to \$4 per ton, but at the same time it is a matter of sincere regret to me that they did not see their way clear to recommend the continuance of the existing rate. Six dollars per ton does not measure the difference between the cost of production in Canada and the United States, and the reduction to \$4 will be a severe blow to an industry that deserves better treatment. The committee's proposed reduction of 33½ per cent from the rates of the Dingley law is a far greater reduction than is made in any other schedule of the bill, and I confess that I can find no adequate excuse for it. If this industry is to be sacrificed at the behest of a portion of the newspaper press of the country, we may well inquire into the motives of the agitation.

For my part, I can find neither justice nor reason in the demand, and profoundly regret that this schedule has not been accorded as considerate treatment as was given to the other schedules of the bill. The best I can do is to register a protest against it, knowing that it is hopeless to attempt to secure a higher rate against the conclusions of the Finance Committee and the pronounced hostility of the House of Representatives. Events will justify the views I have expressed, for when Canada gets possession of the business and has imposed an export tax on the product, even the newspapers that have created such a clamor will be rewarded by increased prices of news print paper. There will be no escape from that, just as there seems to be no escape to-day from legislation that will inevitably work serious harm both to those who have invested their money in the enterprise and the many thousands of men who are employed in the industry. It is a blow to American capital and American labor that ought not to be inflicted by the American Congress. But as the proposed amendment of the Finance Committee is so much better than the provisions of the bill as it came from the House, I trust that it may be agreed to, notwithstanding it is my impression that it will not properly protect the great industry for which I plead, and I fear that it will stand as a monumental error on the part of the Congress of the United States.

Mr. MONEY. Mr. President, I wish to correct an error of my own making. Some days ago, by permission of the Senator

from Wisconsin [Mr. LA FOLLETTE], I was allowed to lay before the Senate a table of comparative wages in this country and three or four countries abroad. Day before yesterday I received a letter from a very intelligent gentleman in this city, who informed me that I had made a very great mistake. Under the head of "Engineering" in this table, which is to be found in the Record of the 15th instant, fitters, turners, and smiths received \$25.39 per week wages. I find that my correspondent was correct. Instead of \$25 it should have been \$15. I had the matter examined into and discovered that the original manuscript was \$15.39, and the error was caused by the typewriter, who inserted "2" instead of "1." I desire that this table shall stand corrected—\$15.39. I will send it up to the Clerk, that he may make the necessary correction.

I wish also to express my obligation to my correspondent for calling my attention to an unintentional mistake, and I desire to correct it.

Mr. OWEN. Mr. President, I wish to call the attention of the Senator from New Hampshire [Mr. GALLINGER] to the fact that in quoting the change of prices of agricultural products he took approximately the lowest price at which corn had been and compared it with the highest price.

Mr. GALLINGER. I so stated.

Mr. OWEN. I suggest that the comparative prices of agricultural products are shown by Table 194 of the Statistical Abstract of the United States for 1907, which shows that corn No. 2 in 1884 was 60 cents, in 1907 it was 64 cents; that wheat No. 2 was 97 cents in 1884 and 96 cents in 1907; that in 1891 wheat was \$1.09 and in 1907 it was 96 cents; that in 1891 corn was 70 cents a bushel and in 1907, 64 cents a bushel.

I wish to call attention to the table, because it ought to be clearly understood that agricultural products in this country, where the agricultural area is limited and the population has been rapidly growing, ought to advance by virtue of the growing demand from our own number of people, who are consumers of agricultural products, and that, notwithstanding this fact, taking the averages in a reasonable way, there has been no great increase in agricultural products.

The reverse ought to be true with regard to manufactured products. While population increases, it can not increase in the same ratio as the output of manufactured products, due to wonderfully improved machinery and to the greatly increased use of water power and all other forms of power which are made available for turning out manufactured products. I simply wanted to call attention to that, so that it might not be lost sight of in the consideration of this matter.

Yesterday I called attention to the fact that no man had ever been held to account for perjury before any of these committees, and yet this debate has been full of contradictory statements. Each one takes a part of the testimony and proves what he likes, and while always there must be, and should be, an abundant latitude allowed for the inaccuracy of observation and inaccuracy of conclusion on the part of witnesses testifying, there is a point at which the inaccuracy of the human mind ceases and willful and deliberate perjury begins. It seems to me there ought to be some review of the testimony given, and where it is found that men have falsely sworn for the purpose of pecuniary profit from the shaping of the tariff law, they ought to be held to a strict criminal account. It is a crime to swear falsely for the purpose of influencing the legislation of Congress, and there ought to be some limitation to the effrontery with which that is done.

Mr. HEYBURN. Mr. President—

The VICE-PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Idaho?

Mr. OWEN. I do.

Mr. HEYBURN. I should like to inquire of the Senator if he desires us to understand that in all controversies where there is conflicting testimony in regard to the facts, it is proper and necessary that criminal suits should be commenced at the end of the trial? Has it been the Senator's practice in the trial of cases to prosecute the witnesses on the losing side who have testified to facts that were not sustained?

Mr. OWEN. The Senator has no ground so to interpret my remarks, because I have stated that, granting every privilege that could be reasonably accorded to the inaccuracy of observation and of the conclusion of witnesses, there was a limit where the inaccuracy of the human mind ceased and the deliberate crime began.

Mr. HEYBURN. I think it is always safest to leave the question of determining which side is right until after the final judgment has been entered in a case, and in this case the final judgment has not been entered.

Mr. OWEN. It will suffice my purpose to call attention to the fact that no man has ever been held to account for a false statement made before these committees.

Mr. GALLINGER. I should like to ask the Senator, as a lawyer—I ask him from the standpoint of a layman—inasmuch as the men who made these two conflicting affidavits are subjects of the Dominion of Canada, does he think we ought to pursue them into Canada and prosecute them for perjury?

Mr. HEYBURN. Or extradite them.

Mr. GALLINGER. Or should we ask for their extradition?

Mr. OWEN. I shall be content if the committees of Congress should hold to account those whom they are satisfied are guilty of deliberate crime in submitting testimony to the committees.

Mr. BEVERIDGE. Will the Senator from New Hampshire permit me to ask my friend from Oklahoma a question?

Mr. GALLINGER. I yield for that purpose.

Mr. BEVERIDGE. Does the making of a false affidavit constitute the crime of perjury?

Mr. OWEN. I am inclined to think it does constitute the crime of perjury under the statutes of the United States.

Mr. BEVERIDGE. I ask as a legal proposition.

Mr. OWEN. I am answering as a legal proposition.

Mr. BEVERIDGE. It is novel to me. Of course, as a legal proposition, false affidavits do not constitute perjury. I think they ought to, myself; but, as a matter of fact, they do not.

Mr. OWEN. That is a matter of opinion, and in that I differ with the Senator from Indiana. I call his attention to the statutes of the United States with regard to perjury.

Mr. BEVERIDGE. I shall be glad if the Senator is right about it.

Mr. OWEN. If the Senator will allow me, I will answer. Section 5392 states, in describing what perjury is, that—

Every person who, having taken an oath before a competent tribunal, officer, or person, in any case in which a law of the United States authorizes an oath to be administered—

Then falsely swears to a material fact. An oath is authorized to be administered by section 101 of the Revised Statutes, which is in the following language:

SEC. 101. The President of the Senate, the Speaker of the House of Representatives, or a Chairman of a Committee of the Whole, or of any committee of either House of Congress, is empowered to administer oaths to witnesses in any case under their examination.

In my opinion, therefore—

Mr. BEVERIDGE. Will the Senator permit me? I do not know that it is very material, but was this affidavit made before the chairman of the House committee, or was it made before a notary public?

Mr. OWEN. I am not referring to any particular affidavit. I am referring to 3,500 pages of evidence, a large part of which is declared to be unworthy of trust in this debate.

Mr. BEVERIDGE. Then, I misapprehended what was in the mind of the Senator. I thought he referred to a false affidavit as being a crime of perjury, and I thought the Senator, as a lawyer, would not want to let that go.

SENATOR FROM ILLINOIS.

Mr. CULLOM presented the credentials of WILLIAM LORIMER, chosen by the legislature of the State of Illinois a Senator from that State for the term beginning March 4, 1909, which were read and ordered to be filed.

The VICE-PRESIDENT. The Senator-elect will present himself at the desk and take the oath of office.

Mr. LORIMER was escorted to the Vice-President's desk by Mr. CULLOM, and the oath prescribed by law having been administered to him, he took his seat in the Senate.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

The VICE-PRESIDENT. Without objection, the question will be first put on the motion of the Senator from Nebraska [Mr. BROWN].

Mr. ALDRICH. On that I ask for the yeas and nays.

The VICE-PRESIDENT. Is there a second to the request?

Mr. BROWN. Wait a moment.

Mr. BEVERIDGE. What is the question?

The VICE-PRESIDENT. The yeas and nays have been called for. Is the demand seconded?

Mr. BEVERIDGE. The Senator from Nebraska was addressing the Chair at that time, and I merely wanted to make a parliamentary inquiry.

The VICE-PRESIDENT. The Senator will state it.

Mr. BEVERIDGE. I was busy here at my desk and I did not understand what the question was on which the yeas and nays were demanded.

The VICE-PRESIDENT. The Chair is disposing of the question whether the yeas and nays are to be ordered.

Mr. BEVERIDGE. I desire to know before the yeas and nays are ordered.

The VICE-PRESIDENT. The question is on the motion of the Senator from Nebraska [Mr. BROWN].

Mr. BROWN. I want to be heard a moment on that.

The VICE-PRESIDENT. Is there a second to the demand for the yeas and nays?

The yeas and nays were ordered.

The VICE-PRESIDENT. The Senator from Nebraska will proceed.

Mr. BROWN. Mr. President, I desire to call the attention of the Senate for just a moment to the situation of this amendment and some of the arguments that have been made this morning.

I undertook, as best I could, to present to the consideration of the Senate three propositions. The first was the report of the select committee, which was made after an investigation of ten months by Members of the House of Representatives, charged with the duty of obtaining the truth about the conditions of this industry. I went beyond that to inquire upon what testimony that report was based, and undertook to present it to the Senate. I call the attention of the Senate this morning to the fact that not only have we the report of that select committee and the evidence upon which they acted before the Senate, but we have also the report of the Committee on Ways and Means of the House, consisting of entirely different Members of that body, who reached the same conclusion with regard to the facts as did the other committee.

So we have the testimony of this array of officers, charged with ascertaining the truth, presented to this body.

We are confronted this morning with what? With the testimony of a single witness before either one of those committees? No; not one. The only testimony presented was that of affidavits which our friend from New Hampshire said he filed with the Committee on Finance of the Senate, and when I asked him who the names of the men were who made the affidavits he declined to answer and referred me for information to the Finance Committee.

Mr. President, I want the Senate to understand when it votes upon this proposition it is voting, so far as we are concerned, upon information received from our committee in dead darkness. Not a word has come from one member of that committee as to a single fact or the name of a single witness who testified before it by affidavit or otherwise.

Now, Mr. President, I have just this suggestion to make: We have the choice of discarding the work of all the men charged with ascertaining the truth and reporting it, and discarding it upon the plea alone of Senators who claim that the industry is local and who assert their belief, unsupported by the testimony of a single witness, that it will be destroyed if we pass this law.

I want to say to the Senate, I want to say to the Finance Committee, that notwithstanding the fact we have shown by the reports and by the testimony that no duty at all is required, I am here to get results, if I can, upon this proposition approximately as near right as possible, and therefore, Mr. President, I am going to withdraw my motion to amend by putting print paper on the free list and ask the Senate to stand by the report and the bill of the House, that was based upon the testimony of sworn witnesses before that body.

The VICE-PRESIDENT. The yeas and nays have been ordered. It will require unanimous consent. Is there objection to the Senator from Nebraska withdrawing his motion?

Mr. ALDRICH. What was the request?

The VICE-PRESIDENT. That the Senator from Nebraska withdraw his motion.

Mr. ALDRICH. I object to its withdrawal.

The VICE-PRESIDENT. Objection is made.

Mr. BEVERIDGE. Mr. President, that is precisely the reason why, as soon as I heard the yeas and nays called for, I rose and insisted upon the matter being put before the yeas and nays were ordered. I was not certain when I rose what the question was, because my attention had been occupied at this desk. I had known that the Senator from Nebraska had intended to exercise his right to withdraw his amendment.

Mr. ALDRICH. He has no such right.

Mr. BEVERIDGE. He certainly had a right before the yeas and nays were ordered.

Mr. ALDRICH. Not at all, except by the unanimous consent of the Senate.

Mr. BEVERIDGE. Very well; it does not make any difference. In any event, the Senator from Nebraska should have been heard before the yeas and nays were ordered.

It is of no avail at this particular moment to call attention to that. I do not think the rules have been in the least violated; but I do suggest this thought as growing out of this incident: That in the future it is necessary to careful legislation that when the yeas and nays are called for and a Senator rises before they have been ordered, it is not the right of the Senator calling

for them to demand a show of hands, because that very Senator himself may want to either make remarks or withdraw the motion or indulge in some other parliamentary device necessary to the interests of the legislation that he is pressing.

But if that can be done, in a case as was cited by the Senator from Georgia [Mr. BACON] the other day, the yeas and nays having been ordered and a Senator rising in his place and not being heard by the Chair, and the clerk promptly beginning the roll call and the first name promptly answering it, not only is the debate cut off, which is not very important, but every possible parliamentary right which a Senator might have had if the Chair had heard him would also have been lost.

I do not suggest that in any way the rules have been violated, but I do suggest that in matters of legislation so grave as nearly every feature of this bill is the largest toleration should be exercised toward Senators who are on their feet concerning a motion or an amendment which they are presenting.

Before I had addressed the Chair the Senator from Nebraska was on his feet, and for that purpose. Of course it is perfectly clear what the Senator from Rhode Island has in mind by objecting to a withdrawal of the amendment. He is exercising the perfectly permissible strategy that is at his disposal under the rules. He is not at all to blame for that.

The Senator from Nebraska feels that testimony has been presented to the Senate, formally taken by committees, printed by the House, which has not been answered and which justifies his original motion. But he said what he wanted was results; and perhaps that motion could not get as many votes as would a motion for the proposition to stand by the House rate upon paper, which is \$2, the Senate rate making it 100 per cent more. But after that vote is taken, I hope the Senator from Rhode Island does not think that because Senators may see fit to vote against the proposition to put paper on the free list, therefore, by that vote, he will be able to show them that they are committed to vote against the House rate, because they are two different propositions. I think it permissible to point that out at this juncture.

Mr. BACON. Mr. President, I unfortunately was called from the Chamber at the time the yeas and nays were called for. I rise to a parliamentary inquiry. Do I understand the Chair correctly in ruling that the yeas and nays having been ordered, the Senator from Nebraska was cut off from a right to make a motion?

The VICE-PRESIDENT. No question of order was raised. Certainly the Chair would not hold anything of that kind.

Mr. BACON. I am asking for information.

The VICE-PRESIDENT. No question of order has been raised. The Chair has made no decision.

Mr. BACON. I understood the Chair to say—I may be mistaken in my understanding—that the yeas and nays having been ordered, the Senator from Nebraska could not withdraw his motion or his amendment without unanimous consent.

Mr. BEVERIDGE. That is correct.

The VICE-PRESIDENT. The Chair did rule that.

Mr. BACON. That is what I thought, and that is the point to which I direct my inquiry. I simply desire to suggest that whatever right the Senator had prior to the order of the yeas and nays was not, in the absence of the beginning of the roll call, lost by the fact that the yeas and nays were ordered. I do not know of any parliamentary law which changes the situation by reason of the fact that the yeas and nays have been ordered, because if that were the case, debate would have been cut off and the last speech made by the Senator from Nebraska could not have been heard. It is true that after the first name is called all right to any action is debarred by our rules, but the simple fact that the yeas and nays have been ordered, I respectfully submit, does not cut off the right to debate or the right to make any motion.

The VICE-PRESIDENT. Certainly not.

Mr. BACON. I am not discussing the question whether a Senator has a right to withdraw an amendment at any time unless there is unanimous consent. I am not addressing my remarks to that question at all.

The VICE-PRESIDENT. May the Chair inquire of the Senator from Georgia if he contends that the Senator from Nebraska could have withdrawn his amendment except by unanimous consent?

Mr. BACON. I am not addressing myself to that contention. I am simply contending that whatever right he had was a right which was not lost by the fact that the yeas and nays had been ordered, at a time when the roll call had not been begun. That is the only point.

The VICE-PRESIDENT. Evidently the Senator from Georgia and the Chair do not differ.

Mr. BACON. I misunderstood the Chair when I understood him to say that the yeas and nays having been ordered, for

that reason the Senator from Nebraska could not withdraw his amendment without unanimous consent. I may have misunderstood the Chair in that particular.

The VICE-PRESIDENT. The Chair used those words. The Chair said that the Senator from Nebraska could not withdraw his amendment except by the consent of the Senate.

Mr. BACON. Not on the ground that the yeas and nays had been ordered.

The VICE-PRESIDENT. It was not necessary to have stated that ground.

Mr. BACON. That was the statement made by the Chair to which I directed the inquiry. Of course, if I misunderstood the Chair, I will not pursue it further.

Mr. BAILEY. Mr. President, I simply desire to detain the Senate long enough to emphasize that even a Republican will admit the tariff is a tax when he wants to take it off. The Senator from Nebraska [Mr. BROWN] has based his whole advocacy of this amendment transferring print paper to the free list upon the ground that he would thus reduce the price of paper to the publishers of newspapers throughout the country. I thoroughly subscribe to that opinion, and I only ask him then to agree with me that the same effect would occur with every other reduction of the tariff. While I agree with him that we can reduce the price of printing paper by removing or reducing the tariff, I want him to agree with me that we could also reduce the price of cotton or woolen clothes by removing or reducing the tariff.

Mr. President, I have been many times impressed by the inconsistencies of Senators on the other side and occasionally I have been impressed with the inconsistency of a Senator on this side. When a Republican Senator is defending the general tariff policy of his party he affirms that the tariff is no tax, or if it is a tax at all it is a tax which the foreigner pays for the privilege of selling his goods in the United States. If that is true, I have no objection myself to the Canadian manufacturer of paper paying this tax. But the Senator from Nebraska says that is not true, that the American publishers will pay the tax, and it is for their relief that he seeks to remove the duty.

I want to reenforce the argument of the Senator from Nebraska by reading the testimony of a Republican manager and part owner of a newspaper printed in the State of Massachusetts. This testimony was delivered before the committee of the House which had been appointed and charged with the duty of investigating this question. The publisher, or rather, he says, he was the business manager, and in connection with one other gentleman owned a controlling interest in the paper, was summing up the cost of his paper and he found it to be \$2.30. Here is the way he made up the items—\$1.80 at the mill, 20 cents for freight, and 30 cents for tariff. Mr. SIMS, a member of the committee and a Democratic Member of the House, inquired:

Mr. SIMS. What is the amount you are paying for it at Springfield?

Mr. PLUMMER. Two dollars and thirty cents. That would be 20 cents for freight and 30 cents a hundred for duty.

Mr. SIMS. That is the full duty, is it?

Mr. PLUMMER. Yes.

The CHAIRMAN. Is your paper a Republican paper?

Mr. PLUMMER. It is Republican.

The CHAIRMAN. Does it believe in the protective system?

Mr. PLUMMER. It believes in protection where it is necessary, but I think that if the experience of other people who deal in protected goods is the same as it is in this case, that I do not believe in it, because it is evident from our experience that the International Paper Company are taking advantage of the situation, and that they are lining up the thing so that they are getting all there is in it.

In other words, Mr. President, it makes a great difference whose ox is gored. Plummer's ox was gored in that case, and Plummer did not believe in protection. The people's ox is gored all the time by these excessive tariff rates; and yet, while these Republicans are trying to take the duty off of print paper, they vote to leave it on the clothing of the American people.

Do you doubt that the woolen manufacturer adds the duty to his clothes the same as the printing-paper manufacturer adds it to his paper? The only Republican who has delivered a speech that can be defended from a Republican standpoint, and yet admit this doctrine that the tariff does increase the price, is the Senator from Wisconsin [Mr. LA FOLLETTE]—

Mr. ALDRICH. Mr. President—

Mr. BAILEY. Let me finish the sentence. The Senator from Wisconsin admits that the tariff increases the price, and admits that he is willing to increase the price to the American consumer in order to insure protection for the American laborer. That is the admission of his speech, and upon that I can understand how a man can be a Republican. I can understand that a man can obtain his consent to tax everybody else to pay a higher wage to the American laborer; but I can not understand how a Republican in one breath can deny that the tariff increases the cost of the domestic article, and then in the next

breath move to take it off of some domestic article for the purpose of relieving some consumer or class of consumers. If the tariff does not increase the cost to the American consumer, then it is the same whether the tariff is 5 per cent or 500 per cent, and why reduce it?

Mr. ALDRICH. Will the Senator permit me?

Mr. BAILEY. I will.

Mr. ALDRICH. Does the Senator from Texas think that the Senator from Nebraska was speaking for the entire Republican Senate? If so—

Mr. BAILEY. No; he was—

Mr. ALDRICH. If so, I beg to disabuse the Senator's mind.

Mr. BAILEY. He was speaking for the smaller part in number, but the better part in patriotism.

Mr. BROWN. Mr. President—

Mr. BAILEY. I want to include in what I said about the Senator from Wisconsin [Mr. LA FOLLETTE] the Senator from Iowa [Mr. CUMMINS], too. He does admit that the tariff is a tax. Now I will yield to the Senator from Nebraska.

Mr. BROWN. I simply rose to say that I can not consent either to be disinherited by the Senator from Rhode Island or adopted by the Senator from Texas. [Laughter.]

Mr. BAILEY. Mr. President, unless the Senator from Nebraska reforms, there is no danger of anybody on this side wanting to adopt him. [Laughter.] Yet, sir, the argument which he has made on this question is a serviceable one to the country, and my whole purpose in taking the floor at this time is to emphasize this Republican admission that the tariff is a tax.

But, Mr. President, another curious phase of this proposition is to see a Republican newspaper that fills four columns with protection doctrine arguing that the tariff is not a tax, then devoting one column to advocacy of free paper on which to print its protection editorials.

I myself am not willing to relieve the newspapers entirely of their part of the tax. Like everybody else, I think they are entitled to be taxed less than they are; but if we could make that kind of a law and it would not lack the uniformity which essential justice requires in all taxation, I might allow a newspaper whose editor was wise enough to understand and admit that the tariff is a tax import his free, and require that the other editor, who insists that the tariff is not a tax, when tested by everybody's article but his own, shall be compelled to pay his tribute to the domestic manufacturer when he buys the paper produced in this country, and the duty to the Government when he buys imported paper.

The VICE-PRESIDENT. The question is on the motion of the Senator from Nebraska, on which the yeas and nays have been ordered.

Mr. JONES. I desire to state that on yesterday, in the colloquy with the Senator from Nebraska, the chairman of the committee controverted several of the statements he made with reference to the cost of production in this country and abroad. He stated that the committee had the proof and would furnish it to the Senate. I have not heard any of it. It seems to me it is due the Senate that the chairman of the committee should submit any proof that he may have. I have felt disposed to follow the House committee and the action of the House, in view of what has been urged very strenuously here.

Mr. ALDRICH. If the Senator from Washington will permit me, this vote is to put paper on the free list. The next vote will be the committee amendment. When that committee amendment is before the Senate, the committee will state all the facts pertaining to the duty proposed.

Mr. BROWN. I submit that now is the time; that this testimony and these affidavits are material now on this question, if they are on the other. I want to know why it is that we have been postponed and delayed and put off until now, when we are about to vote upon the proposition that involves the very question you disputed, you say you will present the testimony after the vote is taken.

Mr. ALDRICH. To a protectionist, it needs no argument to vote against a proposition to put a manufactured article on the free list.

Mr. BROWN. Then, why put anything on the free list? There are manufactured articles on the free list. I have undertaken to show, and I think I partially succeeded in showing, that no protection is necessary on this article. I have done it as a protectionist. If protection is necessary, I am for a duty on it. I presented all the witnesses I could find. I presented them to this body, and I have been crying for evidence on the other side, and not a word is furnished. I say now is the time for the testimony they promised yesterday instead of waiting to give it on the other proposition.

The VICE-PRESIDENT. The question is on the motion of the Senator from Nebraska [Mr. BROWN], in paragraph 405,

on page 157, in lines 20, 21, and 22, to strike out the words, "Valued at not above 2½ cents per pound, one-tenth of 1 cent per pound."

The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. JOHNSTON of Alabama (when his name was called). I am paired with the junior Senator from Kentucky [Mr. BRADLEY]. If he were present, I should vote "yea."

Mr. TAYLOR (when his name was called). On this vote I am paired with the Senator from Wisconsin [Mr. STEPHENSON].

The roll call was concluded.

Mr. PAYNTER. I desire to announce that my colleague [Mr. BRADLEY] is absent from the Chamber on account of illness.

Mr. FOSTER (after having voted in the affirmative). Mr. President, may I inquire if the senior Senator from North Dakota [Mr. McCUMBER] has voted?

The VICE-PRESIDENT. The Chair is informed that he has not voted.

Mr. FOSTER. Then I withdraw my vote, as I am paired with that Senator.

The result was announced—yeas 29, nays 52, as follows:

YEAS—29.

Bacon	Culberson	McLaurin	Shively
Bankhead	Daniel	Martin	Simmons
Beveridge	Davis	Money	Smith, S. C.
Bristow	Fletcher	Newlands	Stone
Brown	Frazier	Overman	Tillman
Burkett	Gore	Owen	
Chamberlain	Hughes	Paynter	
Clay	McEnery	Rayner	

NAYS—52.

Aldrich	Crane	Gallinger	Oliver
Bailey	Crawford	Gamble	Page
Borah	Cullom	Guggenheim	Penrose
Bourne	Cummins	Hale	Perkins
Brandegee	Curtis	Heyburn	Piles
Briggs	Dick	Johnson, N. Dak.	Root
Bulkeley	Dillingham	Jones	Scott
Burnham	Dixon	Kean	Smith, Mich.
Burrows	Dolliver	La Follette	Smoot
Burton	du Pont	Lodge	Sutherland
Carter	Elkins	Lorimer	Warner
Clapp	Flint	Nelson	Warren
Clark, Wyo.	Frye	Nixon	Wetmore

NOT VOTING—11.

Bradley	Foster	Richardson	Taliaferro
Clarke, Ark.	Johnston, Ala.	Smith, Md.	Taylor
Depew	McCumber	Stephenson	

So Mr. BROWN's amendment was rejected.

Mr. STONE. Mr. President, I desire to offer as an amendment a substitute for paragraph 405.

The VICE-PRESIDENT. The amendment proposed by the Senator from Missouri will be stated.

The SECRETARY. It is proposed to strike out all of paragraph 405, after the numerals, and to insert:

Wood pulp; printing paper, suitable for books and newspapers, shall be admitted free of duty.

Mr. STONE. Mr. President, I shall not detain the Senate beyond a few moments. I sought recognition yesterday to present this amendment, but the Senator from Nebraska [Mr. BROWN] was recognized, and made his motion to amend. That motion having been disposed of, I now offer the amendment I intended to propose, which has a wider scope than that offered by the Senator from Nebraska. The amendment of the Senator from Nebraska proposed to put print paper used in the publication of newspapers on the free list. My amendment proposes to put all kinds of print paper, and wood pulp also, on the free list.

Mr. President, the Senator from Nebraska on yesterday, speaking to his amendment, discussed the whole subject of both wood pulp and print paper exhaustively, and it would be practically a waste of time for me to occupy the attention of the Senate to supplement at any length what he said with such clearness and force, and to most of which I agree.

The Senator from Minnesota [Mr. CLAPP] stated during the argument on the amendment of the Senator from Nebraska that he thought the two paragraphs 402 and 405 were taken up in the wrong order. He thought paragraph 402, relating to wood pulp, should have been first considered. The Senator from Nebraska answered that he could not control that, but was obliged in that respect to follow the lead of the chairman of the Finance Committee, who called up paragraph 405 for action in advance of paragraph 402. Of course, there is nothing in the suggestion of the Senator from Minnesota; still, if any of our Republican friends actually voted against putting print paper on the free list for the reason that they wanted first to know what was to be done with pulp, I have now proposed to put both wood pulp and printing paper on the free list. I

know, of course, that my amendment will meet the same fate as that of the Senator from Nebraska.

Mr. President, the national Democratic convention assembled at Denver last year made this declaration:

Existing duties have given the manufacturers of paper a shelter behind which they have organized combinations to raise the price of pulp and of paper, thus imposing a tax upon the spread of knowledge. We demand the immediate repeal of the tariff on wood pulp, print paper, lumber, timber, and logs, and that those articles be placed upon the free list.

Mr. ALDRICH. Mr. President—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Rhode Island?

Mr. STONE. I would rather not be interrupted just now.

Mr. ALDRICH. Mr. President, I was going to ask the Senator from Missouri if this was the same document I heard him reading from the other day?

Mr. STONE. I pass that by as unworthy of notice; only, Mr. President, I might say that, whether I read from it the other day or not, it is a document I have frequently read from, and shall frequently read from again.

Mr. ALDRICH. And follow sometimes.

Mr. STONE. The Senator says "And follow sometimes." His observation is indefinite. I ask him to be specific. When have I failed to follow it?

Mr. ALDRICH. Mr. President, perhaps—

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Rhode Island?

Mr. STONE. I do.

Mr. ALDRICH. Perhaps I am mistaken in the document or in the author. Perhaps the Senator from Missouri was addressing himself to the Democratic candidate rather than to the Democratic platform in the observations to which I listened the other day.

Mr. STONE. Mr. President, I do not think the Senator from Rhode Island is quite so obtuse. He knew I was reading from the Democratic platform. However, I will say that on three occasions I followed the Democratic candidate to whom he refers and did what I could to make him President, and regretted deeply in each instance that he failed of election.

Mr. President, I was a member of the convention that assembled at Denver last year, and was a member of the platform committee. I was also a member of the subcommittee appointed to make a tentative platform for submission to the whole committee. The declaration I have read is a part of that platform, and, carrying out the declared policy of the Democratic party, voiced in the supreme tribunal of that party, and also expressing my own view, I offer this amendment. That is all I care to say or need to say. The merits of the question have been already amply discussed, and I have no wish uselessly to detain the Senate.

Mr. BROWN. I desire to inquire of the Senator if the proposed amendment covers my proposition and adds thereto wood pulp—

Mr. STONE. Wood pulp; yes.

Mr. BROWN. And paper for making books?

Mr. STONE. Yes.

Mr. BULKELEY. In view of the quotation from the publisher of a Republican paper, I desire, without detaining the Senate by any remarks, to have read a letter from the editor and publisher of the leading Democratic journal of my own State on this question.

The VICE-PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

THE HARTFORD TIMES,
April 7, 1909.

HON. NELSON W. ALDRICH,
Chairman United States Senate Finance Committee,
Washington, D. C.

DEAR SIR: Recognizing the peril now confronting a New England industry, whose volume of business reaches the great sum of \$100,000,000 annually, I write at this time to outline a number of objections to the proposed reduction in the duty on white paper and the admittance of wood pulp free. And in doing this I am simply reaffirming the position I took in an editorial in April, 1908, a copy of which I am inclosing herewith.

At that time it was plain that the demand for free pulp came almost entirely from certain publishers who were offering for sale a finished product at a price that did not cover the cost of raw material. I could find no logical reason for giving support to this movement, and when the material advance in the cost of print paper added \$1,000 a month to the running expenses of the Times, I found by thorough investigation that the demand was just. Within ten years the cost of labor has increased 30 to 50 per cent, and raw material, in some cases, as much as 100 per cent.

I believe a reduction in the duty on paper and pulp would surely bring about a far greater increase in the cost of paper than could come from any other source. Canada, with her immense resources, would first drive the American paper makers from the field, and then, in all probability, increase the export duty to such an extent that the cost

of paper would be far greater than it ever can be under the present tariff.

I know that you and your committee will give this matter due consideration, and act for the best interests of a New England industry that produces nearly one-half of the country's output of white paper, and when you protect New England in this respect you are protecting every paper maker from the Atlantic to the Pacific.

Very truly, yours,

W. O. BURR,
Editor and Publisher.

Mr. BULKELEY. Now, Mr. President, I desire to ask to have inserted in the RECORD, without reading, excepting a few lines, an editorial published in the Boston Herald, under date of April 7, 1909, entitled "Why enrich Canada?" I read the concluding lines:

The public seems to have assumed that the newspaper publishers of the country were a unit in their demand for the removal of the duty on wood pulp and news paper. But 1,800 publishers have not been heard from. Among these will be found many who apply the rules of sound business management to their enterprises and who put a price on their product commensurate with its cost. Such publishers are not complaining. They realize that there is a single interest in all industry, and that each industry interlocks and is interdependent on others. They do not seek their own advantage by tearing down an industry that contributes to the general welfare. Many newspaper publishers, occupying this point of view, will indorse Congressman CURRIER in his protest against injustice to an industry which is an important factor in New England's prosperity.

I ask that the entire editorial be printed in the RECORD.

The VICE-PRESIDENT. In the absence of objection, permission is granted.

The editorial referred to is as follows:

WHY ENRICH CANADA?

Congressman CURRIER, of New Hampshire, told the House at Washington on Friday that if the news paper and pulp schedule of the Payne bill were enacted the paper and pulp industry of New Hampshire would be ruined. The pulp and paper mills in that State represent an investment of \$16,000,000. They pay \$2,000,000 a year in wages to 4,000 people. Maine is similarly interested. Massachusetts has an important paper industry. Five years ago more than \$275,000,000 had been invested in the paper and pulp business in this country. Within the past five years this investment has been increased at least one-third. If such an industry is to be singled out and subjected to a reduction of 66 2/3 per cent in the protective duty on its products, there should be, in reason, some recompense to the public. But the advocates of this revision suggest no advantages to be gained, save in the increased earnings of certain newspapers which sell their product at a price so low that they are compelled to look to Congress for aid.

The agitation for a revision of the news print and pulp schedules was inaugurated by publishers of 1-cent newspapers. It was alleged that the price of news paper had been arbitrarily advanced to an exorbitant point. It was further asserted that the product was controlled by a trust, which was fattening off exaggerated profits. In the course of a long series of hearings before a select congressional committee, these two statements were disproved. Nominally the petitioning publishers were seeking a lower price for the material used in their product. But during the course of the hearings many of the petitioners admitted that they did not believe that the removal of the duty "would have any appreciable effect on prices in the American market." Even with the existing duty on paper, about 15 per cent ad valorem, the Canadian product enters this country in competition with American paper.

Many witnesses at these hearings testified that the removal of the duty on wood pulp and paper, or its radical reduction, would force American capital to cross the border and invest in Canadian mills, where the manufacturing cost would be less than here. Leading Canadians have not hesitated to assert that this result should be the objective of legislation by Dominion or Provincial governments. The Montreal Star, in a recent issue, contemplating the proposed reduction in American duties, warned its public that "the American pulp and paper people will come over to Canada in a hungry horde," and urged the necessity of legislation to prohibit the export of unmanufactured timber. This need, says the Star, "has become suddenly urgent, owing to the effort of the Americans to coax us into permitting them to have our raw and semiraw materials without let or hindrance."

The Halifax Herald, commenting on the paper and pulp schedule of the Payne bill, assumes that Canada must be the main source of supply for the United States. Therefore it refuses to be scared by the countervailing threat of the Americans. "Why not," says the Halifax paper, "go ahead with the development, impose what regulations are needed to keep our raw materials at home, and pay no attention to the penalty clauses of the Payne tariff? The mills are bound to come to the spruce if the spruce does not go to the mills." The Province of Ontario already levies an export duty on wood pulp. The penalty of the Payne bill would not disturb existing conditions there. Other provinces might impose forest regulations which would be as effective as export duties in compelling the Canadians to manufacture their own timber products. No sane man can believe that the Canadians will permit the deforestation of their timber lands without let or hindrance, in order that certain American newspaper publishers may continue to sell their product below cost.

The inquiries of the congressional committee conducting the paper tariff investigation were addressed to 2,400 newspaper publishers. Only 436, or 18 per cent, favored the removal of the duty; 18 were opposed. Nearly 75 per cent were unable to discover a prospect of reduction in paper cost sufficient to inspire an answer. The public seems to have assumed that the newspaper publishers of the country were a unit in their demand for the removal of the duty on wood pulp and news paper. But 1,800 publishers have not been heard from. Among these will be found many who apply the rules of sound business management to their enterprises and who put a price on their product commensurate with its cost. Such publishers are not complaining. They realize that there is a single interest in all industry, and that each industry interlocks and is interdependent on others; they do not seek their own advantage by tearing down an industry that contributes to the general welfare. Many newspaper publishers occupying this point of view will indorse Congressman CURRIER in his protest against injustice to an industry which is an important factor in New England's prosperity.

Mr. JOHNSON of North Dakota. I ask that the Secretary read an article from this morning's Washington Post, which I send to the desk.

The VICE-PRESIDENT. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

LAMB CRITICISES SENATORS—DANIEL, SIMMONS, AND NEWLANDS, HE SAID, FOUGHT REFORM AT DENVER.

INDIANAPOLIS, IND., June 17.

John E. Lamb, former Representative from Indiana, said to-day: "Having served on the committee on resolutions in the Democratic national convention at Denver last year with Senators SIMMONS of North Carolina, DANIEL of Virginia, and NEWLANDS of Nevada, I was not surprised to see them lining up on the tariff question with Republicans in the Senate, as they had led the fight in the committee on resolutions against the tariff-reform planks which were adopted.

"The contest in the committee on the question of placing articles which enter into competition with trust-controlled products upon the free list was warmly contested, and was only carried in the committee by a few votes after a strenuous contest, but the plank in the Democratic platform demanding the immediate repeal of the tariff on wood pulp, print paper, lumber, timber, and logs, and that these articles be placed upon the free list was carried by a vote practically unanimous and this was afterwards ratified by more than 1,000 delegates in convention assembled without a dissenting vote.

"There is consequently no excuse for any man who pretends to be a Democrat to cast his vote against free wood pulp, print paper, lumber, timber, and logs, all of which articles are of prime necessity in everyday life."

Mr. JOHNSON of North Dakota. Mr. President, it has been said that the tariff ought to be revised by its friends. This plank in the Democratic platform indicates that if that party were intrusted with the revision of the tariff it would not even have been revised by its acquaintances. There were six Democratic Senators on that committee, at least two ex-Senators that I know of, and perhaps others. The men who wrote that platform were leading Democrats, and they adopted this plank demanding the immediate repeal of the tariff on logs, on pulp wood, and on cord wood. They ought to have known that those things are on the free list now, and have been on the free list for twelve years.

I felt the claw and tooth of that in the last campaign, and I think it is not improper to make the protest here. They made the people believe that there was a duty on those things. They might just as well have said that they demanded the immediate repeal of the Sherman silver law or the proclamation for the emancipation of the slaves—things that we had done years and years ago.

The people of North Dakota and the people in the great prairie States, reading in the newspapers this plank, were led to believe that there was a duty on cord wood, on pulp wood, out of which paper is made, and on logs. The fact is, that not only are those things on the free list, but ship planks are on the free list, ship timber is on the free list, shingle bolts and handle bolts, out of which we make ax handles and pick handles, are on the free list, and even gunstocks, if planed on one side, are on the free list. Yet we were put in the attitude of resisting this Democratic platform, which demanded the immediate repeal of the tariff on these things that we had repealed years and years ago. It was a load that we had to carry, and it was an unfair and a very heavy load in the prairie States.

Mr. STONE. Mr. President, just a word in reply to the Senator from North Dakota. The platform adopted at Denver demanded the repeal of the tariff on wood pulp, print paper, lumber, timber, and logs. The Senator from North Dakota [Mr. JOHNSON] says that lumber, timber, and logs were then and still are on the free list.

Mr. JOHNSON of North Dakota. Not lumber—logs.

Mr. STONE. Timber and logs.

Mr. JOHNSON of North Dakota. Well, ship timber. I said ship planks.

Mr. STONE. Is all timber on the free list?

Mr. JOHNSON of North Dakota. Round timber, unmanufactured, of every kind is now on the free list.

Mr. STONE. Mr. President, paragraph 194 of the present law, the Dingley Act, reads as follows:

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.

That is the law now in force. The Senator from North Dakota says that logs are on the free list. Now, without entering into any controversy as to whether some logs are on the free list, I will ask him if all logs are on the free list?

Mr. JOHNSON of North Dakota. I think all logs, all unmanufactured timber not further advanced than the cut logs, are on the free list.

Mr. STONE. Mr. President, if a car were loaded in Canada with pieces of timber 20 feet long, just as they were taken from the tree when it was felled, nothing being done to the trunk of

the tree except to sever it into those given lengths, those would be logs, rough logs, not subject to duty. But suppose two sides of those logs should be squared, though ever so slightly, in order to make the loading easier, the carrying more convenient, and to save waste in weight, would that product be subject to duty?

Mr. JOHNSON of North Dakota. Yes, sir.

Mr. STONE. I do not know what the Senator from North Dakota would call a carload of that stuff, but I would call it a carload of logs. And that is what it would be—logs, and nothing but logs. No, Mr. President, when the convention declared for the removal of tariff duties on logs, it spoke advisedly and correctly. Even though some logs were on the free list, others were on the dutiable list; and so if the convention desired, as it did, to have all logs put on the free list, the phraseology used in the platform was the exact phraseology that ought to have been used, and it is not subject to the criticism of the Senator from North Dakota. I advise the Senator to read up a little himself before he attempts to arraign the Democratic convention for ignorance.

Mr. BAILEY. Mr. President, if this motion should be adopted, it would remit about \$800,000 of revenue which the Government now collects, and the only people who would receive any benefit from that remission constitute a single, small, and special class. I can not myself consent to lift this \$800,000 of taxation from the shoulders of these people when I know I will be compelled to lay it on the shoulders of some other people. For my part, I would infinitely prefer to vote for free rough lumber rather than for free wood pulp and print paper. It is true the people whom I represent and among whom I live would find no relief in the removal of the duty on lumber, because it is not possible, on account of freight rates, for Canadian lumber ever to find a sale in the Texas market.

But the relief from the lumber tax would undoubtedly have reduced the price of lumber to all the people who live along the Canadian border, and though they constitute but a small per cent of the population of the United States, they still constitute a larger per cent than the beneficiaries of this amendment. In fact, the people who would have enjoyed the remission of the \$1,700,000 represented by the duty on rough lumber number three times those who will receive the benefit of this; and as I was not willing to follow the platform in respect to free lumber, neither will I follow it in respect to wood pulp and print paper.

Of course, I shall not have so much company on this question, because the newspapers are concerned, and I can understand how every Senator feels that the newspapers, both great and small, should be emancipated from this tax. But I prefer to take the tax off of the newspaper man's clothes and hats and shoes before I take it off his printing paper, because when I take it off his printing paper I benefit him alone, for no man pretends to think that the price of newspaper subscriptions or newspaper advertising will be less with this duty repealed than it is to-day. But if I can take it off of his hats and shoes and clothing, or if I can reduce it to the extent of \$700,000, I not only would benefit the newspaper man, but I would benefit every other man, woman, and child in this community.

I am not willing to be bound by a convention of delegates who assemble in a room without any knowledge of this question—for whatever the Senator from Missouri may say about it, that platform does commit the absurdity of being in favor of repealing the duty on logs when logs are already on the free list.

Mr. President, the story of that convention need not be told. I know it, but I need not tell it. That platform was the work of one man, and every man who will be candid with himself knows it was. Even those who did not agree with the man who was to be nominated on it consented that he should have his way in making it. This particular free-lumber proposition, the Senator from North Dakota knows, was put in there to carry two or three of the Northwestern States. It did not carry them, and I think the consideration for the promise failed.

Mr. President, I can not believe that the Democratic party is serious in commanding us to take the duty off of lumber and wood pulp and still leave the duty on steel products, the manufacture of the most gigantic trust ever organized in the history of the world. Do you tell me that I am commanded to raise revenue on steel products, controlled by a trust whose capital aggregates the stupendous sum of more than a billion dollars and whose rival companies dare not reduce prices for fear of a price war—that I must leave duties on the commodities of a trust like that in order to raise revenue, and yet I must take it off of the newspapers' material?

They tell me we favor the repeal of the duty on every trust-manufactured commodity. I know as well as anybody that that could not be applied. Reflect a moment. Repeal the duty on

every article controlled by a trust and what happens? The sixty millions on sugar goes; the twenty millions on tobacco goes; the twenty-odd millions on steel products goes; and, one after another, we would find ourselves compelled to repeal more than one-half of the revenue now collected under our tariff law. That is a wholly impracticable plan.

They even go so far now as to demand that you repeal the duty on the raw material of a trust, which would be a benefaction to it.

Oh, no, Mr. President. Everybody in this country must be required to pay their taxes, share and share alike, and these gigantic corporations whose shadows fall across the pathway of commercial and industrial progress must be removed in some other way. Not by taxing the people who use one article and emancipating the people who use another will we ever be able to solve that question. If we put one trust-controlled article on the free list, we must put them all, or else we discriminate as between the trusts; and if we put them all on the free list, we remit \$150,000,000 of revenue at one stroke of the pen.

Now let us be practical men. The remedy is not to put the trust-controlled articles on the free list, but the remedy is to put the trust-controlling magnates in the penitentiary. That is the way to solve it, and that is the way it will be solved.

I want to leave my prediction here and now, in the hope that somebody will probably read it when I am gone. The American people must face this problem. They must solve it by the execution of the criminal laws or else abandon the whole war against the trusts. I do not hesitate to incorporate that prophecy in this RECORD. It is a mere sham battle that you fight against them when you talk about fining them and punishing them by repealing their tariff duties. You can not injure the trusts in that way without injuring somebody else.

Now let me show you what would happen. Let us imagine that you are going to repeal the duty on refined sugar, controlled by the sugar trust. What an absurdity it would be to put refined sugar on the free list and leave raw sugar on the dutiable list! If you do that, you would not import a pound of raw sugar. It all would be refined. Thus you would sacrifice, according to the Republican theory, the producer of cane sugar and beet sugar, who had been made the victims of the trust, to punish the trust. Does anybody suppose that that kind of policy will ever be adopted?

Let us go further. I saw some honorable and splendid gentlemen vote to put iron ore on the free list, because they said they wanted to give an advantage to the independent steel companies, and they were sincere about it. I do not think they were wise, but I know they were honest. They voted for free iron ore because they wanted to help the independent steel companies; and yet if we attempt to punish the steel trust by repealing all duties on manufactured steel products, what would happen?

These same independent steel companies would suffer even more than the trust. Shall we give them to the knife for the offenses of their great and odious rival? Does anybody believe that that is feasible or practicable? In seeking to punish the trust in that way we would punish everybody else in the same line of business, sacrifice the public revenue, and violate the Democratic demand for equal taxation. That is not a feasible, that is not a sensible way to deal with it, and I feel compelled to say so. I dislike to differ with anybody, and most of all I dislike to differ with the leaders of my party. But I am not an intellectual slave and never intend to be. When I know a thing can not be done I shall hope always to have the courage to say it. I know that the only way to disorganize the trusts is to make it not only unlawful but unsafe to operate them in this country by putting stripes on the men who violate the law.

I think there is no more important policy in this American Republic than that which demands that these obstructions to free competition shall be removed. I would no more allow a man to escape just punishment who violates the prohibitions of the antitrust law than I would allow the man guilty of theft, murder, or arson to escape.

Mr. TILLMAN. Mr. President—

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from South Carolina?

Mr. BAILEY. I do.

Mr. TILLMAN. I wish to call the attention of the Senator to the fact that the testimony of Mr. Carnegie explicitly declares that there are no independent steel companies; that while there may be no written agreement, there is an understanding that these so-called "independents" dare not break, and that the price is fixed by the trust, and these others are subsidiary, and therefore in a way compelled to conform to the prices that the trust fixes.

Mr. BAILEY. The Senator from South Carolina and I concur in that opinion. But Senators, respectable in number as well as in character and in capacity, differ with him and me about it. They believe that there are independent steel companies, and, in the hope of aiding them in their struggle against the steel trust, they voted to emancipate them from the tax on their iron ore. And this only illustrates the endless confusion in which we involve ourselves when we first undertake to ascertain the character of these different organizations here, and to deal with them in this manner.

Mr. President, although I am opposed, on principle, to employing the taxing power of the Government for any purpose except to raise revenue, I will forego my scruple in that regard and vote to put on the free list every trust-controlled commodity in America; and yet I know that if we could carry such a motion, we would be compelled to supplement the loss of revenue by issuing and selling the bonds of this Republic. In order that we may read those men an impressive lesson, I will do that; but I will not consent to pick one article here and another there, because they so frequently pick the articles on which my people pay no duty, because they import none of it, and because no import duty can affect the price in our market; they do not even pay an indirect bounty to the manufacturer. I will not let you select, from time to time, the article which your interest or the interest of your constituents may indicate; but I will vote, once for all, to tell the American trust magnate that when he absorbs his rival company to avoid domestic competition, we will expose him to the competition of the world. But I will not do this in spots or by piecemeal.

Mr. NEWLANDS. Mr. President, I was on the platform committee of the Denver convention, and I was also on the subcommittee which framed the platform, and I observe that I am the subject of criticism on the part of Mr. Lamb, of Indiana, a fellow-member of the committee. I remember Mr. Lamb as a man of very intemperate judgment, who was urging extreme views in that committee. I did not value his good opinion or deprecate his bad opinion, and will therefore not address myself further to Mr. Lamb.

I will say, however, that in that committee I opposed this plank in the platform referring to trust-controlled products, and I presented there substantially, though not so forcibly, the same argument that has been presented here by the Senator from Texas [Mr. BAILEY]. We were beaten, I believe, by 1 vote. I filed no minority report. The platform went before the convention without a minority report, and, so far as I am individually concerned, I feel bound by that platform. I have not sought, however, to criticize any man on this floor who has deviated from it.

When the question of free iron ore came up, the evidence seemed to me to be conclusive that the iron ore of the country was practically under the control of the great steel trust. I realized that there were independent organizations in rivalry with the steel trust. The question came up whether iron ore should have a moderate duty or be admitted free.

I do not believe, as a matter of principle, in enlarging the free list. I believe that almost everything should be upon the revenue list, but, obedient to that plank, a plank which I originally opposed, but to which I had submitted, I voted against the duty upon iron ore upon my belief that iron ore was a trust-controlled product.

I have never seen any reason why there should not be a duty on lumber. I can see no objection to the moderate duty—merely a revenue duty, I believe, of 14 or 15 per cent imposed by this bill upon lumber—and if I had been entirely free to use my own judgment I should have voted for a duty on lumber. I believe that any Democrat has the right in considering these questions of the necessities of life to vote to put such commodities either upon the revenue list or upon the free list, as he sees fit, and that the Democracy of no man can be questioned who votes either one way or the other.

My disposition would have been to vote for a duty upon lumber. But there again I was confronted by this plank of the platform which I had fought in committee, but which I had acquiesced in when it came before the convention; and, feeling bound by my action there, I voted for free lumber.

Now, with reference to wood pulp and print paper, my disposition would be to place a moderate revenue duty upon wood pulp, but the convention declared otherwise, and I acquiesced in its decision. I believe that the convention of a great national party has the power and has the right to instruct upon questions of policy of this kind, and I yield my individual judgment to the action of the convention. And so I have voted recently upon the amendment presented by the Senator from Nebraska for free wood pulp and print paper, and I propose to support the amendment offered by the Senator from Missouri.

Mr. President, I realize, as does the Senator from Texas, that these platforms are often ill-considered and immature productions. Our whole method of making platforms is, in my judgment, a wrong one. We send a great convention to the meeting place, where the absorbing question is one of candidates, and the committee on platform is selected, representing the different sections of the country, and there, in the heat of the convention, they are expected to formulate with unerring certainty the principles and the policies of the party. The session of the committee on platform is long and is continuous. The session at Denver lasted continuously, I think, or almost continuously for thirty-six hours. Meanwhile the convention was ready to act. Messengers were clamoring at our doors for the speedy termination of our labors and the submission of the platform to the convention.

It is utterly impossible under such conditions to frame a platform with that deliberation which the subject deserves. I am inclined to think that we in Congress are, in a measure, responsible for the immature way in which these platforms are framed. For years I have been contending, both in the House and in the Senate, that the Democrats in both bodies should confer more frequently; that they should have some method of conferring, one House with the other, through a committee of conference analogous to the committees of conference that prevail in our legislation; and that at the end of every session, and particularly before every election, the Democrats of the House and the Senate, through committees organized by them, should make an address to the country, presenting those matters in which the Republican party has failed to perform its duty to the country; presenting the action of the Democratic party in legislation—in defeating legislation, in passing legislation—in some logical and consecutive form; stating to the country in clear and definite form the issues upon which, in their judgment, the Democracy should go before the country for the verdict of the people.

I believe that such a formula of work done by the Democracy, such an indictment, presented by men familiar with the action of Congress, of the Republican party for its acts of commission and of omission that are subject to criticism, would impress the mind of the entire country and would be persuasive in the final determination of the platform at the nominating convention, and that we would in this way substitute consideration and deliberation for precipitate action.

There is another provision in this platform which calls for moderate action in reducing excessive duties.

This platform says:

Gradual reductions should be made in such other schedules as may be necessary to restore the tariff to a revenue basis.

I am proud to say I fought for the insertion of the word "gradual" in that platform, and that I have voted in accordance with it; and when an amendment was presented here to a certain schedule by a Democrat in whose ability and judgment I have great confidence—an amendment immediately reducing all the excessive duties of that schedule to a revenue basis—I rose and requested to be excused from voting, on the ground that whilst I realized that the duty fixed might be a reasonable revenue duty, I felt it would be revolutionary to go from the excessive duties of the existing law to this revenue duty at one step, and that if we had the power and should pursue this course we would produce an industrial readjustment in this country that would not only disturb seriously the business of the country, but would immediately drive us out of power. So I favored action, in accordance with our platform, calling for a gradual reduction in excessive duties, and having in view always the goal of ultimate accomplishment, a tariff for revenue.

So, I pass by the criticism of Mr. Lamb with this statement of my action upon the bill and with this statement of my views regarding the present objectionable method of making party platforms and regarding the reforms which should be inaugurated in that direction.

Mr. HUGHES. Mr. President, I do not know how far it is proper, under the rules which prevail in this body, to read or cause to be read here newspaper articles impugning the honor and good faith of Senators, but it seems that it is deemed legitimate when the purpose is to foment differences, if possible, between Democrats. I do not know whether we shall expect in to-morrow's paper an announcement by Mr. John E. Lamb that he never had the interview or not. I do know that this same paper a few days ago published a very bitter arraignment of the Democracy as it is represented here now as coming from a letter written by Mr. Mills, of Texas, and I know that in this morning's paper Mr. Mills unequivocally denounces as false the statement that he had ever written a letter of that kind. So I believe we might pass without further comment or inquiry

into the truth or falsity of these rumors that spring up so often and are so frequently found to be utterly without foundation.

I wish to say something, however, Mr. President, concerning the Democratic platform of the Democratic convention that met in Denver and the position that I occupy and shall occupy with reference to it; by the votes that I have cast and the votes that I shall cast whenever the principles announced by that platform are involved.

I was a delegate to that convention. I was the chairman of the state delegation. At my instance, upon my nomination, the Democratic member of the committee on resolutions from Colorado was selected, and I know that in all the hosts of Democracy in this Nation, from ocean to ocean, there is not a truer Democrat, a more gifted intellect, or a man more devoted to principle than the Hon. Charles S. Thomas, who took part in the deliberations of that committee as the representative, the fully equipped and authorized representative, of the Democracy of that State.

I have heard it said here over and again, in tones of reproach, that it was known who wrote that platform. I know that no single man wrote that platform. I know that three of the most important planks in it, upon the most delicate subjects involved, never passed under the eye of the distinguished Democrat to whom reference is thus covertly made. But I wish to say, Mr. President, that had the pen of William J. Bryan written every word in that platform it would be none the less from that fact commended to me as a Democrat who aided in converting a State which gave 34,000 majority for Theodore Roosevelt for President in 1904 into a Democratic State that gave nearly 5,000 majority for Mr. Bryan in 1908. I could find nothing to militate against the force, the clearness, and the Democracy of that platform in the fact, if it were true, that Mr. Bryan himself wrote every word in it. I am not willing to support the candidacy of a man for President and then be unwilling to stand upon a platform for which I voted in the convention because he wrote it.

I apprehend that the references by our Republican friend the senior Senator from Nebraska, who said he could tell who wrote it and where it was written and when, were but a charge that Mr. Bryan, at his home in Nebraska, had written that platform. I know differently from that. But I repeat that if this charge were true, the inquiry would still be a different one, that of determining whether or not the principles it contained are Democratic and how far Senators in this body may individually feel that they should follow the course which it indicates as a matter of political obligation.

Upon that subject, Mr. President, I shall have nothing to say. That is a matter for each Senator to determine according to his judgment and his conscience. But for me in every vote I shall cast in this body I shall vote according to the platform upon which I went to the people of my State, then pronounced hopelessly Republican, and came out of the fight with 73 members of the total of 100 which composed our legislature, and all state officials, from governor down the line, Democrats for the first time in the history of the State, and with four supreme judges elected upon the Democratic ticket, a thing never known in that State before.

FAITH PLIGHTED TO PEOPLE.

I feel that in some measure my faith was plighted to the people to whom I made a pledge by appealing to them upon that platform, so far as I may, to embody the principles it announced in the legislation here. I know how utterly powerless we are to do that. I know that in the campaign our Republican adversaries challenged the wisdom of sending a Democrat to the Senate from Colorado, claiming that he would be a member of a hopeless and ineffectual minority. My response was that the history of this Republic announces that there are no hopeless or ineffectual minorities. The minority to-day is the majority to-morrow if it can win the confidence and convince the judgment of the people. I was quite content to come and sit here and cast my vote unavailingly for a time in behalf of my principles, with the hope that conviction would spread throughout the Nation and in the end the minority of to-day will be the majority of to-morrow, just as it had been so often the majority of the past.

The committee that framed this platform was made up of leading Democrats from all over the Republic. It devoted not a few moments but hours to its discussion, and at 3 o'clock in the morning it came to a waiting convention and announced that its report was the unanimous determination of that committee. For that reason, believing that whatever differences which had existed had been removed, the platform received the unanimous approval of the convention itself.

I believe, Mr. President, that in each of the principles involved in the plank made the basis of the amendment offered

by the Senator from Missouri there is an announcement of a principle honestly believed in, and it is not a mere device to catch a few votes in some doubtful State in the Northwest, not with the object of simply trying to defeat the Senator from Dakota. That was not the purpose of that platform. It would be a reproach to something over 1,000 representative Democrats who sat in that convention, honestly bent upon announcing the real principles to which they adhered and honestly believing their success would be for the welfare of the entire people of this country, to suppose that they were resorting to some petty device to capture a vote or two in some doubtful Western State.

I do not think the convention has deserved that reproach. I know, for myself and others who participated in its deliberations, that such was not the fact.

I want in what I have said to let it be known that I have not always in everything agreed with Mr. Bryan, nor do I now; nevertheless I have seen this man in the ranks of private life, without power behind him, attain a commanding influence in this Republic and is unmatched by any other living man to-day, and at any time in these later days, unless we resort to the huntsman by the rivers of Africa.

Mr. President, for these reasons I favor, and I shall vote for, the amendment offered by the Senator from Missouri. It is within the declarations of our platform. The noise of the campaign has hardly died away in which we stood before the people and, because of these declarations, urged them to give their support to the party. How long and in what bodies the platform of a defeated party shall control its members is a question of political casuistry to which I shall give neither time nor thought. It is enough for me to know that in the first session of this body in which I have had an opportunity to take part in important legislation I stand upon the platform which procured the votes which enabled me to come here. These reasons, personally, I think, vindicate my position upon that subject.

HAD HOPED FOR HARMONY.

But, Mr. President, allusions have been made to other votes and to other policies and to other platforms. I had hoped that in these hours, when our platform was winning its way even among our political opponents, until the President of the United States had sent a special message here in which he put the weight of his approval by recommendation upon a central plank in this Democratic platform, we might devote our time and attention to the dissensions and the weaknesses which have grown up in another party, which was forgetting and neglecting the platform upon which it had won the confidence of the people and secured success at the last election.

In this same platform, the Democratic platform adopted in Denver, written, if all written by one pen, by the pen of Mr. Bryan, according to veiled suggestions, there is this provision—

Mr. BAILEY. Mr. President, the Senator from Colorado, I think, is not willing to keep repeating covert and veiled suggestions. I indicated Mr. Bryan as clearly as I thought parliamentary practice was justified in doing; and when the Senator knows me a little better he will know that I neither veil my allusions nor make them under cover. I hope he will not labor under that impression. I still hope more that he will not repeat the statement.

Mr. HUGHES. The Senator from Texas well knows he is not the first or the only one who made that statement. It fell first from the lips of the Senator from Nebraska, who said he could tell the hour and the place where it was written.

Mr. BAILEY. Mr. President—

Mr. HUGHES. He remembers that the Senator from Montana indulged in the same strictures. We all knew this morning to whom the Senator from Texas referred.

Mr. BAILEY. Though I made that perfectly plain, I want to say to the Senator I had not heard the statement of the Senator from Nebraska. My attention was diverted.

Mr. HUGHES. It was not made this morning, but some days ago.

Mr. BAILEY. I had not heard it then.

Mr. HUGHES. I now call attention to another plank of the Democratic platform, because it would seem that planks in the Democratic platform are not only the subject of thought by Democratic Senators, but are giving concern to Republican Senators and find their way in some mysterious manner into the executive chamber at the White House. It contains this language:

We favor an income tax as part of our revenue system, and we urge the submission of a constitutional amendment specifically authorizing Congress to levy and collect a tax upon individual and corporate incomes, to the end that wealth may bear its proportionate share of the burdens of the Federal Government.

If Senators will turn to page 3344 of the RECORD they will find this language in the special message from the President of the United States:

Again, it is clear that by the enactment of the proposed law the Congress will not be bringing money into the Treasury to meet the present deficiency, but by putting on the statute book a law already there and never repealed will simply be suggesting to the executive officers of the Government their possible duty to invoke litigation. If the court should maintain its former view, no tax would be collected at all. If it should ultimately reverse itself, still no taxes would have been collected until after protracted delay—

PRESIDENT SUPPORTS PLATFORM.

And, further, the suggestion to this body that an amendment to the Constitution be adopted authorizing an income tax. There is at least one who is not deterred from giving his adherence to this doctrine through apprehension that Mr. Bryan wrote that plank in the platform.

We have now, after months of labor devoted to the revision of the tariff upon the solemn pledge of a party historic in its character and claiming to possess all the political virtues of the Republic, urged on by a President who advocated honest revision when he was a candidate for the Presidency, and in the sincerity of whose declarations upon that subject I have never had the shadow of a doubt, the majority party trying to revise in accordance, we are told, with the Republican platform, yet failure to follow the platform and its construction by the President appears thus far in every amendment made and in every paragraph written. When this condition has been reached and the danger appears imminent that the united forces in this body are going to adopt an income-tax provision, and once again invite the attention of the Supreme Court to its constitutionality, a special message comes and recommends exactly what the Democratic platform has suggested, that a constitutional amendment be adopted upon this subject and for this purpose.

Mr. President, it appears to me that the message which reached us was an emergency message, prepared in haste and delivered in equal haste, because I can not believe that the great judge who is the Chief Executive of this Nation would have fallen into the error appearing upon the face of it if he had been given full time and opportunity to bestow upon it mature thought and thorough examination; nor do I believe that the able lawyers who sit about him in his Cabinet or the other great lawyers who were called in, if the public prints are to be accepted as accurate, to aid in the consideration of this message would have permitted a record to have been made that is not in exact accordance with the statutes as they are to-day. You will recall it is said in this message:

That by the enactment of the proposed law the Congress will not be bringing money into the Treasury to meet the present deficiency by putting on the statute book a law already there and never repealed.

Permit me to call attention to the fact that by section 27 of the income-tax act of August 27, 1894, it is provided:

SEC. 27. That from and after the 1st day of January, 1895, and until the 1st day of January, 1900, there shall be assessed, levied, collected, and paid annually upon the gains, profits, and income received in the preceding calendar year by every citizen of the United States. * * *

So that if the Supreme Court had sustained instead of annulling the law it would have perished by its own terms nine years ago.

In addition to that fact the Supreme Court, when the matter came before it the second time upon a rehearing in *Pollock v. Farmers' Loan and Trust Company* (158 U. S., p. 635), ruled all sections establishing the income tax to be absolutely null and void.

POLLOCK V. FARMERS' LOAN AND TRUST COMPANY.

[158 U. S. Repts., pp. 635-637.]

Being of opinion that so much of the sections of this law as lays a tax on income from real and personal property is invalid, we are brought to the question of the effect of that conclusion upon these sections as a whole.

It is elementary that the same statute may be in part constitutional and in part unconstitutional, and if the parts are wholly independent of each other, that which is constitutional may stand, while that which is unconstitutional will be rejected. And in the case before us there is no question as to the validity of this act, except sections 27 to 37, inclusive, which relate to the subject which has been under discussion; and as to them, we think the rule laid down by Chief Justice Shaw in *Warren v. Charlestown* (2 Gray, 84) is applicable; that if the different parts "are so mutually connected with and dependent on each other, as conditions, considerations, or compensations for each other, as to warrant a belief that the legislature intended them as a whole, and that, if all could not be carried into effect, the legislature would not pass the residue independently, and some parts are unconstitutional, all the provisions which are thus dependent, conditional, or connected must fall with them." Or, as the point is put by Justice Matthews in *Pointexter v. Greenhow* (114 U. S., 270, 304), "It is undoubtedly true that there may be cases where one part of a statute may be enforced as constitutional and another be declared inoperative and void because unconstitutional; but these are cases where the parts are so distinctly separable that each can stand alone, and where the court is able to see and to declare that the intention of the legislature was that the part pronounced valid should be enforceable, even though the other part should fall. To hold otherwise would be to substitute, for the law intended by the legislature one they may never have been willing

by itself to enact." And, again, as stated by the same eminent judge in *Sprague v. Thompson* (118 U. S., 90, 95), where it was urged that certain illegal exceptions in a section of statute might be disregarded, but that the rest could stand, "The insuperable difficulty with the application of that principle of construction to the present instance is that by rejecting the exceptions intended by the legislature of Georgia the statute is made to enact what confessedly the legislature never meant. It confers upon the statute a positive operation beyond the legislative intent and beyond what anyone can say it would have enacted in view of the illegality of the exceptions."

According to the census the true valuation of real and personal property in the United States in 1890 was \$65,037,091,197, of which real estate with improvements thereon made up \$39,544,544,333. Of course from the latter must be deducted, in applying these sections, all unproductive property and all property whose net yield does not exceed \$4,000; but, even with such deductions, it is evident that the income from realty formed a vital part of the scheme for taxation embodied therein. If that be stricken out and also the income from all invested personal property, bonds, stocks, investments of all kinds, it is obvious that by far the largest part of the anticipated revenue would be eliminated, and this would leave the burden of the tax to be borne by professions, trades, employments, or vocations; and in that way what was intended as a tax on capital would remain in substance a tax on occupations and labor. We can not believe that such was the intention of Congress. We do not mean to say that an act laying by apportionment a direct tax on all real estate and personal property or the income thereof might not also lay excise taxes on business, privileges, employments, and vocations. But this is not such an act, and the scheme must be considered as a whole. Being invalid as to the greater part, and falling, as the tax would, if any part were held valid, in a direction which could not have been contemplated except in connection with the taxation considered as an entirety, we are constrained to conclude that sections 27 to 37, inclusive, of the act, which became a law without the signature of the President on August 28, 1894, are wholly inoperative and void.

OTHER EXPRESSIONS OF PRESIDENT.

That is not all, Mr. President. I sat here and listened with pleasure to the reading by the senior Senator from Indiana [Mr. BEVERIDGE] of extracts couched in clear and forcible English announcing the position of the President-expectant of the United States at that time in his construction of the Republican platform. I shall call attention also to some expressions upon the income-tax law and the propriety of bringing to the attention of the Supreme Court again the constitutionality of such an act uttered by the same distinguished author in an address delivered before the Buckeye Club at Columbus, Ohio, August 19, 1907. He said:

A graduated income tax would also have a tendency to reduce the motive for the accumulations of enormous wealth, but the Supreme Court has held an income tax not to be a valid exercise of power by the Federal Government. The objection to it from a practical standpoint is its inquisitorial character and the premium it puts on perjury. In times of great national need, however, an income tax would be of great assistance in furnishing means to carry on the Government, and it is not free from doubt how the Supreme Court, with changed membership, would view a new income-tax law under such conditions. The court was nearly evenly divided in the last case, and during the civil war great sums were collected by an income tax without judicial interference and, as it was then supposed, within the federal power.

I know that in 1896 an allusion in the Democratic platform to a possible change in the position of the Supreme Court was denounced as a threat to pack that court, but I presume it is not improper when one, now the President, and who for many years graced the bench, alludes to the personal make-up of the Supreme Court to call attention to that fact. New judges appointed by a President who repeatedly declared for an income tax, and a graduated income tax at that, now aid in making up the membership of that body. If in 1907 there was reason to doubt that the Supreme Court would announce again the views it had announced, assuredly no greater reason exists to-day than then against entertaining doubts upon that subject.

That is not all. In accordance with the practice of parties, upon the 28th of July, 1908, at Cincinnati, Ohio, Mr. Taft accepted the Republican nomination for the office of President of the United States, and he then had before him this plank of the Democratic platform which I have read. He felt that it was proper to comment upon it, and he did so in these words:

The Democratic platform demands two constitutional amendments, one providing for an income tax and the other for the election of Senators by the people. In my judgment an amendment to the Constitution for an income tax is not necessary.

If not necessary July 28, 1908, what in the exigencies of political parties makes it necessary now?

I believe that an income tax, when the protective system of customs and the internal-revenue tax shall not furnish income enough for governmental needs, can and should be devised, which, under the decisions of the Supreme Court, will conform to the Constitution.

"I believe" it "can and should be devised." "In my judgment an amendment to the Constitution for an income tax is not necessary."

Mr. BROWN. Mr. President—

The PRESIDING OFFICER (Mr. CARTER in the chair). Does the Senator from Colorado yield to the Senator from Nebraska?

Mr. BROWN. I invite the Senator's attention to the fact that perhaps his conclusion may be an injustice to the President.

Mr. HUGHES. Nothing is further from my desire.

Mr. BROWN. I have no information about the opinion of the President, and am not authorized to speak for him, but I will call the Senator's attention to the language which he quoted. The language is that "in my judgment" an income-tax amendment "is not necessary." But it is necessary in the judgment of the court. The court has declared that to impose an income tax the Constitution must be amended. That is the latest pronouncement of that court, at least on that question—

Mr. HUGHES. He was a judge—

Mr. BROWN. So it may be that in the judgment of the President it is not necessary; and yet the President realizes that he is not on the bench, and that the court is—

Mr. HUGHES. But he was a judge.

Mr. BROWN. And, therefore, whatever his opinion may be as to the opinion of the court, he realizes that an amendment to the Constitution is necessary so long as that judgment of the court last pronounced stands.

Mr. HUGHES. He was a judge, and he knew the casuistical attacks that would be made upon the proposition he thus announced. He knew that already a debate was running about this country as to whether the Republican party was honest in its announcement as to the revision of the tariff; whether it meant reduction or revisiting by the pale glimpses of the political moon the scenes of earlier legislation. [Laughter.] Therefore he did not stop in giving his judgment about it not being necessary, but he went on and said:

I believe that an income tax—

Leaving out some words about the customs—

can and should be devised, which, under the decisions of the Supreme Court, will conform to the Constitution.

He did not leave a crack or a cranny through which the smallest political mouse could escape from that conclusion.

WHAT CHANGE HAS OCCURRED?

I repeat, what change has occurred in the make-up of the Supreme Court since the speech at Columbus, since the acceptance at Cincinnati, that would indicate that great body will not, as it has done again and again, and as every lawyer who practices before it knows, reach conclusions differing from those which it first entertained, and reach the conclusion which the President believes is the correct one, which the vast majority of lawyers throughout the country have always believed is the correct one? Presented again the court will have before it for consideration a number of important arguments which have been presented in the debates here that never were before that court. For whatever the reasons may be which induced that omission, historic and legal considerations have been exhibited here in the arguments by the Senator from Texas [Mr. BAILEY], by the Senator from Idaho [Mr. BORAH], and by the Senator from Oklahoma [Mr. OWEN], which are not in the briefs and were not in the arguments of the great lawyers who debated that question before the Supreme Court, and which are not touched upon in the opinion itself.

But, Mr. President, it has become almost a political principle in the history of this Government not to be content with one decision upon great constitutional disputes by the Supreme Court when that decision is by a divided court and by a casting vote. When the second bank act was adopted and sent to President Jackson for signature, and he raised a constitutional objection to it, some of his advisers said, "That question has been passed upon by the Supreme Court, and it is your duty to yield to that court's decision;" but in his message he said, "No," and he vetoed it. We know the honesty of his purpose and his high respect for the courts. When Mr. Lincoln came into office he was confronted with a decision by the Supreme Court, and in his message to Congress he declined expressly to be bound in executive action by one expression of that court in a case in which there was a marked division among the judges.

Mr. CLAPP. Mr. President—

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Minnesota?

Mr. HUGHES. I do.

Mr. CLAPP. Mr. President, I know the Senator from Colorado would not purposely criticize any man unjustly. I have no authority to speak for the President—I have not been in his confidence in the preparation of this message to the Senate—but it does occur to me—and I make that suggestion in all fairness and candor to the Senator from Colorado—that this may have been the situation: While it is true that the court held the law wholly invalid, it was because the provisions of that law were so interwoven, as I recall the language, that the court held, within the rule of reciprocal provisions, the entire law had to fail; but I think it was generally conceded that, notwithstanding that decision, an income-tax law could be framed that would meet certain conditions.

The Senator must not misunderstand me. I do not think that such an income tax would have reached sufficient property to have even warranted its passage, perhaps, and would have been probably unfair, in view of the power of Congress and of the States to amend the Constitution so as to broaden the scope of that law, but it does occur to me that the President may at that time have had in mind the possibility of an income tax, which might have been framed in the light of the decision, leaving the decision itself unchallenged, which would have met certain conditions; and as men grow and progress in the development of these matters, it became evident later that such a law would not be sufficiently broad, and that the only way from his standpoint to reach it in its entirety would be by an amendment. It just occurred to me, from my own suggestion, that that might explain the apparent inconsistency between the two utterances—the one in that speech and the other in the message.

TRIBUTE TO PRESIDENT TAFT.

Mr. HUGHES. Mr. President, I know that the Senator himself would not be unfair, and I know that I would not be unfair intentionally in this discussion. I want to say just here in that behalf, that I welcomed with pleasure the nomination of Mr. Taft last year, notwithstanding it was my determined purpose to elect his opponent if any act of mine could bring about that result; but as an American citizen, desirous that whoever filled that great office should be one who believed in the Constitution and kept a copy of it in his office, that he should be one who observed the law, when he required others to observe it, and would be fair and just to opponents as well as to friends; and knowing the vicissitudes of politics, though we are a hopeful set on our side.

I was glad to know that, if we could not elect our candidate, a man of the character, a man of the ability, and a man of the temperament of Mr. Taft would be the next President of the United States. I repeat, I believe that he was honest and sincere when, for the first time in the history of the Republican party, it found it necessary to send its candidate out upon the stump—a practice which they had so much reprehended when indulged in theretofore by Democrats, adding one more to the repeated instances in which that party follows in the wake of progressive Democracy—and gave his own unequivocal reading of his party's platform, and which with any other interpretation would have been a political evasion. I was glad to know that, if our candidate should not be elected, still a man of that type and character would sit in the White House.

I believed in the perfect sincerity of his promises, and I believed in the soundness of his construction of the Republican platform. I doubted then—I do not doubt now—his ability to carry out his purpose. I believed he would try, but I feared he would not succeed. I know he has not. Therefore in what I have said in asking for this reason for this sudden departure from these earlier expressions I was seeking light rather than making a criticism intended to be hurtful. I wished to know why this change had occurred. It might be, as the Senator from Minnesota [Mr. CLAPP] suggests; but let me call his attention to the fact that the income tax is postponed to the Greek Calends by the suggestion made. Is there a man here who believes that, if this amendment is submitted to action in this body, the majority of the majority, with a sincere desire for its adoption, will speed it on its way and aid in securing its adoption by the necessary number of the legislatures of the States?

WHY INCOME-TAX AMENDMENT MAY FAIL.

Through the prudent wisdom of the founders of this Republic 12 States can set their veto power against the adoption of an amendment and all the other 34 may rage for it as they may, but it will never become a part of the organic law. I can count blindfolded more than that many States under the influence—the control—of those devotedly attached to the highest character of protective tariff, and who will never permit the entering wedge of an income tax to be inserted into the revenue system of the United States so long as they have the power to prevent it.

I remember—for the sound of his voice so declaring has hardly yet died out in this Hall—when the chairman of the Finance Committee, whose little finger is of such great weight in the deliberations here, denounced those who favored an income tax as anarchists, Socialists, and some kind of Democrats or other; and I remember that during this session his attention was called to those utterances, and that he said the statement was historically accurate. Just what that meant I have never been able to discover; but one thing I know—he has not yet recanted his opposition; he has not yet announced his adhesion to the adoption of an income tax; and I believe that it is within the power of the Finance Committee alone, by means of the influences its members control, to secure votes of the legislatures of 12 States to make it impossible to adopt that amendment, or, at least, to

adopt it, if ever, for a long, long time. The substitute for it, now suggested, it is said, will produce \$20,000,000 of revenue. You can get a stamp tax without much trouble which will readily produce more. But that is not the point to which I wish to call attention.

Mr. SUTHERLAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Utah?

Mr. HUGHES. I do.

Mr. SUTHERLAND. Before the Senator passes from a discussion of the income tax, I want to submit a question to him. Under the division of powers of the Constitution, the Supreme Court of the United States is made the final arbiter upon the question as to whether or not a law passed by Congress is in accordance with the Constitution. The Supreme Court has declared that the income-tax law of 1894 is unconstitutional. The Senator from Texas [Mr. BAILEY] now proposes an amendment to this bill providing for an income tax in practically identical terms with that law which has been declared unconstitutional. I want to ask the Senator this question: If Congress should now pass that amendment, which, as I say, is in identical terms practically with the law already declared to be unconstitutional, what would be the duty of the executive officers of this Government under such circumstances—to follow the decision of the Supreme Court of the United States, which had declared this law to be unconstitutional, or to follow the law passed by Congress, which has no power to say whether or not in the final analysis the law is constitutional?

Mr. HUGHES. It would be their duty to follow the law. I do not agree with a single one of the propositions announced by the Senator from Utah. I do not believe that the Supreme Court is by the Constitution made the only and final arbiter in determining the constitutionality of laws; nor do I believe that the Supreme Court has yet settled the law on the subject; nor do I believe that one decision in one case upon a great constitutional question, the result of which is to strip the Government of a great and necessary power, is enough to settle that question, when I know that again and again in private litigations that court has departed from its earlier decisions.

Mr. SUTHERLAND. Will the Senator permit me there?

OFFICERS MUST EXECUTE LAW.

Mr. HUGHES. I repeat that I think it would be the duty of the officers under the law to execute the law until that execution was properly challenged in some legal way, and then to submit it to the proper tribunal for determination.

Mr. SUTHERLAND. Let me ask the Senator this question: The income-tax law of 1894 was upon the statute books and did not expire by limitation until 1900. The Supreme Court in 1895 declared that law to be unconstitutional. Will the Senator say that the executive officers of this Government would have been justified, after the decision of the Supreme Court declaring that law to be unconstitutional, to have undertaken to enforce that law?

Mr. BORAH. Mr. President—

The VICE-PRESIDENT. Does the Senator from Colorado yield to the Senator from Idaho?

Mr. HUGHES. I do.

Mr. BORAH. Does the Senator from Utah make no distinction between a law which of itself has been declared unconstitutional and a law similar to it which has been reenacted and which is a reexpression of the legislative power of the Government?

Mr. SUTHERLAND. I do not think in principle there is any distinction. When the Congress of the United States has passed and put upon the statute books a law which has been declared to be unconstitutional by the Supreme Court, I do not think it is a seemly or a proper thing for the Congress of the United States to immediately turn about and reenact that same law. I am not certain but that it would be the duty of the executive officers of the Government, if Congress should pass a law in identical terms with one declared by the Supreme Court to be unconstitutional, to decline to enforce it.

Mr. RAYNER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Colorado yield to the Senator from Maryland?

Mr. HUGHES. Certainly.

Mr. RAYNER. Do I understand the Senator's proposition to be, if you pass a law here to-day, that because a similar law has been declared unconstitutional the people have a right to refuse to pay taxes until that law is tested again by the Supreme Court of the United States?

Mr. SUTHERLAND. I have not said so. I have said that when the second enactment is in identical terms with the first, which has been declared to be unconstitutional, my judgment is that the executive officers of the Government might well

follow the decision of the Supreme Court, because the executive officers of the Government are every one of them sworn to support and uphold the Constitution of the United States; and an unconstitutional law is no law. It is so much blank paper.

Mr. RAYNER. The federal statutes provide that the executive officers of the Government must execute the federal statutes. Persons taxed must pay taxes, and, if they want to recover them, they pay them under protest. A federal officer in a case of that sort would have no discretion. His duty would be to execute the law of Congress. It would not be for him to inquire into the fact as to whether or not a law identical or substantially similar had been passed upon by the Supreme Court of the United States. I submit that is an entirely novel proposition, and one I never heard announced before.

Mr. SUTHERLAND. Let me submit the question to the Senator from Maryland that I submitted to the Senator from Colorado, if the Senator will permit me? Does the Senator from Maryland think, after the Supreme Court had determined the law of 1894 to be unconstitutional, that the executive officers of the Government would have been justified in undertaking to execute that law?

OUT OF LIPS OF PRESIDENT TAFT.

Mr. HUGHES. Let me answer that question out of the lips of William H. Taft. In 1907 he said it was a proper thing to reenact that law, and try the Supreme Court again in its changed personnel; and I am willing to stand by him in that proposition. After that decision had stood for eleven years, a great judge, trained upon the bench, dealing every day with the decisions of that tribunal, knowing the history of that decision, as the whole country knew it, talks about the changed personnel. Does that mean to wait? Does that mean to accept as eternal a decision made in that way? I am not going to be drawn off from that proposition by inquiring into what some tax officer might have found it necessary to do in a time that has passed. I want to deal with an emergency here now.

Mr. TILLMAN. Mr. President—

The VICE-PRESIDENT. Does the Senator from Colorado yield to the Senator from South Carolina?

Mr. HUGHES. I do.

Mr. TILLMAN. I would call the Senator's attention to the fact that it is not anything new to have a question resubmitted to the Supreme Court. I recall that even in the Legal Tender cases the first opinion of the court was changed, as some have said, by putting new judges on the bench and enlarging its number.

Mr. HUGHES. Let me call, Mr. President, the Senate's attention to the fact that in a little book—the last that came from the hands of George Bancroft, except a magnificent eulogy that he delivered in the House of Representatives—entitled "A Plea for the Constitution of the United States of America, Wounded in the House of Its Guardians," he discussed the fact that if Roscoe Conkling, Hamilton Fish, and George F. Edmunds had gone upon the Supreme Court bench, in accordance with the wishes of President Grant, the first decision would have stood; but as two others went there as judges, they changed the judgment of that court, reversed its former decision, and accomplished the very character of result suggested by Judge Taft in his speech at Columbus, Ohio.

Mr. BAILEY. Will the Senator permit me to add there that they did that without even passing a new law? It was the same law.

Mr. SUTHERLAND. The case to which the Senator from Colorado directs attention, as I understand, was a case where the Supreme Court had reversed its former opinion. Did I understand correctly?

Mr. HUGHES. The Supreme Court faced about upon the same law, and held in one opinion that it was unconstitutional and in another that it was constitutional.

Mr. SUTHERLAND. Yes; but does the Senator know of any case where the Supreme Court of the United States having declared that an act of Congress was unconstitutional, Congress has turned around and reenacted that same law? Does the Senator recall any case in all the history of this Government where that has been done?

Mr. HUGHES. I fear that the Senator, like some lawyers, is hunting a turkey case just now and will not accept a principle. He wants something to be identical. The first of those cases that occurs must make its own precedent, but the principle is there. The principle involved is whether it is proper for the Congress of the United States to abdicate a constitutional power necessary to the life of the Republic because a divided court by a casting vote in a doubtful decision, where the entire question was not presented, have so held once. To that I say no. I

say that I can find in the decisions of that court 100 decisions, not so prominent or important as the Legal Tender cases perhaps, but like in the result. Take the Driven Well cases that attracted so much attention a few years ago throughout Ohio, Indiana, Illinois, and elsewhere. There was one opinion of the court in the spring and a reverse decision of the court in the fall.

I am not one of those who impugn or impeach the integrity or the ability of that great court for these reasons, nor because many important questions are decided by a bare majority, for, in the very nature of things, there come to that tribunal for determination doubtful, serious, and complicated questions, in the solution of which judges are inevitably, beyond their power to disenthral themselves, affected in their judgment by the personal equation. I only wonder that these conditions do not oftener occur; but that they do occur, and occur for these reasons, thus making it proper, in my judgment, to go there again with this question.

But I was not presenting my opinion upon this important issue as worthy of the consideration of this body; I was invoking a mightier voice, appealing to a more matured judgment, and to a greater authority. When Senators ask me if I believe that a like or the same law should be enacted now, I would ask them, What was it that was talked about by Judge Taft in the speech of 1907? For seven years, at that, by the limitation contained in its own terms, the income-tax provision of the law was a dead statute. For ten years it had been dead by the pronouncement of the Supreme Court, and yet Judge Taft says:

It is not free from doubt how the Supreme Court, with changed membership, would view a new income-tax law under such conditions. The court was nearly evenly divided in the last case, and during the civil war great sums were collected by an income tax without judicial interference and, as it was then supposed, within the federal power.

Why did he suggest that? Because every lawyer knows that while the decision of a court by three to two is as much the law in the case in which it is delivered as though the five had united, all lawyers know that it does not have the weight, the endurance, the persistence, or the force with lawyers, courts, legislators, or with the general public which is given a unanimous opinion has. All these elements go to determine the weight of the decision. Judge Taft was presenting a serious matter, for he was out there in Ohio discussing the Republican party and its work, past and future, discussing this very question, which had become a pressing one, and he said, in the language to which I have called attention, that the court was nearly equally divided in the last case, and he evidently thought that in this fact he had found a reason for believing that the court with its changed membership should be appealed to again.

He says that there has been a change in its personality, and in that change he seems to find a reason for going there again. That is the effect of it, and that is what was about to be done here if the weather signs did not all fail.

I want to say further that it was never accepted, either in the formation of the Constitution or by the executive or legislative departments, that they had no voice in passing on the constitutionality of laws. I have called attention to the message of President Jackson; I have called attention to the message of President Lincoln; and I might call attention to repeated expressions of the same tenor in writings of Thomas Jefferson and of Mr. Madison, in which all of these four great men, representing every phase of political opinion the country has known, have taken the other view.

As a lawyer, I have always believed in submitting these great questions to the Supreme Court; but, after all, courts as well as Congresses are human and may err, and repeatedly that high court has displayed its most praiseworthy attitude and its highest integrity in righting an error of the past. I think it might be permitted to do this again.

Mr. SUTHERLAND. Mr. President—

The VICE-PRESIDENT. Does the Senator from Colorado yield to the Senator from Utah?

Mr. HUGHES. I do.

Mr. SUTHERLAND. Just one further question. As I understand the position of the Senator, he is not willing to accept the decision of the Supreme Court in the Pollock case?

Mr. HUGHES. If the Senator means "willing" in any sense I know the word, I was very unwilling to have it made, and I was very much surprised when it was made. I would say to the Senator that a number of the wealthiest men in the State of Colorado submitted that question to me. I worked on it as well as I knew how, taking time for the investigation, and formed and gave an opinion that the law was, in my opinion, constitutional; and I regretted to be "turned down" even by one majority of the Supreme Court.

Mr. SUTHERLAND. The Senator evidently has some preconceived notions on the subject.

Mr. HUGHES. I do not know whether they are preconceived or not. They are the result of study and investigation.

Mr. SUTHERLAND. They are preconceived so far as this debate is concerned.

Mr. HUGHES. I had them yesterday. I had them before I got up.

Mr. SUTHERLAND. The question I wanted to ask the Senator is this. The Senator says he is not willing to accept the decision of the Supreme Court in the Pollock case. Suppose this law should be reenacted—

Mr. HUGHES. Just a moment. I am unwilling to accept as a final determination of the power of Congress to pass an income tax that decision rendered as it was rendered.

Mr. SUTHERLAND. Yes. I have not misstated the Senator's position. He is unwilling—

Mr. HUGHES. I thought I stated it for myself. I recognize, however, that perhaps the Senator has stated it much better for me than I have been able to do.

Mr. SUTHERLAND. What I wanted to ask the Senator is this: Suppose Congress should reenact that law, as the amendment of the Senator from Texas proposes, and the Supreme Court should again determine by a 5 to 4 decision that it was unconstitutional, would the Senator be willing to accept it then, or would he still want to reenact the law and give the Supreme Court another trial?

AGREES WITH THE PRESIDENT.

Mr. HUGHES. I am peculiarly constituted. I am like the witness who was asked to suppose an impossibility and then to state what he would do. He said he would balk at the first bridge.

I have read and I heard the argument of the Senator from Utah, with all its wealth of learning and argument; I have read it carefully, and I am still, notwithstanding I have read it, unable to believe that the Supreme Court will again announce that result. If it does, when I have seen how it is done, I will try to make up my mind again. But until then I think the court ought to have the opportunity to reconsider the question. The President of the United States seems to have thought it should have that opportunity. He announced that a constitutional amendment was not necessary. I agree with that opinion. He has not yet said that, in his opinion, it is necessary.

I do not know just why the enactment of this character of law should be shunted off at this time. If it is to get revenue, the substitute for it will tax every corporation that is organized under state law to sell peanuts upon the corner, to work a farm in Colorado, to dig a ditch, to operate a mine, to run a laundry or a dry goods store or a grocery store, and these every-day corporations will pay more than their shares of the revenue of the Government, while the untaxed wealth against which the income tax was invoked by President Roosevelt, the amendment suggested by President Taft, and advocated here, will escape as scathless against taxation as it is to-day.

Therefore I have called attention to these matters, knowing, of course, that in the fullness of time they will receive their perfect explanation. Just now I am groping a little in the dark around them.

Mr. President, I desire to say a word in confirmation of my suggestion that perhaps an emergency had arisen which required a little haste, with the consequent inadvertencies which always follow that method of dealing with difficult and important subjects—so often illustrated here, when the Committee on Finance proposes one amendment to-day and amends the amendment to-morrow. It is suggested in this message that national banks are "otherwise taxed." I, as a lawyer, have been doing business with and around our national banks for twenty-five years, and I do not know just where that tax is laid. I know of the slight tax on circulation; but I do not know how the banks are taxed with the kind of tax proposed by the message to be laid upon other corporations, state banks, and from which the national banks are to be exempted.

Mr. President, I did not rise for the purpose of discussing the income tax, as the Senator from Utah seems to think.

That was not my purpose. That has already been discussed here extensively, learnedly, convincingly, and, I believe, conclusively. I wished to call attention to a matter which had presented itself to my mind when newspaper clippings were being read for the purpose of embroiling Democrats. I wished, then, to call the attention of those who might hesitate about standing wholly at all times upon the Democratic platform to the fact that now is not a good time to get scared away from it when the President of the United States is planting the weight of his great personality right on the middle plank of one of

the most important declarations made at Denver. It is a good time to still stand at least on the circumference of that platform.

WILL NOT CRITICISE OTHER VOTES.

I desire to say further that I have never criticised, nor shall I, the vote of any Democrat here. I am not going to do it. I believe they are all conscientious and honest. I do not believe they should be or should have been criticised outside this Chamber for such votes. I am not going to criticise the votes of Republicans, nor determine, or attempt to do so, their propriety; that is for them to determine.

ANANIAS CLUB.

My own vote has been that which I thought was proper under all the circumstances. I know of the many and oftentimes conflicting and confusing influences which pull this way and that way, and he must be a strong and well-anchored man who, when it is all over, can say, "I followed the plain path that was white with the light of absolute consistency." When some one says that, I fear he should be nominated for membership in the Ananias Club, unlimited, rejuvenated by the senior Senator from Maryland. [Laughter.]

It all shows how men animated by the same sincere motives will differ. The Senator from Texas voted for the duty on iron ore because he was opposed to the steel trust. I voted against it, not that I loved the steel trust; I have no reason to do so; but I found on investigation, as I thought, that about 80 per cent of all the iron ore there is in this country was under its control. I found that there were some struggling independents—as independent as the tariff system will permit them to be—who could better make their fight if they had ore free, and then I found, what was more convincing to my mind, that after this iron ore came in and the importers of it went through the form of paying the duty upon it into the Treasury, they turned a few pages, over to the drawback clause, and under its provisions took it virtually all, 99 per cent of it, out again; that the people who shipped the iron abroad and sold it when manufactured into machinery to foreigners cheaper than to Americans at home, at the same time used that duty as a color for raising the price to the Americans, put the duty back into their own pockets. Under those circumstances I thought, where there was this conceded freedom of choice, I would choose to vote as I did, for free iron ore.

Mr. President, I do not find in all this changed situation in the plans of those in authority here and elsewhere concerning an income-tax law much for discouragement. For, of course, when these things are explained which look dark now, as they will be, it will all be made to appear proper, right, and necessary, but I do wish—I will not say to predict, because how cheap is prophecy, and the statute of limitations always runs on it before the time for its fulfillment comes or something occurs to render excusable its failure, the failure of those who accept the proposed amendment for the pending income-tax amendment—but to call attention to the fact that the income-tax constitutional amendment is not now delivered into the hands of its friends. The constitutional amendment message is not now under committee consideration by those who would see it made a part of the Constitution. The action proposed will, I believe, result in putting aside, deferring, thrusting off, and thus making impossible its enactment, while at the same time such action by Congress will be hailed as in itself an announcement to the Supreme Court and to the world that Congress acquiesces in the decision here and elsewhere so much discussed that it believes and holds that the only possible way in which such a law may ever be validly enacted is by adopting such an amendment of the Constitution. I am not willing just yet to commit myself to that proposition.

I do not now think it is necessary to do this, and I can see that this action might be most hurtful to the cause which so many believe is founded essentially on justice. It would seem to be welcomed, however, by those who openly, honestly, and frankly announce that they are opposed to an income tax because of its nature, because of what they allege are inherent objections; and more, and most of all, by some because they look upon it as the nose of the camel as it comes into the protection tent to walk away with it in the course of time.

RESPECT FOR OPEN OPPOSITION.

I have respect for open, undisguised opposition. If Senators who are opposed to it say "We will fight forever against the income tax because we believe that if it is adopted it will grow and spread to every subject of income until there will be nothing left to be cared for by custom-house duties, and for the sake of protection we are utterly against it," we can understand their palpable position. That is a frank and open declaration which, while erroneous in itself, commands a measure of respect by its

boldness. But I can not understand why the friends of an income law should join in thrusting it aside or should join in postponing it to what must inevitably be only an evil day.

Mr. STONE. Mr. President, I wish to say a few words more before this debate closes.

I agree entirely with much the Senator from Texas said, and particularly when he said that the most effective way of dealing with great industrial monopolies is to invoke the criminal law against those responsible for violating the statutes of the country. There is nothing in what the Senator said upon that line about which we could have any controversy. But when the Senator substantially charges the Denver convention with ignorance because it declared in favor of putting logs on the free list, I join issue with him. Whatever other possible fault the declaration in question may be charged with, I deny that the declaration was made in ignorance. The convention knew exactly what it was doing.

Of course some logs are on the free list, and some are not. Let me give an example of dutiable logs: If a tree 4 feet in diameter and 60 feet high standing in a Canadian forest should be felled and the trunk severed into two principal parts, each 20 feet long, everybody would call those parts "logs." If some woodman should then take his ax and hew two sides of one of those logs, slightly squaring the sides, it would still be a log. It could not be anything else. But that log could not be brought from Canada into this country without paying a duty, while the other log, in the natural state, could be brought in free. Thus, it will be seen that there are logs on the dutiable list as well as on the free list. I asked the Senator from North Dakota, when he raised this question, if what I have just said was not true, and he admitted that my statement was correct.

And, Mr. President, it is correct. If the Denver convention deemed it wise, as it did, to declare in favor of the admission of all logs free of duty, it was an entirely correct thing for it to say so in the very language used. The criticism made in this behalf by my friend from Texas and by the Senator from North Dakota is not well founded.

Now, a word as to the convention which framed the platform and I am done. The Senator from Texas declared in substance that it was well known that one man had made that platform. I deny that. He is mistaken. The Senator from Colorado is nearer right in what he said. One man did not make the platform. As the Senator from Nevada stated a moment ago, the committee which made the platform was in session for nearly two days, debating the provisions of the platform and compromising differences. If the platform had come to us ready-made from the hands of a single individual, and if it was to be adopted as furnished, it could have been adopted in an hour. The statement of the Senator is unwarranted and unfortunate.

In that convention and on that committee were several Senators now holding seats on this floor; several distinguished Members of the House of Representatives; ex-Senators and ex-Members of the House; governors of great States and ex-governors; judges and ex-judges; business men of large affairs; and last, but by no means least, our former candidate for the Presidency, Judge Alton B. Parker, was a member, and one of the most active and influential members of both the platform committee and the convention.

The Senator from Colorado and the Senator from Nevada are both correct when they say that the important provisions of the platform were fully discussed; amendment after amendment and change after change was made by the committee, and the work was so arduous and so prolonged that the convention became impatient with waiting and more than once sought to hurry the committee with its work. That does not look as if we were merely adopting a ready-made platform.

Moreover, Mr. President, suppose it were true that Mr. Bryan, who is here charged with the authorship of the platform, had prepared it. What of that? When he knew and everybody knew he would be nominated, is it surprising that he should have sent and had submitted his suggestions as to the platform? Has that not always been the usual course in such cases, with Republicans as well as Democrats?

The same thing was done at the Chicago convention. Everybody knows that Mr. Taft and President Roosevelt prepared and sent suggestions to the Chicago convention as to what should be embodied in the Republican platform. There is nothing unusual about that, and nothing deserving of condemnation.

Mr. President, that is all I care to say. Feeling no resentment, I do not wish to say anything to excite acrimony or resentment on this side or on that. Nevertheless, I have felt that I ought to say this much, as one of the members of the convention and of the platform committee, that the real truth of the situation, known to those of us who were there, may not be misrepresented or misunderstood.

Mr. DANIEL. Mr. President, in a few words only, I hope I may dispose of my connection with an incident of to-day's session.

While I was out of the Chamber for a few moments on public business, which necessarily called me away, I heard that a Senator here had introduced in the Senate some criticism made upon myself, amongst others, by a current newspaper. This morning I noticed two articles in that newspaper, comment from correspondents, one in reference to an alleged interview with the Hon. Roger Q. Mills, in which he was alleged to have made very disagreeable remarks about some of his former colleagues. In this morning's Post I observe that he has a short note, in which he says:

Your article on the front page of the Washington Post of June 14, quoting from a letter said to have been written by me, is without foundation. I have not written a single word on this subject to anyone. Please correct.

I also notice for a moment some alleged criticisms of Messrs. DANIEL, SIMMONS, and NEWLANDS, alleged to have been made by Hon. John E. Lamb, a former Representative from Indiana. I know that gentleman pleasantly. I have served with him. I have never had any reason to suppose that he would push himself into the press and make comments of this kind upon his former associates and friends, and I do him the honor to doubt whether he ever did it.

The Republican party, being occupied now with the gravest concerns that could affect this Government and the people of the United States in many directions, it is very pleasing to discover that some of them are by no means weighed down or bothered about those burdens, and that they have plenty of time to pick up and to occupy the attention of the Senate with the little trivialities of daily newspaper correspondents. I congratulate the man who has so frolicsome a disposition of mind and who can treat with such levity the grave concerns of state.

Mr. President, I have had several adventures of one sort and another with certain correspondents. As a rule I do not notice their animadversions on myself. They are often able and good men; some of them who have concerned themselves adversely and without provocation with my name have been fond of trivialities, and have not seemed to care whether they were true or not. I saw a notice not long ago that I had startled the Senate by beginning a speech with the announcement that I was for the protection of American interests, and going on to represent myself as having turned from my steady and lifetime Democracy over to the Republican party. I did not notice it, and I do not think anybody would have noticed it seriously but for the fact that some of our newspapers have no correspondents at Washington. They know no more about what goes on here, through any special agent of their own or by the privity of personal knowledge, than they do about what goes on in the mountains of the moon; and when correspondence is sent to them, either from a press association or by an individual, they publish such articles as these without inquiry of the person possibly affected and without knowledge as to the truth or falsity of the matter.

The fact is, Mr. President, it is perfectly true that in the public life of his country—as, indeed, largely it is true about the public life of all countries—each man "walks with his head in a swarm of poisonous flies." I never feel like noticing them further than to say "Shoo, fly; don't bother me." But they will bother you, especially if you give them any attention.

A year ago it was fulminated all over this country, as if it was a matter of great public importance, that I had rudely treated the Democratic candidate for the Presidency, and had said this and that. It was not true. That made no difference. I am not customarily, either in the mood or disposition or of the character, to be impolite to anybody. I treat every man as a gentleman, and I expect and generally find everybody so treats me. In this case certain newspaper men had it as a matter of public importance and news.

In the course of time I found out who the correspondent was. I found out that he had not heard a word which he had undertaken to attribute to me, and the result of it was that he wrote me a very polite expression of regret, stating that he had ascertained the untruthfulness of what he had said, and placing himself in a most respectful manner as the wrongdoer. I was pleased that he had acted so much as a gentleman, and said to him, "Very well, the matter is long over; and, accepting your statement, I shall not even give to the press your retraction."

Mr. President, I do not think it is necessary for me to say more except to express my pleasure that we have Members of this body who are in no wise concerned about income tax or corporation tax or the ponderosities and difficulties of the tariff, but who have leisure to occupy their idle hours in such stuff as that to-day brought before you.

I ask leave to print as an appendix to my remarks a publication of the Representative of the same district and a citizen of the same town that I represent. He is Hon. CARTER GLASS, of Lynchburg, a lifelong Democrat, the proprietor of our leading journal, a man whose utterances are those of a thoughtful student and a considerate patriot. He is a man who has built himself up from the bottom, entering the press as a typesetter and rising to the foremost rank in his profession, as well as in political life, in success and honor, by reason of his diligence, his talents, and his principles. I ask leave to append it to my remarks.

The VICE-PRESIDENT. Without objection, permission is granted.

The matter referred to is as follows:

CARTER GLASS EXPLAINS VOTE—DID NOT AFFECT QUESTION OF FREE LUMBER, VIRGINIAN DECLARES—DENIES HE WAS BOUND BY DENVER PLATFORM—DOES NOT CONSIDER IT HIS DUTY TO JOIN IN PUTTING SOUTH'S PRODUCTS ON THE FREE LIST—SAYS PAYNE BILL PERPETUATES SYSTEM OF SECTIONAL INEQUALITY—CRITICISED FOR DECLINING TO SANCTION DISCRIMINATION.

[From the Norfolk Landmark, April 22, 1909.]

LYNCHBURG, April 21.

Congressman CARTER GLASS has only recently seen the criticism by several Virginia newspapers of the vote cast by him and four other Virginia Congressmen, Messrs. LAMB, SAUNDERS, LASSITER, and MAXNARD, on the lumber schedule of the Payne tariff bill. Touching this criticism, Mr. GLASS said to-day:

"I will not assume to speak for my Democratic colleagues who voted as I did; but for myself, I have no excuses to make to anybody. In my own district or anywhere for that matter, it would give me great satisfaction to justify my vote before an audience of intelligent Virginians. But in my district there has been no complaint; the criticism is from the outside, and the comment that I have seen is based on a total misconception of the facts, and evinces vastly more heat than judgment.

"In the first place, no vote cast by a Virginia Democrat in the House affected the question of free lumber one way or another. The general debate on the tariff in the Committee of the Whole House was merely academic and the voting largely tentative. Everybody familiar with the procedure understood that the real party test would be upon the bill itself as reported from the Republican party in the House, amended as agreed to by the Republican party in the House.

When that proposition was submitted, every Virginia Democrat voted against the bill. Every Virginia Democrat likewise voted for Mr. CLARK's motion to recommit the bill with instructions to report it back with amendments that would make it accord with the Democratic theory of a tariff for revenue, thus making up his party record.

Had the Democratic party in Congress been charged with tariff revision, the bill presented to the House would have illustrated the traditional and just Democratic doctrine of a tariff for revenue, which means neither free trade on the one extreme nor high protection on the other; but there was no earthly chance for tariff revision for revenue. The country at the last election overwhelmingly rejected the Democratic method of dealing with the tariff question, and charged the Republican party in Congress with the duty of revision on distinctly protection lines. Anybody who pleases to think that, under these circumstances, it was the duty of a Southern Democrat to sit in the House and, merely to exploit a theory which he was powerless to make effective, see the industries of his own State and section sacrificed to the rapacity and utter selfishness of another section, is quite welcome to that opinion. I am not that much of a doctrinaire nor that sort of a dreamer. On the contrary, it seems to me that, being compelled by the verdict of the country and the power thereby lodged with the Republican party to vote on a purely protective tariff bill, it was my business to prevent, to the very uttermost, every threatened discrimination against my State and section.

NOT DEALING WITH A THEORY.

We were not dealing with a theory. We were confronted with the plain certainty of tariff legislation by the Republican party in Congress on strictly protection lines; and, this being the case, I did not consider it my duty to join with a score of Canadian-border and Middle West Republicans to put certain products of Virginia and the South on the free list for the peculiar advantage of their constituents, only to see these same Republicans a moment later unite again with the rest of their party and tax the people of my State and section beyond endurance on the products of the North and the Middle West.

The suggestion that the Denver platform bound me to thus immolate my State and section is all moonshine. I was nominated for Congress before the Denver convention met; and in nearly every speech I made in the campaign for reelection I emphasized the sectional phases of Republican tariff legislation, and, from the hustings, as I have done for years through the columns of my newspaper, protested against the policy that would compel Virginia and the South to sell their raw materials to northern manufacturers in competition with the world, and at the same time force our people to purchase the products of these northern manufacturers from the shelter of a high protective tariff.

IS A TARIFF FOR REVENUE DEMOCRAT.

I am a "tariff for revenue" Democrat. I stand for equalizing duties; but I distinctly reject the Utopian idea of yielding every advantage that incidental protection affords the products of the South in order to give the industries of another section the double advantage of our materials free at one end of the proposition and high protection for their products at the other end.

PUTTING LUMBER ON FREE LIST NOT "HISTORIC DEMOCRATIC DOCTRINE."

The talk about "free lumber" being "historic Democratic doctrine," and about the Denver convention having declared for putting this "prime necessity of life on the free list," and about the failure of five Virginia Congressmen to heed the demand for "cheaper building material," is utterly at variance with the facts. Not one of the three contentions can be maintained. Putting lumber on the free list is not "historic Democratic doctrine." A "tariff for revenue" is the historic Democratic doctrine.

The general declaration of the Denver platform on the tariff question was for a "gradual reduction of duties" to a "revenue basis." Nobody will deny this. Then, distinctly and notoriously, in response to

the outcry of the American press, Republican as well as Democratic, against the exactions of the print paper trust, and the demand that it be punished by putting on the free list everything entering into or affecting the production of print paper, the convention made this separate declaration, not of "historic party doctrine," but of immediate public policy:

DEMOCRATIC PLATFORM.

"Existing duties have given to the manufacturers of paper a shelter behind which they have organized combinations to raise the price of paper, thus imposing a tax upon the spread of knowledge. We demand the immediate repeal of the tariff on pulp, print paper, lumber, timber, logs, and that these articles be placed on the free list."

No candid disputant would contend that this was a demand to put lumber distinctively on the free list. It was a specific statement of a condition that prevailed in the paper trade, involving a tax on the spread of knowledge, and a comprehensive demand that this particular evil be corrected by putting on the free list all articles affecting the production of print paper; and the declaration enumerates the articles. Obviously lumber was included only because the tariff on lumber affected the price of Canadian logs, and because the law could readily be evaded by an inexpensive process had the terms "lumber" and "timber" been omitted.

Now, what was the response of the Payne bill to this demand? It in reality put none of these things on the free list. It made a pretense of putting wood pulp on the free list, but saved it by a "joker." It made a pretense of reducing the duty on print paper, but shrewdly tacked on a countervailing condition. It did not pretend to put lumber on the free list, but reduced the duty from \$2 to \$1 per thousand feet. And then what? By rule, the Republican majority denied the House the right to vote on the question of unconditional free pulp and unconditional free print paper, because 95 per cent of these things are made in Republican States at the North.

It gave the House the right to vote for free lumber, because it is a great industry of the South; so that, under this Republican rule, the comprehensive demand of the Denver platform to have the tariff taken off everything affecting the production of print paper was disregarded as to those things produced in New England and the Lake States, but the great southern product of lumber, which is chiefly sold in these States, was put up as a target for those Republicans in Congress who believe in protection for everything they sell to us and free trade in everything they buy from us. And southern Congressmen are criticised for declining to sanction any such wretched discrimination.

TAWNEY PROPOSED TO PROTECT MILLS AND FACTORIES OF HIS OWN STATE.

But suppose it be momentarily admitted that the Denver platform had a broader meaning than I have indicated, and that the demand was for a repeal of the duty on lumber as a necessity of life, then those who have criticised the five Virginia Congressmen have totally misapprehended the action of the House, for there was never the remotest prospect of doing this. If the Denver platform demanded free lumber in this sense, it meant that all lumber must be free and not simply certain grades of lumber. But the Tawney amendment, which our newspaper critics so highly praise, and the only one that came within gunshot of passage, placed only rough lumber on the free list. It retained a high protective tariff on all other grades. In short, this distinguished Minnesota Republican proposed to give the great planing mills and furniture factories of his and other States their lumber free of duty, and then to coolly protect those mills and factories by a high tariff on everything they manufactured, from a hoe handle to a dining table, from a singletree to a bedroom set. The southern lumberman must pay a high tax to the northern manufacturers on the ax with which he fells the tree and the helve with which he wields the ax; must pay a high tax to the northern manufacturer on the chain and harness with which he drags the log and on the equipment by which he ships it; must pay a high tax to the northern manufacturers on the saw and boiler and engine and on everything he buys to prepare his lumber for the market. And then, when he comes to sell it to the northern manufacturers who have thus robbed him under the guise of a high protective tariff, this southern lumberman must sell to the robbers in competition with the world.

And that is gravely set us as historic Democratic doctrine! Everybody knows that the expensive material of a respectable dwelling, however humble, is not the rough lumber entering into its construction. It is the dressed lumber, the doors, floors, blinds, sash, framing, mill stuff of all kinds; but the Tawney amendment did not propose to free these things of tax. It merely proposed to relieve the lumber manufacturers of Michigan and other Northern States by giving them rough lumber free of duty, leaving them, under the shelter of a high tariff, to extort all they could from the house builder and furniture buyer and consumer generally.

I do not know what my four Democratic colleagues from Virginia think, but I am glad to be numbered among those southern Democrats who protested against this outrageous species of tariff jugglery.

The only proposition made to put all lumber on the free list was embodied in the amendment offered by Mr. DE ARMOND to the Payne bill; and then Mr. TAWNEY and the other Republicans, who tried to put southern rough lumber on the free list and retain the tariff on their manufactured stuffs, lined up with their party and snowed under the De Armond amendment by a vote of 244 to 131—less than one-third voting for it.

SMALL DUTY ON LUMBER NOT A PROTECTIVE TARIFF.

As to the nature of the small duty on lumber, it is not a protective tariff in the sense that it adds one thrip to the price of rough lumber to the general consumer. Nobody in Congress or out who knows anything about the subject and has any regard for his intellectual integrity would pretend to say to the contrary. The duty does not increase the cost of lumber one farthing to a single consumer in Virginia or the South or to any resident of the United States, outside a narrow zone of competition on the Canadian border. It is distinctly within the Democratic doctrine of a tariff for revenue, yielding, as I recall the figures, \$1,600,000 to the Federal Treasury. It incidentally preserves to Virginia and the South the lumber markets for New England and other Northern States easily reached by Canadian lumber. One will search the tariff speeches in vain to find any serious contention that the dollar duty on lumber could increase the price one cent to a single inhabitant of the United States outside a very limited territory, whose people for half a century have grown rich by collecting tariff tribute from the balance of the country, and whose Congressmen stood out in the House recently for the highest degree of protection for their own products and free trade in the products of other sections.

To the extent that the House of Representatives was permitted by the Republican rule to participate in the work of making a tariff law, I

voted my best judgment and my clearest conception of sound Democratic doctrine.

Knowing, as everybody did know, that it must be a protective-tariff law, I unhesitatingly declined to yield every advantage that Virginia and the South have under the revenue features of the existing law, while every product of northern mills and factories was being highly protected.

REFUSED TO SURRENDER PALTRY TRIBUTE NORTHERN MANUFACTURERS PAY TO THE SOUTH.

I refused to surrender the paltry tribute which a few northern manufacturers of lumber pay to the South, while their Congressmen were intent on exacting greater tribute from all the people of my State and section. In no case did I cast a vote that increased a single burden on a single inhabitant of Virginia or the South; nor did I, in any event, fail to cast my vote for the relief of my people from the onerous exactions of a high protective tariff. But I make no concealment of the fact—indeed, I want it distinctly understood—that in considering the Payne bill I did not pursue the path of a political visionary, but followed the course of a practical man who felt that he was sent to Congress to safeguard, and not to sacrifice, the interests of his people. There was never a moment when I would have hesitated to require fair treatment by fair treatment, to have made concessions in return for concessions, to have subordinated any district, state, or sectional interest to the common welfare of the country. On the other hand, I did not cast a vote to concede anything touching the material welfare of Virginia and the South to any section which refused to yield anything to my people or the country.

Pursuing this policy, when the bill was perfected and presented for final action, I voted for CHAMP CLARK'S motion to recommit and alter (which, by the way, contained in its schedule not the faintest reference to free lumber). When that motion failed, I voted against the bill, because it did not, in any fair degree, represent the Democratic theory of a "tariff for revenue," but simply perpetuated the system of sectional inequality and general pillage under which the South has been staggering for fifty years. On this record I am perfectly content to stand, only asking that it be not misrepresented, but fairly considered.

Mr. SIMMONS. Mr. President, I, like the Senator from Virginia [Mr. DANIEL], was surprised when I read the news item in the Washington Post this morning, which the Senator from North Dakota [Mr. JOHNSON] has caused to be read at the Secretary's desk, being an interview imputed to Mr. John D. Lamb, of Indiana, who was a member of the committee on platform and resolutions at the Denver convention.

I do not know whether Mr. Lamb is correctly reported in this interview, but I do not believe that he is. I do not believe that he made this statement, because it is at variance with the facts, as I recollect them, and with the recollection of my colleagues in this body who were members of that committee, and is misleading. I do not think it necessary to make a reply to this alleged interview, but a short general statement of what occurred with regard to this matter will not be inappropriate.

If Mr. Lamb made the statement attributed to him, I must believe that he has confused what occurred in the subcommittee of which I was not a member with what occurred in the general committee.

In the general committee there was considerable difference of opinion, as was natural, as to a number of matters contained in the report of the subcommittee; and there was much informal and general discussion with regard to the tariff, the trusts, and the injunction and labor planks, and so on.

There was considerable discussion over an amendment to the tariff plank offered by ex-Senator Smith, of New Jersey, proposing to insert certain language alleged to have been used by Mr. Cleveland in 1892, either in his letter of acceptance or in a letter addressed to the voters just before the election—I do not recall which—with reference to labor and the attitude of the party toward labor.

I think there was a vote on this amendment.

There was also some discussion over a proposition suggested by Senator NEWLANDS with respect to a declaration as to trust-controlled articles. I think there was a vote in regard to that, and that the proposition was defeated by a small margin.

There was a long controversy over the provision requiring certain corporations to secure a federal license to do interstate business.

I shall read the section of the platform referred to. It is as follows:

Second, a license system which will, without abridging the right of each State to create corporations or its right to regulate as it will foreign corporations doing business within its limits, make it necessary for a manufacturing or trading corporation engaged in interstate commerce to take out a federal license before it shall be permitted to control as much as 25 per cent of the product in which it deals, the license to protect the public from watered stock and to prohibit the control by such corporation of more than 50 per cent of the total amount of any product consumed in the United States; and, third, a law compelling such licensed corporations to sell to all purchasers in all parts of the country on the same terms, after making the allowance for the cost of transportation.

There were disagreements as to other matters which were discussed. After a number of disagreements of this kind had been discussed without action, a recess was taken—as all understood—for the purpose of allowing the chairman, Governor

Haskell, to confer with Mr. Bryan with respect to these matters of difference.

When the committee reconvened Governor Haskell stated in substance, as I recall it, that he had conferred with Mr. Bryan, and that Mr. Bryan insisted that provisions of the platform relating to trusts and the tariff, as reported by the subcommittee, should not be changed. As the result of this statement, after some little informal conference, those members of the committee who had urged modifications and changes decided that as Mr. Bryan was to be the candidate his wishes as to the platform should be respected, and further opposition was withdrawn and the planks were agreed to by a pro forma vote, and there was no further contest. Some things were added to the platform; but there was no change affecting the substance of the matters embraced in the report of the subcommittee.

This is my recollection of the matter. There was no minority report; but that a number of the members of the committee did not approve of certain provisions of the platform was known and understood by all. They held their views in abeyance, and in the interest of harmony gave a tacit assent to the platform as reported to the convention.

Now, one word about this lumber matter. In the speech I delivered in the Senate some weeks ago upon that subject, in response to an inquiry addressed to me by the Senator from Montana with reference to our platform declaration on this subject, I stated pretty fully the reasons why I did not consider my present attitude upon that subject in conflict with that declaration. I do not consider that that specific declaration should be taken as separate and independent of its general declaration upon the tariff. I have been a lawyer long enough to know that every document should be construed as a whole, and where there are two declarations about the same subject they are to be taken in *pari passu*. There was a general declaration in our platform in regard to the tariff. It was in effect a declaration in favor of a tariff for revenue.

I stated then, and I repeat now, if the Republican majority would put iron and steel and cement and all the different things that enter into competition with lumber and into the cost of its production upon the free list, I would vote for free lumber. I insisted then, and I insist now, that the tariff be equal and fair not only to every section, but to all of the products that are embraced in the bill; that it be equal in its burdens and equal in its benefits; and that if lumber was to be hampered and burdened by the tariff, that it should at least have enough of its benefit to offset and compensate for these burdens.

I can not conceive that the Democratic party meant to say that in a tariff bill framed as this one, upon protective lines, lumber should be placed on the free list, while the things that compete with it in the form of structural materials or that enter into the cost of its production in the form of machinery are to remain on the protected list at a rate of from 25 to 50 per cent. I do not believe the platform means that, and I refuse to give to the declaration in question that interpretation.

Mr. President, the leader in this criticism of Democratic Senators, I regret to say, is Mr. Bryan. I have very great respect for Mr. Bryan. While I was not in favor of his nomination in the last contest, after he was nominated I gave him, as I always have, a loyal support, and I have nothing to say against him; but I feel that he, at least, is estopped from criticizing any Democrat who has voted for free lumber on account of the platform declaration upon this subject. Mr. Bryan has had some experience with platform declarations that did not suit him, that he thought were not in the interest of his constituency, and that he and his constituents did not approve. It was in 1894 when the matter with respect to the tax on state-bank issues was before the other House of Congress. The national Democratic platform of 1892 declared in favor of the repeal of the 10 per cent tax on state-bank issues.

In 1894 a vote was taken in the House of Representatives, of which Mr. Bryan was a Member, upon a resolution or an amendment—I do not remember exactly the form it was in—providing for the repeal of the tax of 10 per cent on the issue of state banks. A yea-and-nay vote was taken and Mr. Bryan voted against the repeal of that tax. On the day before he undertook to make an explanation of his intended vote upon that subject. He said that he had been criticised because of his position in reference to the matter on account of the plank in the Democratic national platform upon the subject. He said nobody was bound by a platform except those who run on it or who were nominated by a convention indorsing the platform; and that this platform was adopted after the district convention had nominated him. He said he did not know of a single human being in his congressional district who was in favor of a tax

upon national-bank issues; that his constituents were almost unanimously against it, and that his judgment was against it. For these reasons he declared this declaration was not binding on him.

Now, Mr. President, if these conditions furnished a justification for Mr. Bryan's vote on this question in 1894, the conditions with respect to putting lumber on the free list which exist today in North Carolina, and which existed there during the late campaign, furnish ample justification for the vote of the Members of Congress from that State in favor of a duty on lumber, despite our platform declaration.

This plank of our platform met with general disapproval in my State. I do not remember, and I took part in that campaign, a single Democratic speaker who gave it unqualified indorsement upon the stump. I do not believe there was a single Democratic candidate for Congress in that State who so supported it in his campaign.

I do not recall a single Democratic newspaper published in North Carolina which openly and warmly advocated it during that campaign. On the contrary, I am advised that some of our Democratic candidates gave assurance, if not in public, in private, that they were not in sympathy with it, and I am told that one Democratic candidate for Congress in a public speech openly repudiated it.

The feeling against this plank was so strong in the State that the Democratic executive committee of the State felt impelled to take action in regard to it. I hold in my hand a statement made under his own signature by a gentleman who was associated at party headquarters with the chairman of our state executive committee, stating that what I am going to read was put in circular form and in the form of supplements to newspapers and 200,000 copies of the document were circulated throughout the State during that campaign. It was published in many newspapers of the State. It was circulated in every hamlet of the State and accepted by the people as an assurance given by the executive committee of the party in the State. Here is what he says:

In the effort to meet the dissatisfaction which the injustice of this plank in the platform produced in North Carolina—

Referring to the lumber plank—

there was published and sent out from Democratic state headquarters 200,000 copies of an article from which the following are extracts:

"The manufacture of lumber is one of the great industries of the South, and one which would for this reason appeal with especial force to the best wishes and protection of the Democratic party."

And further:

"They may rest assured that the Democrats would not put lumber on the free list, it being a southern product, unless there should be coupled with it the placing upon the free list of all articles entering into competition with trust-controlled articles as their platform demands, and which would tend to largely cheapen the expenses of the manufacture of lumber."

That assurance—

Says this writer—

was scattered broadcast over the State, and if any Democrat or Democratic paper criticised it I never heard of it.

In the light of these facts, I submit if Mr. Bryan was justified by the reasons he gave in 1894 in voting against a plank in the Democratic platform of 1892, so are the Senators and Representatives from North Carolina for their vote upon lumber, which he now criticises on account of the plank on that subject in the platform of 1908.

I do not, Mr. President, wish to be understood as justifying my vote solely upon that ground. I contend that my vote is consistent with that declaration. I say that the declaration in the Democratic platform was predicated upon certain conditions and that those conditions do not exist. If those conditions existed, I would vote for free lumber; but the conditions do not exist, and I have cast my vote against free lumber and shall cast it for a duty upon lumber when I have an opportunity to do it. I am satisfied with that vote, and I do not concern myself about the criticism of those who seek to impugn my Democracy or my motives; but I do not intend that the facts shall be perverted or misrepresented.

Mr. BAILEY. Mr. President, I was not a member of the Denver convention, although chosen a delegate to that body. I was at that time recovering from a severe spell of illness, and I did not even read the newspaper accounts of what transpired there. The statement I made this morning that the platform was, in effect, the brain work of a single man may be, as the Senator from Missouri [Mr. STONE] and the Senator from Colorado [Mr. HUGHES] think it was, a mistake; but if so, it was not my mistake, except by repetition, because I have been told repeatedly what I said to the Senate this morning, and I was told by a man who said he had talked with Mr. Bryan, that Mr. Bryan insisted upon this free-lumber plank, and that he insisted upon it for the reason which I have suggested.

I have no criticism to make of Mr. Bryan. I am less disposed to criticise now than ever before. Some of those who were so swift to praise him when his star was a rising one are more swift to criticise him than I now am. I did not overpraise him then; I will not dispraise him now. But I will say to those who think that loyalty to him is a test of Democracy, that I do not subscribe to that opinion.

Mr. Bryan was nominated for the Presidency and defeated by 500,000 votes; he was nominated a second time and defeated by 700,000 votes; he was nominated a third time and defeated by twelve hundred thousand votes. I hardly think that the Democratic party will take the chance of encountering that geometrical progression again. [Laughter.]

Nor, Mr. President, will I hesitate here or elsewhere to say that the attempt to deal with the trust question as was proposed is an absurdity, and I am going to illustrate the absurdity by the position of the Senator from Colorado. When the lead schedule was before this body, the charge was made that lead ore was controlled by a trust. Here are the words of the Senator from Wisconsin [Mr. LA FOLLETTE], and I pay him the compliment of saying that he knows more about the combinations in this country than any other man of my acquaintance. The Senator from Wisconsin said:

Personally I do not believe that it is possible under existing conditions in the lead industry to affect materially by any duty imposed the wages paid to miners employed in mining lead in this country, because I believe the lead-producing properties in this country are controlled by a combination which regulates prices in every branch of that industry.

He followed that statement by printing a telegram which had appeared the day before in one of the important newspapers of the land. Yet when they came to take that vote, with this declaration that the lead-producing properties were controlled by a trust, the Senator from Colorado did not accept it, and voted with the Republicans against the Democrats. The Senator from Colorado was the only Democrat who answered that roll call in company with the Republicans.

Mr. HUGHES. Mr. President—

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Colorado?

Mr. BAILEY. I do.

Mr. HUGHES. The Senator from Texas should be accurate. I voted to establish a differential, because I know—and I do not take my information at second hand—that without it the lead trust in this country would use the pig lead to force further down the prices paid to the miner and then use the duties upon the ore to force the price up to the lead purchaser.

Mr. BAILEY. Mr. President, I was not seeking to criticise the Senator from Colorado.

Mr. HUGHES. Do not do so, then.

Mr. BAILEY. Nor was I seeking to avoid it. He has illustrated exactly the point I wanted to enforce; and that is, that the best, the most honest and ablest of men differ when you come to deal with the trust question in that way. I do not think the Senator from Colorado is any more or less patriotic than the Senator from Wisconsin; but the Senator from Wisconsin says one thing and the Senator from Colorado says another.

Mr. HUGHES. Mr. President—

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Colorado?

Mr. BAILEY. I do.

Mr. HUGHES. That was an error. The Senator from Wisconsin does not state another thing. I did not discuss that matter. I know, and before this Congress adjourns I shall tell, why, in my opinion, the vote which was cast by the Senator—if any vote is to be criticised as resulting in an absurdity—would produce that result, because it armed an already organized trust with the power further to lay the weight of its crushing hand upon a struggling and almost dying industry by wiping out the differential between pig lead and lead in the ore, and permitting the shipping of free ore from Mexico to New Jersey at 50 cents a ton, while \$20 a ton must be paid by the lead miner of Colorado as freight to the same destination. There ought to be a differential, or else there ought to be no duty at all. I am ready now to reduce the duty on lead and on every other product that has a duty on it before this Congress—

Mr. BAILEY. Mr. President, the Senator evidently means that I gave a bad vote. I did not vote on that question. I happened to be absent.

Mr. HUGHES. Neither did the Senator from Wisconsin vote.

Mr. BAILEY. But the Senator from Wisconsin excused himself upon the ground that he had a personal interest, owning some lead-bearing and zinc-bearing lands.

Mr. HUGHES. I understood that it was lead.

Mr. BAILEY. He stated that those lands were producing both, and excused himself from voting.

But, Mr. President, it is not a question whether the Senator from Colorado is right or wrong in that vote. If he was right, every Democrat in the Senate who voted was wrong. If the Senator's vote was against the trust, then every Democrat in the Senate voted for the trust, because every Democrat in the Senate voted exactly the opposite to what he did.

Not only so, but if the Senator was right in casting that vote to destroy the trust, then the Republican majority was right, because they voted the same way. I do not impeach the fidelity of the Senator from Colorado to his people or to his party or to his convictions; I know something of his character and standing, and no man possesses a higher one. There is not a man whose judgment expressed about a matter within his personal knowledge that I would accept more unhesitatingly than I would his; and yet, when we come to deal with the trust question in this way, the Senator from the State of Colorado, a great lead-producing State, declared that there is one way to deal the trust a blow, and every other Democrat in the Senate expressed by his vote the other view.

That is not the only vote. When the question was upon reducing the duty from two and one-half to one and seven-eighths of a cent per pound the Senator from Colorado again voted with the Republicans, and every Democrat in the Senate who voted at all voted against him. I do not say the Senator from Colorado was wrong, but I say that if he was right every other Democrat in the Senate was wrong.

So it will be, Mr. President, when we undertake to curb the trusts by our tariff legislation. The most upright, the most learned, the most excellent and patriotic men will differ as to the effect of this regulation or of that; but no honest man will differ as to the effect of a jail sentence on a trust magnate. We all know what that means, and there can be no obscuring that issue. We all know the effect that will produce.

Mr. President, I have this satisfaction: I do not say a Senator votes for 2½ cents duty on lead because he happens to represent a State that produces lead; I do not say that. I am willing to say that the Senator understands the lead industry better than the rest of us because he lives in a State which produces lead; but I enjoy the supreme satisfaction of knowing that I have not voted for any high protective duty on any article that happens to be produced in Texas, nor will I do it.

Mr. President, the Senator says the consistent men are to be inducted into the resurrected Society of Ananias.

Mr. HUGHES. I did not say that.

Mr. BAILEY. I understood the Senator to say that.

Mr. HUGHES. I did not.

Mr. BAILEY. I understood the Senator to say that everybody who claimed that every vote of his was consistent—

Mr. HUGHES. I said that when I found the man who announced that all of his own votes from beginning to end have followed the white path of absolute consistency, I should nominate him for membership in the revived Society of Ananias to be reorganized by the Senator from Maryland [Mr. RAYNER].

Mr. BAILEY. I suppose one must be a member of that society before he can nominate others for membership in it. [Laughter.]

GOOD CREDENTIALS NECESSARY.

Mr. HUGHES. I want to say that he will have to bring some credentials that will entitle him to get into pretty good society.

Mr. BAILEY. That is true, because some very distinguished men belonged to it before it was disbanded. [Laughter.]

Mr. President, I had no thought of making any personal application of the impossibility of solving the trust question in that way until the Senator from Colorado rather mildly lectured me about my unwillingness to be bound by a Democratic platform. Now, the Senator from Colorado, being bound by that platform, would be compelled to vote to put every one of those trust-controlled articles on the free list, including lead ore, if the Senator from Wisconsin [Mr. LA FOLLETTE] is right about the lead companies being in a trust. I have not indulged in this assertion myself, but I have heard more than whispers—I have almost heard loud talk—that not only was there a lead trust, but that some Senators were interested in it. I do not repeat gossip of that kind; I do not know that there is a lead trust. I ought perhaps to be more familiar with the industrial conditions of the country, and yet I take the word of the Senator from Wisconsin that there is such a trust. The Senator from Colorado thinks that the way to punish the lead trust is to increase the duty on certain products.

Mr. HUGHES. Mr. President, I neither believe so, nor have I said anything that anybody, even the bitterest partisan enemy, could use as justifying an insinuation to that effect.

Mr. BAILEY. Mr. President, I do not class myself, nor will I allow myself by the Senator to be classed, as his enemy, either partisan or personal.

Mr. HUGHES. Then, the sweetest friend I ever had, who in honeyed phrase is attempting to praise me, will not attribute that to me.

Mr. BAILEY. I am not the "sweetest friend" the Senator ever had, either [laughter]; but I am a fellow-Democrat, with a high respect for his character and ability; and I feel that, if I can show that the Senator from Colorado can not solve the trust question along the lines he has laid down for me, I have relieved myself of the necessity of following those lines.

The Senator from Iowa [Mr. CUMMINS] moved to amend the committee amendment by providing for a duty in paragraph 180 of 1½ cents, as against the committee amendment of 2½ cents.

They called the roll on that question, and the vote stood 35 yeas and 44 nays. Mark you, that was on the question to strike out 2½ cents on the lead products provided for in paragraph 180 and to substitute 1½ cents; and on that roll call all but two of the Democrats voted "yea," and nearly all of the "insurgents," as they are called, voted with them. The Senator from Colorado voted "nay." Here is the RECORD. That vote is recorded on page 1886, and this is the roll call:

NAYS—44.

Aldrich	Crane	Heyburn	Perkins
Borah	Curtis	Hughes	Piles
Bradley	Depew	Johnson, N. Dak.	Richardson
Brandegge	Dick	Jones	Root
Briggs	Dixon	Kean	Scott
Bulkeley	du Pont	Lodge	Smith, Mich.
Burnham	Flint	McEney	Smoot
Burrows	Frye	Nixon	Stephenson
Burton	Gallinger	Oliver	Sutherland
Carter	Guggenheim	Page	Warner
Clark, Wyo.	Hale	Penrose	Wetmore

There is not a Democratic vote among those names against that amendment, except that of the Senator from Colorado and one other. Those who voted in favor of the amendment were:

YEAS—35.

Bacon	Clay	Gore	Shively
Bankhead	Crawford	Johnston, Ala.	Simmons
Beveridge	Culbertson	La Follette	Smith, Md.
Bristow	Cummins	McLaurin	Stone, S. C.
Brown	Daniel	Nelson	Stone
Burkett	Dolliver	Newlands	Tallaferro
Chamberlain	Fletcher	Overman	Taylor
Clapp	Frazier	Paynter	Tillman
Clarke, Ark.	Gamble	Rayner	

I had been called away, and was not present at the session either on that day or for two or three days.

Now, Senators, I make no criticism against the Senator from Colorado; and whether he accepts my statement that I do not want to criticize him or not, I still assert that my whole purpose is to show that it is impossible for us to deal with the trust question in that way. You will find one Senator just as wise as another who thinks that an article ought to be transferred to the free list. The Senator took occasion to instance the question of iron ore. I will not detain the Senate now on that matter, but I promise to inflict it at an early day with a discourse on that and kindred questions, and I will leave it until then.

But, Mr. President, here is my creed: Put the men who violate the antitrust laws in the penitentiary and put all of their products at the lowest duty consistent with the revenue necessities of the Government.

One Senator asked me, when I resumed my seat this morning, if I believed in placing anything on the free list, and I answered that I believed in a free list that shall ultimately include every necessity of life, and I shall bend every energy of my mind to the accomplishment of that great end; but I will never vote to put anything on the free list which men purchase for the sake of making money out of it until every article that men and women are bound to have for the sake of decency and of comfort is on the free list. That is my creed.

If a man wants to buy something to make into something else to realize a profit on it, let him pay his tax until first you have untaxed the clothes of men and women and children. I have always contended against a doctrine that will put raw material on the free list and leave what is made out of that material on the dutiable list. To illustrate, the manufacturer imports wool, not out of the benevolence of his heart, but because he wants to make a profit out of manufacturing it into woolen goods. We all know that. Are you going to take the tax from him, and yet leave it on the man who is compelled to buy those woolen goods; not only compelled for the sake of comfort and of decency, but compelled by the law to do so, for men must wear wool or some other kind of clothes if they expect to go about the public streets? So on an article not only neces-

sary for the sake of comfort and decency but made absolutely essential by the law of the land you levy a tax, and then exempt the millionaire woolen manufacturer from the payment of a duty on his wool.

Do you believe that right? Take the question just in hand. You exempt the white printing paper of these great newspapers, whose profits in some cases run into the millions, and yet you leave the tax on the shoes and coat and hat which every printer in their establishments must buy. Do you believe it right? I do not, and I shall not, therefore, vote to do it.

I heard to-day that a platform was binding on a Democrat and a decision of the court was not binding on a Senator—a strange doctrine. If I am to accept what the convention of my party says as infallible, I do not know what right I have got to deny the infallibility of the Supreme Court when it decides a question before it. I accept neither when it offends my conscience and my judgment.

I am as good a party man as lives. I never have scratched a Democratic ticket in my life. I never carry a lead pencil with me to the polls. I am such a good Democrat that rather than scratch the ticket I have voted for myself. The first ballot I ever cast I voted for myself. I was on the ticket as a nominee for elector; and when I started from my law office over to the polling place I met the sheriff. The Senator from Mississippi remembers him. He was as brave and as true a man as ever kept the peace in a commonwealth. He asked me if I was going to vote for myself. I looked him square in the face and I said: "I am too good a Democrat to scratch or be scratched," and I voted the ticket just as my party made it. I have done it all my life.

But because I support the nominee I have not surrendered my power to think nor my privilege to express the thought when once I have formed it in my mind. I am for my party; I am for it, right or wrong. When it is right, I want to keep it right, and when it is wrong I want to set it right. That is my philosophy, and that is or ought to be the philosophy of every Democrat here or elsewhere. If we are bound to vote that way here, then we are bound to vote that way every time we come to vote anywhere, and there would be no possibility of correcting a mistake.

But, Mr. President, I apologize to the Senate for having detained it with these immaterial matters. I only wanted to illustrate to Senators and to the country the insuperable difficulties that surround us whenever we attempt to deal with the tariff question according to a state of facts, because about that state of facts wise men and honest men will differ, and the only way is the direct and straight way—when a trust manager violates the law, send him to jail.

TO COMPOSE PARTY DIFFERENCES.

Mr. HUGHES. Mr. President, in the guileless innocence which belongs to a novice in this body I spoke this morning for the purpose of composing, so far as it was in my power to do so, differences within the party which I believed to be considerable; to rebuke, so far as I had the capacity to do it, the attacks of the common enemy; and to point out the fact that we had, as Democrats, occasion to be hopeful, because we had recently, upon one great principle, added much to our party strength by the unanimous support of an important plank in our recent national platform, to which the President of the United States apparently finds less difficulty in giving allegiance than does the Senator from Texas in giving allegiance to other planks.

I had no purpose that they should be, and I believe that when the few remarks I have made are read they will be found to support no charge that they are, in criticism of any Democrat or his votes in this body. I expressly said that I felt it was for each one to determine, according to his judgment and his own conscience, to what extent the planks of a party platform bound him.

I said, however, that so far as I was concerned, I was a member of the convention which made the platform; that I either affirmatively declared for the planks of the platform or I lifted no voice against them in the convention. I feel, therefore, that by every principle that controls in party organizations, I should, in the work done here, stand by them. "The very head and front of my offending" has been this and nothing more, and yet this RECORD has been culled to find a vote or two of mine to criticize and hold up in the presence of the Nation as a rebuke to the principles I profess, and all through friendship and a desire that the united ranks of Democracy, dwindled and diminished as they are, may present an unbroken front to the powerful enemy.

NEVER CONNECTED WITH TRUSTS.

I wish to say to the Senator from Texas that no man will find in any utterance of mine a provocation for a difference with another Democrat. I wish to admonish him here and now that

much as he looms on the horizon of debate in the Senate he is no inch taller than I when it comes to the avowal of principles and the right to speak and be heard unchallenged, uncriticized, and undominated by any influence save my own judgment and my own political conscience. He speaks of masters. I know none. He speaks of members of trusts. He should be specific. I desire to say that if that is intended for me, nothing falser or further from the truth could be uttered.

Mr. BAILEY. Mr. President—

Mr. HUGHES. I have never had any connection with them, and such a suggestion should not be made here.

Mr. BAILEY. Mr. President—

The VICE-PRESIDENT. Does the Senator from Colorado yield to the Senator from Texas?

Mr. HUGHES. I do.

Mr. BAILEY. The Senator from Colorado knows, I think, that I had absolutely no reference to him.

Mr. HUGHES. You were talking about me.

Mr. BAILEY. Yes; I was talking about you, but I had just declared that you were an honorable man, and although you give some provocation, I will not modify that opinion. I still think you are, although I think that is not the way to talk about a brother Senator—yes; and if and if and if, then it is false. I will tell the Senator from Colorado that whenever I get ready to make a charge I do not make it by indirection, and the Senator will find that out, and the Senator will find, furthermore, that I never pretend to respect a man if I do not. I do not affront the Senate by telling all Senators what I think about them, but I never pretend to cherish a respect for one unless I am sincere in that expression, and nothing was further from my thought than to suggest that the Senator from Colorado was subject to any influence other than that of an honorable man.

Mr. HUGHES. Mr. President, I knew my name had been mentioned, and small as my share in the politics of this Nation has been and unimportant—as I know better than anybody else—as it is and is apt to remain, my vote has been challenged, and, while I did not believe that the Senator would make so unfounded a charge as that, I did believe that the manner in which that statement was made and the subsequent discussion might give an excuse to others, coupling the two together, to imply a charge that had not been made. I believed I had a right to call attention to it because elsewhere such charges have been hinted.

Mr. BAILEY. I am glad the Senator did, because I had never seen any intimation of that kind, and if it could possibly have been misconstrued anywhere or at any time, I am glad the Senator has called attention to it.

Mr. HUGHES. I wish to say, Mr. President, that I did not discuss this morning, and I am not going to discuss now, the best way to deal with the trusts; not because I have not given thought and study to the question, but because that was not a matter about which I then sought to speak.

But I know that the vote I cast upon the lead question carried no comfort to the lead trust. I know that there came into this body a bill to put the duty on pig lead and lead in the ore at the same rate; and I know that the Wilson bill, for which I believe the Senator from Texas voted, made a differential between the duty on lead ore and pig lead, because it was known then that the duty on pig, being the same as upon lead ore, would necessarily drive down the price of lead ore and would give no relief to those who bought the lead product itself.

That is a plain mathematical proposition. It does not require any profundity of thought or that anybody be lassoed and hanged to a lamp-post, if that is the remedy to be adopted for the offending trust magnates of the country, in order that the purpose, the effect, and the propriety of these votes shall be discerned. Whenever it becomes necessary I shall discuss that vote and the methods of dealing with trusts. I have not yet had made clear to my mind why my attitude and my vote upon that subject should have been deemed important in connection with the trust question. But I would say that I am not yet fully convinced you are going to be rid of the trusts if you rely forever only upon these threats—never yet executed—of putting the magnates, the great malefactors, in jail.

DEALT WITH TRUSTS IN COLORADO.

Out in Colorado we have dealt with them. We had a trust there in articles of food. We haled it into court and enjoined it and dissolved the trust, and it is not now doing business there.

While it is true no magnate concerned in it is languishing in durance vile, that trust has disappeared from the face of the earth. Make your criminal statutes and enforce them, but at the same time break up by legitimate legislation and court proceedings the trust itself. It would be but poor satisfaction, I

think, to the country to have somebody in jail if, while that magnate was in jail, the trust went on committing its ravages uninterfered with and undismayed.

It may be that sending somebody to jail will break them up, and I hope it will; but I find nothing in this platform that tends in the slightest degree to prevent that being done, and one of the chief criticisms made upon Mr. Bryan is that he has repeatedly asked the question why some great malefactor has not been imprisoned. That question was pronounced by the President and the ex-President as something akin to an impertinence.

Mr. President, I have not contended that the Senator is bound by a Democratic platform. I do not know that anybody in any party is bound by any kind of platform very tight or very hard or very fast. All that I said upon that subject, granting to every man the utmost liberality of self-construction and application to his own duty and his own opinion, was that that was a matter for his own individual determination. I felt in this instance, the first session of Congress I had ever attended, my first adventure into the field of legislation, that, having stumped my State from one corner to the other, standing upon the platform which was made in my State, that so far as my vote would go I would vote in accordance with it—not that everything in it was exactly in accordance with my judgment. I have also thought that when men of different views but of the same political party get together in a convention each should surrender something of judgment, though nothing of conscience, and should try to agree, and then should accept that which the majority thought best; and if it turned out not to be, then the next time perhaps other judgments might obtain. That is all I have thus far indicated in that direction, and I have been most moderate.

ALWAYS SHALL SELECT OWN COURSE.

I wish to say I never have defined and I never shall undertake to define the duty of somebody else. But while I always have selected and always shall select my own course, criticism will be welcome when it is intended to enlighten. Otherwise it will be dealt with as in my judgment its motive and substance may deserve.

I had not apprehended that anything I said this morning had given the slightest occasion for offense to anybody. I knew I had not so intended it, and I could not understand why it had.

I heard the Senator from Texas speak upon this difference of views as to duties on raw material. I have studied that question some. A man does not have to be a Member of the House or of the Senate to become interested in these subjects. I know that, whether rightly or wrongly, some of the greatest Democrats in this Nation believe in that condemned doctrine. We have been advised that the policy of the party has been changed since the Senator and those who think like him have come into power. That may be. It may be for the better. But that is a matter for further consideration.

The Senator says he did not attend the Democratic convention. We all know that. Many regretted that he was not there. Many hoped that, notwithstanding he might differ from those who were there, that upon the arena of that convention there might be that high debate which men of principle hold when they are preparing a platform of principles upon which to appeal to the conscience and intelligence of a free people. He had occasion, as we all knew and understood and regretted, to be absent from that convention. But those of us who were there had a duty. Some of us, with the feeling we bore and bear yet, with relation to the utterances of that convention, had hoped that at least for one short extraordinary session of Congress it should have a controlling part in our deliberations.

When the time comes, if it ever comes, or it becomes important for me to explain any vote that I have cast, I will explain it. I desire to call this much to the attention of the Senator from Texas, in view of his reference to the senior Senator from Wisconsin: That I have had the pleasure of voting many times with the Senator from Wisconsin. I have listened with interest, pleasure, and profit to his development here of the result of his industry, devoted to an honest effort to learn the meaning of these schedules. I have not always agreed with the results he has reached. I have not always voted with him, nor he with me. I have had and now have admiration for the sincerity and effectiveness of his efforts. Our political differences have never led me to vote against him or to criticize where I thought he was right, nor will my regard for him prevent me from differing from him in my vote when I think he is wrong.

I am not going in this way to be drawn into a controversy with the Senator from Wisconsin. I have none with him. He is not a member of my party; even if that fact gave me the poor privilege of wounding a Democrat at a time when, if ever

in the history of the party, personal feeling and ambition and any other motives that might lead us to stand fast by our own preconceived ideas ought to be mitigated, and I submit that such mitigation would be in the interest of a great party, which is to be the only opposition of strength and organization for years to come to the dominant party in this country. All will concede that strength in such an opposition is not only good for the Republic, but a tonic for the majority party itself, and therefore an efficient aid to good government.

I would say one word more. Without abating my rights in the slightest degree as a Member of the Senate, I shall never train my guns so as to wound those within the ranks of my own party, even if provoked by a retort which would justify and vindicate that sort of thing. When my wit becomes so blunted that it must impute something to a Democratic Senator or remain unuttered the jest shall perish unspoken.

I may say to the distinguished Senator from Texas that a man can nominate another for a position without being in possession of the honor himself. I was nominated for a position in this body by a gentleman who never held a seat here. The President of the United States was nominated by a gentleman who has not yet become a President of the United States. It is possible to nominate men for high positions without sharing such honors with them, or being inside and inviting them to come along. While the jest may be a keen retort, it is hardly an answer to the suggestion.

In conclusion, Mr. President, I wish to apologize to the Nation and to the Democratic party for having had exhibited here as the ground of difference between Democrats any vote of mine, whether it is registered along with Republicans or with Democrats. I am too unimportant to be used for that purpose, and I have no estimate of my importance which would put me in that position. This is my first effort in this body at anything like protracted remarks, and of course it shall be an everlasting regret, I hope not of my own alone, that it should have been made the occasion of an attempted rebuke in culling from the Record and commenting upon some votes I have cast.

I have witnessed the fact that new Members of this body must be extremely cautious lest they be checked and reprimanded, and I believe they call it "hazed" or put through some other kind of corrective process to teach them to be wiser and more cautious in the future. I witnessed something of that kind quite early in the session, and it had a deterrent effect upon me until to-day, and I now learn that it ought to have had the effect for a few days longer.

I wish to say to the Senator from Texas that if he will permit my explanation of my vote rather than the keenness of a desire to score against remarks which he has without occasion assumed criticised him, when nothing was further from the purpose, to control his judgment in this matter, he will find regret for not having voted as I did or else my judgment is much at fault.

THE VICE-PRESIDENT. The question is on agreeing to the amendment of the Senator from Missouri [Mr. STONE]. [Putting the question.] By the sound, the "noes" have it.

Mr. STONE. Mr. President, the last vote established very clearly what this vote will be if taken by yeas and nays, and we have taken so much time that I shall not myself call for the yeas and nays.

THE VICE-PRESIDENT. The noes have it, and the amendment is rejected.

The question is on agreeing to the amendment offered by the Senator from Rhode Island.

Mr. LA FOLLETTE. Is that the committee amendment?

THE VICE-PRESIDENT. It has been so long since it was stated that the Secretary will again report the amendment, without objection.

THE SECRETARY. On page 157, line 21, in paragraph 405, strike out "one-tenth" and insert in lieu thereof "two-tenths," so that if amended it will read:

Valued at not above two and one-quarter cents per pound, two-tenths of a cent per pound.

Mr. LA FOLLETTE. May I inquire of the Senator from Rhode Island is this the amendment which increases the House duty to \$4 per ton upon print paper?

Mr. ALDRICH. It is.

THE VICE-PRESIDENT. The question is on agreeing to the amendment.

Mr. LA FOLLETTE. I wish to submit an amendment to the amendment of the Senator from Rhode Island.

THE VICE-PRESIDENT. The Secretary will state the amendment.

THE SECRETARY. In line 22, page 157, after the word "pound," insert the following:

Provided, That this rate shall be effective until July 1, 1912, after which time the rate shall be one-tenth of 1 cent per pound.

Mr. LA FOLLETTE. Mr. President, when a former Congress first engaged in the consideration of changing the duties upon print paper, I had formed the opinion that no duty was required to protect the manufacturers of print paper in this country. I believed that judgment based upon sufficient data; but subsequent investigation has compelled me to modify it. Such examination as I have since made of the testimony taken before the Ways and Means Committee and the select committee appointed by the House of Representatives to investigate the subject, together with other information that has come to me, which I deem reliable, has convinced me that a duty of \$2 per ton on print paper is necessary to afford protection to the manufacturers of that product in this country, and I am convinced that it is ample protection to the paper industry generally from Canadian competition.

What I have to submit to the Senate will take but a few moments. The data I have been able to obtain indicates a duty of \$2 per ton will cover the difference in the wage cost between this country and Canada. Two dollars per ton is not sufficient to preserve the print-paper industry in Wisconsin and perhaps in other States located as the mills of Wisconsin are located with respect to the raw material. The transportation charge for pulp wood has become so large by reason of the distance of the spruce timber from the mills that even a rate of \$6 per ton will not be sufficient to equalize the difference in cost of production between the Wisconsin and Canadian mills.

Mr. President, there are, I think, some 15 or 16 mills engaged in the manufacture of print paper in Wisconsin. The conclusion which I have arrived at with respect to this important industry in my State is the result of a conscientious investigation of the subject, in so far as I am competent to make it.

But, sir, important as those industries are to Wisconsin, I do not believe that we can consistently expect to preserve the Wisconsin print-paper industry by the imposition of tariff duties. Print paper can not be economically manufactured in Wisconsin at so great a distance from the source of the supply of the raw material. I believe that Wisconsin manufacturers and others similarly located should be given an opportunity to adjust themselves to changed economic conditions, to replace the manufacture of print paper with other forms of paper manufacture which do not require spruce wood, which must be transported from a great distance.

The transportation charge from the forests where spruce wood is to be found at the present time to the mills of Wisconsin makes up the difference, as I worked it out, between a \$2 protective duty and a duty of something like \$7 per ton, which would at least be necessary to measure under these uneconomic conditions the difference in the cost of production.

Mr. HEYBURN. Mr. President—

The VICE-PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. LA FOLLETTE. I do.

Mr. HEYBURN. Will the Senator permit me to ask him a question? Is it the purpose of the Senator's amendment to give the paper makers of Wisconsin an opportunity to liquidate and go out of business?

Mr. LA FOLLETTE. Not at all. I have stated the purpose of the amendment, and if the Senator from Idaho had been following me, he would not have asked the question. I had stated that the purpose of the amendment was to enable the mills now manufacturing print paper in Wisconsin to so adjust themselves with respect to the manufacture of paper not requiring spruce wood that they could manufacture it economically without changing the location of those plants. The Wisconsin mills can prosper and furnish employment permanently to the thousands of laboring men now employed in the industry by changing from the production of print paper, in so far as they are now manufacturing it, and engaging in the making of other forms of paper, the raw materials for which can be as economically supplied in Wisconsin as elsewhere. To effect this change a reasonable time should be given to enable our manufacturers gradually to readjust their plants to other forms of paper production.

What appears to me to be the most reliable information upon the difference in labor cost between this country and Canada in the manufacture of print paper is found in the statistics furnished by the Bureau of Labor of the United States to the Mann committee and printed in the hearings. These figures were obtained by the agents of the Labor Bureau from the actual pay rolls and record books of the paper manufacturers in this country and Canada. They are not offered by interested parties, but by disinterested, trained investigators of the Government.

Pages 3258-3269 of the Mann committee hearings contain an extended table of wage comparisons taken from the books of American and Canadian mills by agents of the Bureau of Labor.

Just what use the Mann committee made of these statistics is not clear. It is stated in the final report that they were considered by the committee in arriving at its conclusions. But these figures were not summarized or averaged, and it is difficult to see how anyone could draw any reliable conclusions from them in the form in which they appear in the printed hearings. At my request, the Bureau of Labor has taken these figures and computed the average wage for each occupation and has furnished me with a table of these averages.

I have had the averages of that table further summarized and reduced to a final average for all occupations, weighting the average for the number of employees included in each occupation, and this result I will incorporate in detail in the RECORD. It may be that this average is not exact as the average wage for the entire industry in both countries for the reason that a few employees are not included because of the dissimilarity of classification between the two countries, but, on the whole, I am of the opinion that this variance, if any, would not be material. The average wage which I have arrived at is the exact mathematical average for the employees included. I will not go further into the analysis of the result than to state that it shows an average wage for 1,209 paper and pulp mill employees in Canada of 17.1 cents per hour and for 4,344 employees in the United States of 22.5 cents per hour. The wages in this country average 31.5 per cent higher than in Canada. In other words, the wage cost in this country is about 130 per cent of the wage cost in Canada. On a basis of a \$9 labor cost per ton of paper in this country this would give a labor cost in Canada of \$6.92, or \$2.08 less than in the United States. On an \$8 basis in this country the Canadian labor cost would be \$6.15 per ton, or \$1.85 less than the labor cost in the United States.

I believe that, on all the evidence, including a number of affidavits and cost sheets giving in detail the cost of production in mills in both countries, no injustice will be done any interest by placing the difference in labor cost between the two countries at \$2 per ton against the United States.

The paper manufacturers' representatives have not, so far as I am aware, claimed any greater difference in labor cost than \$2 per ton between this country and Canada. I ask leave to print with my remarks the recapitulation which I have prepared from the table furnished me by the Bureau of Labor.

The VICE-PRESIDENT. Leave is granted to print the table in the RECORD, without objection.

Mr. LA FOLLETTE. The recapitulation which I have prepared is as follows:

Occupations.	Canada.			United States.			Per cent excess, United States over Canada.
	Number of employees.	Average wage per hour.	Total wage per hour.	Number of employees.	Average wage per hour.	Total wage per hour.	
Paper mills:							
Beatermen.....	67	\$0.158	\$10.586	377	\$0.227	\$85.579	43.6
Machine tenders and hands.....	118	.272	32.096	751	.283	216.288	5.5
Finishing hands.....	61	.156	9.516	248	.181	44.888	16.0
Wood-pulp mills:							
Grinders.....	108	.154	16.632	414	.215	89.010	39.6
Screenmen (wood).....	21	.143	3.003	107	.193	20.651	34.9
Pressmen.....	44	.123	5.412	164	.205	33.620	66.6
In sulphite mills:							
Acid makers, etc.....	14	.169	2.366	42	.243	10.206	43.8
Digger men.....	17	.167	2.839	70	.236	16.520	41.3
Screenmen (sulphite).....	19	.140	2.660	49	.208	10.192	48.6
Pressmen (sulphite).....	26	.139	3.614	90	.221	19.890	59.0
Ground wood and sulphite mills:							
Wood handlers.....	148	.145	21.460	276	.185	51.060	27.6
Wood-room hands.....	149	.149	23.201	355	.190	67.450	27.5
Paper, ground wood, and sulphite mills:							
Indoor, miscellaneous.....	84	.144	12.096	272	.190	51.680	31.0
Outdoor, miscellaneous.....	59	.133	7.817	320	.184	58.880	38.3
Steam-plant hands.....	111	.150	16.650	454	.244	110.776	62.7
Repair hands.....	163	.224	36.512	355	.262	93.010	17.0
All occupations.....	1,209	.171	206.490	4,344	.225	979.700	31.5

Mr. LA FOLLETTE. Now, for the reasons which I have submitted. I believe the rate recommended by the Finance Committee of the Senate of \$4 per ton should be adopted to remain in force only until July 1, 1912, within which time it will be possible for all print-paper mills in Wisconsin, and all mills in other States located as the Wisconsin mills are, at remote distances from raw material, to readjust themselves to the conditions which will compel and ought to compel them to change from the production of print paper to the production of

other paper which can be produced economically in such mills. After July 1, 1912, or by that time, my amendment provides that the rate of duty shall be \$2 per ton, which will cover for every industry in this country which can legitimately claim protection the actual difference in the cost of production in this country and Canada. As I said before, it will amply protect all paper mills advantageously situated for the production of print paper. If the amendment I propose is rejected, Mr. President, I can not, for the reasons already stated, support as a permanent policy a tariff rate on print paper of \$4 per ton, and must vote against the same as economically unsound.

Mr. CLAPP. Mr. President, the question now before us involves two propositions. The first is, What is a fair, necessary, and reasonable rate upon this particular product? It has been my privilege to be with those during this controversy who have contended that within the limits of a reasonable protection there should in the main be a reduction of duties. At the same time it was my privilege to announce early in this controversy that I would under no circumstances vote for a rate which, in my judgment, would injure an American industry. Those of us who have taken this view have differed, and may differ to-day, not in the principle upon which we stand with relation to this revision, but from the standpoint of our individual judgment as to what particular rate may be necessary in a particular case.

Coming from a State largely and vitally interested in lumber, with an experience more or less related to that industry in past years, it has been my opinion for years, and is to-day, that no duty whatever is necessary upon lumber, but having had also some observation of this other question, it is equally my conviction that a duty considerably lower than the Dingley rate, but higher than that imposed by the House, is necessary upon this paper. It may be a little unfortunate that I have to take this position, because I realize that perhaps there is no item of the bill that will subject one to so much criticism as this particular item; but we would be false to our duty if we allowed that consideration to deter us in its performance.

I have viewed with very little credence upon either side the details and figures, the declarations and pleas of the respective parties, and in saying this I would not be understood as impugning the integrity of the people who have made the respective claims before the committee and in the general public prints.

Mr. BROWN. Mr. President—

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Nebraska?

Mr. CLAPP. With pleasure.

Mr. BROWN. I should like to inquire upon whom the Senator would rely? If he will not give credence to the statements of parties interested on the opposite sides, on what information would the Senator rely?

Mr. CLAPP. It may sound egotistical and the result may discredit my source of information, but from boyhood I have had to fight my own battles; I have had to reach my own judgment upon every great question that I have been obliged to confront; and there are always broad principles and indisputable facts upon which men may with some safety rely in forming their judgments.

There are three general tests which seem to me are reasonably safe in determining whether existing rates are too high and what would be a reasonable rate: First, has an article increased disproportionately in price to other things? Second, have those engaged in its production been able not only to hold our own market, but have they been able to any great extent to invade foreign markets? and, third, what relation does the increase in price bear to the increase in price of those things which enter into its production? The second question involves, of course, the relative importation of the article into our market and the relative exportation of the article into foreign markets; and our exports will naturally depend upon the price we get abroad, which, if less than the price in our own market, is considered as evidence that the protection is too high. Let us apply these rules to the case in hand.

In regard to this particular question, the Dingley law has been in force something like ten or eleven years. The operation of the American industries in the light of that law affords some criterion by which we may guide ourselves in our deliberations. During that ten years America has witnessed a more or less increased cost in nearly everything, so that in measuring the increased price of any one item we must take into account that there has been a general increase. But when you find an item that has been within the protection of the Dingley law during the last ten or eleven years, and in the face of the general uplift of American prices you find that particular article has

not advanced very much, it is safe to conclude that it has had but little, if any, unnecessary protection. There is a principle upon which I first plant myself in reaching a judgment upon any items of this schedule.

Mr. BROWN. Mr. President—

The VICE-PRESIDENT. Does the Senator from Minnesota yield?

Mr. CLAPP. In just a moment. Some particular mill, some particular plant, may be able to cope with conditions, but I am speaking of the proposition applied generally to an industry.

Mr. BROWN. I understood the Senator to say that the price of print paper had not made much of an increase as compared with the prices of other articles. Did I understand the Senator correctly?

Mr. CLAPP. You did, sir.

Mr. BROWN. I call the Senator's attention to that part of the Mann report, on page 1974, in which the committee has this finding:

The advance in the price made by the International Paper Company on new contracts was close to 50 cents per hundred pounds, or \$10 per ton.

That was in 1907. Does the Senator conclude that the increase of price on a product from \$40 to \$50 a ton is not a substantial increase?

Mr. CLAPP. That depends on the basis of the increase.

Mr. ALDRICH. I wish the Senator from Nebraska would tell us what is the present price.

Mr. BROWN. The price is not quite so high now. They are undertaking to chloroform Congress now by putting the price down; that is all.

Mr. GALLINGER. If the Senator from Minnesota will permit me, I should like to ask the Senator from Nebraska if the International Paper Company sold a pound of paper at the rate of \$50 a ton?

Mr. BROWN. Here are the figures of the committee that you rely upon now.

Mr. GALLINGER. The committee do not say that they sold paper at that price.

Mr. ALDRICH. The International Paper Company never sold paper at \$50 a ton, nor any other company.

Mr. BROWN. They threatened to sell it at \$60 a ton, and refused to sell it at \$50.

Mr. GALLINGER. They sold it in 1907 cheaper than any year since 1899 with one exception.

Mr. BROWN. "The advance in price made by the International Paper Company on new contracts was close to 50 cents per hundred pounds, or \$10 per ton." That is the finding of the committee. Does the Senator from New Hampshire dispute that?

Mr. GALLINGER. I dispute the fact that the International Paper Company ever sold paper at \$50 a ton, or any price approaching it; I do not care what the report says.

Mr. BROWN. I should like to inquire where the Senator gets his information.

Mr. GALLINGER. I get the information from sources absolutely reliable.

Mr. BROWN. Name one source.

Mr. GALLINGER. The books of the International Paper Company.

Mr. BROWN. At what mills?

Mr. GALLINGER. At all their mills.

Mr. BROWN. The books of the International Paper Company, or their itemized statement, are in the report of this committee.

Mr. GALLINGER. Does it show that they sold paper at \$50 a ton?

Mr. BROWN. It shows this report to be true.

Mr. GALLINGER. Does it show that they ever sold paper at \$50 or \$45 a ton? There is nothing of the kind.

Mr. BROWN. Here is the judgment of the committee which says they did it, and in the 3,500 pages of testimony the books are copied item by item.

Mr. GALLINGER. I thought the Senator said yesterday they would not exhibit their books.

Mr. BROWN. That shows a misunderstanding. I said that the great mills of the State of New Hampshire and the great mills of the State of Maine were the only mills that refused to show their books. The International Company did. This report goes on to say that the independent mills followed the rise in price made by the International Paper Company.

Mr. CLAPP. Now, Mr. President, as we get further into the analysis of the matter we find, within the first broad basis which I have taken, points where we may get fairly definite information, and, again, others where we may get information

that is not definite. So far as the cost of print paper is concerned, I shall not cite that, because I question, perhaps, the absolute accuracy of such figures with reference to any article. But prices of the commodity which goes into paper and of paper itself are reasonably certain and safe to rely upon.

Taking that as a basis, we find that pulp, which in 1902 cost \$6.33, in 1907 cost \$9.66, and that paper which sold in 1902 for \$1.92, with some variation in price in the interval, in 1907 sold for \$1.96; and I undertake to say that, measuring the price of paper by the cost of the wood, which was on the free list, the advance in paper has not been particularly marked or unreasonable. I submit that statement for insertion in the RECORD.

The VICE-PRESIDENT. Without objection, the statement will be printed in the RECORD.

The statement referred to is as follows:

Summarized from Mann committee testimony.
[Items stated in dollars and cents per 100 pounds.]

	1902.	1903.	1904.	1905.	1906.	1907.
Cost of manufacturing paper.....	1.49	1.53	1.57	1.59	1.66	1.84
Selling price of paper at mill....	1.92	2.01	2.01	1.87	1.75	1.96
Cost of manufacturing ground wood.....	.60	.66	.66	.68	.77	.87
Cost of pulp wood per cord.....	6.33	6.27	7.36	7.58	7.66	9.66

Mr. CLAPP. The same fact appears in another form, and that is upon the percentage basis. Taking 100 per cent as the basis for 1902, we find that the selling price in 1907, although there had been variations in the meantime up and down, is 102.08 per cent; we find that the cost of pulp wood, figuring on a basis of 100 per cent in 1902, has advanced to 152.61 per cent in 1907. I ask permission to insert the statement in the RECORD.

The VICE-PRESIDENT. Without objection, permission to do so is granted.

The statement referred to is as follows:

Summarized from Mann committee testimony.
[Items stated in percentage, the year 1902 being the base.]

	1902.	1903.	1904.	1905.	1906.	1907.
Cost of manufacturing paper....	100	102.68	105.38	106.71	111.41	123.35
Selling price of paper at mill....	100	104.68	104.68	97.40	91.15	102.08
Cost of manufacturing ground wood.....	100	109.68	105.38	106.71	111.41	123.35
Cost of pulp wood per cord.....	100	99.05	116.27	119.75	121.01	152.61

Mr. SUTHERLAND. Mr. President, I want to see if I understand the Senator from Minnesota.

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Utah?

Mr. CLAPP. With pleasure.

Mr. SUTHERLAND. Do I understand that while the price of wood pulp mentioned by the Senator has advanced in the neighborhood of—

Mr. CLAPP. Pulp wood is on the free list.

Mr. SUTHERLAND. Has advanced in the neighborhood of \$3 per ton, the paper itself has only advanced about 4 cents per pound?

Mr. CLAPP. Three dollars a cord.

Mr. ALDRICH. The increase has been four dollars and a half a ton, estimating a cord and a half of wood to make a ton of paper.

Mr. SUTHERLAND. But paper itself has only advanced about 4 cents a pound.

Mr. CLAPP. About 4 cents a hundred pounds.

Mr. BROWN. Does the Senator from Minnesota contend that the price of spruce wood by the cord has increased in price \$3 per cord?

Mr. CLAPP. Yes; since 1902.

Mr. BROWN. I call the Senator's attention to the supplemental report of the Census Bureau of the Department of Commerce and Labor, which was issued May 15, 1909, in which is given the price of spruce, domestic and imported. In 1907 the price in this country was \$8.21 and \$8.05 for domestic spruce.

Mr. ALDRICH. What is the paper from which the Senator from Nebraska is reading?

Mr. BROWN. I am reading from a report of the Department of Commerce and Labor.

Mr. ALDRICH. I asked the Census Bureau several weeks ago if they had ever made an investigation of this kind, and they said they had not. They said that one of their assistants had helped the American Publishers' Association, or somebody else, and the Mann committee, perhaps, in getting up some tables for submission; but that the bureau itself had not made any investigation upon the subject.

Mr. BROWN. I hope the authenticity of this will not be questioned. I got this from the document room of the Senate.

I sent for Bulletin No. 80 of the Census on Manufactures of Paper and Wood Pulp. I have copies of it. Here is one. I supposed it was made up in the department. I may be mistaken, though I do not think I am.

Mr. ALDRICH. The Senator from Nebraska must realize that the only investigation made by the department was made in 1905, and these statements—

Mr. BEVERIDGE. This is in 1907.

Mr. ALDRICH. It was printed in 1907, but the investigation was made in 1905, and these statements are not from the bureau at all.

Mr. BROWN. That is a very serious statement. I undertake to say that these are from the department. I shall send a page up and find out. I talked with them over the telephone in order to ascertain whether it was really true. It was first published in a paper last Monday. This is an advance copy of the investigation which they are making.

Mr. ALDRICH. I asked the Director of the Census if his bureau had made an investigation as to the cost of the production of wood pulp and paper in the United States, and he said they had not; but I was informed that one of the men in their employment—one of the experts of the department—had compiled some tables for the Mann committee, or for somebody else, and that the bureau had no responsibility for the inquiry or for its results. I think the Senator will find that this is true; but that has nothing to do with this subject, and is not important, perhaps.

Mr. BROWN. It is quite important. If the statement of the Senator from Minnesota [Mr. CLAPP] is true, it is most important, because I do not want to fix any duty here or to take any away if there has been such an increase as \$3 recently in the price of American wood.

There has been an increase of two dollars and a half and a little more—\$2.57—in imported spruce in the last three years; but domestic spruce has increased less than a dollar, and in the last year 16 cents is the increase on domestic spruce.

Mr. CLAPP. The table which I have submitted shows that during this series of years the increase in the price of wood which comes in free has been out of all proportion to the increase in the price of paper, which has been protected.

Mr. GALLINGER. And, Mr. President—

Mr. CLAPP. This is the first point I make.

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from New Hampshire?

Mr. CLAPP. I do.

Mr. GALLINGER. I will say to the Senator from Minnesota that, from some investigations I made, which I think are reasonably accurate, the Senator's suggestion that the price of wood has increased \$3 a ton is below rather than above the actual figures.

Mr. CLAPP. I think so; but I wanted to be within a safe limit. The statement was taken from these various documents which I have examined.

Mr. President, the next test of whether the tariff is too high is to be found, in my judgment, in the question of how far that tariff enables a man within the tariff wall to dump goods at a less cost upon foreign countries than he sells them for in his own market. Measured by that test, we find that the present law has not unduly accentuated or developed the making of paper in this country and the sale of it in foreign countries at less than in our home market.

In 1890, in free-trade Great Britain, paper was selling at \$77.72 per ton. In that same year it was selling in France at \$77.95, in Germany at \$64.68, and in this country at \$68. These figures are taken from these investigations.

For 1908 the price in free-trade England had fallen to \$44.20, in France to \$55.86, in Germany to \$46.35, and in this country the very highest price was \$44.41. I shall not read the figures for the intermediate years, but I ask permission to have the table inserted in the RECORD.

The VICE-PRESIDENT. Without objection, permission is granted.

The table referred to is as follows:

Average price at which paper is sold to consumers in the important countries in the world from 1890 to 1908.

	Great Britain, free trade.	France, duty \$22.80 per ton.	Germany, \$12.80.	United States, \$6.
1890.....	\$77.72	\$77.95	\$64.68	\$68.00
1895.....	59.52	55.29	49.58	45.00
1900.....	48.00	58.46	56.05	43.64
1905.....	42.92	54.12	47.44	42.75
1908.....	44.20	55.86	46.35	44.41

The United States produces over 40 per cent of the news production of the world.

Mr. CLAPP. The next consideration in testing the question of whether a tariff has gone beyond fair protection to the American public is in the relation of that tariff to American production, to tariff conditions and productions of other countries. Measured by that test, it is seen that this tariff has not been unduly high. The United States could only export, under all economic conditions last year, 40,000 tons of paper; but Canada was able to export 70,000 tons. There is a fact that means more than all the tables that statisticians could ever contribute to the compilation of—a fact that shows that we can not successfully meet the foreign market in competition with the Canadian market. I ask that that table also be inserted in the RECORD.

The VICE-PRESIDENT. Without objection, permission is granted.

The table referred to is as follows:

News print paper industry.

Capital invested in news print paper industry in United States, approximately.....	\$130,000,000
Of the above the permanent investment in mills and plants is.....	100,000,000
Value of production per annum.....	50,000,000

This industry employs in mills and in providing raw material for same, 250,000 men.

Average delivered prices in 1880, \$140 per ton; 1890, \$68 per ton; 1900, \$43.60 per ton; 1907, \$42.88 per ton; 1908, \$44.41 per ton.

Prices in news print paper have not advanced, while labor and all other commodities have.

NEWS PAPER EXPORTED.

From United States, tons per year (4 per cent of production).....	40,000
From Canada, tons per year.....	70,000
From Norway and Sweden, tons per year.....	100,000
From other foreign countries, tons per year.....	200,000
Total.....	410,000

PRODUCTION.

United States, tons per year.....	1,200,000
Foreign countries, tons per year.....	1,200,000

Canada, Norway, and Sweden have extensive timber limits and cheap powers and manufacture news at a lower cost than other countries.

COST OF WOOD.

United States, per rough cord.....	\$10.00
Canada, per rough cord.....	6.00
Norway and Sweden, per rough cord.....	6.50
United States, per ton of paper.....	15.00
Canada, per ton of paper.....	9.00
Norway and Sweden, per ton of paper.....	9.75

It requires 1½ cords of wood to make 1 ton of news paper.

LABOR COST PER TON OF PAPER.

United States.....	\$8.00
Canada.....	6.00
Norway and Sweden.....	4.00

AVERAGE FREIGHT TO LARGEST MARKETS IN UNITED STATES.

From United States mills.....	3.20
From Canada.....	3.70
From Norway and Sweden.....	4.00

Advantage.	mills. Canadian	Norway Sweden and mills.
Wood.....	\$6.00	\$5.25
Labor.....	2.00	4.00
Total.....	8.00	9.25
Less freight.....	.50	.80
Total.....	7.50	8.45

With present tariff of \$6 per ton, Canadian mills will have an advantage of \$1.50 per ton, and Norway and Sweden \$2.45 per ton. Tariff on news print paper into Canada is 12½ per cent, or approximately \$5.50 per ton.

Capital invested in entire paper industry, including all kinds of paper, is.....	\$350,000,000
Number of mills.....	770
Value of product per annum.....	\$250,000,000
Number of employees in all departments approximately.....	500,000

Mr. BRISTOW. Mr. President—

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Kansas?

Mr. CLAPP. With pleasure.

Mr. BRISTOW. I should like to inquire what, in the Senator's judgment, is the reason that we did not export more paper?

Mr. CLAPP. Evidently because it was not a sufficiently inviting field to American capital and American industry.

Mr. BRISTOW. But why was it not? What was the reason that prevented capital from going into that industry? Does not the Senator know that it is because the spruce wood from which this paper is made is becoming scarce and hard to get, and that our own mills are buying it from Canada? That is the main reason they are offering for this. The claim will then be that

* Equals one-third consumption of United States.

next year there will not be so much, and that finally we shall have to import, and shall not export any because we will have nothing to make it from.

Mr. CLAPP. That was the next point that I intended to reach—the cost of production. While I have often said, and I say again, that, while I attach little importance to detail figures trying to show just what it costs to produce a thing in a mill or factory, yet the broad determination is made upon prices; and when we compare the price of Canadian pulp wood with American pulp wood we find there a reason why the American manufacturer should receive this protection in addition to the difference in the cost of labor itself. Measured by that test—I will not weary the Senate with a recital of all the figures—the figures show conclusively that year after year the cost of wood in this country has been more than the cost of wood in Canada. I ask permission to submit that and have it inserted in the RECORD.

The VICE-PRESIDENT. Without objection, permission is granted.

The matter referred to is as follows:

First. Figures given in testimony of the Pulp and Paper Investigation Hearings, as price per cord of peeled wood, f. o. b. cars at Grand Trunk points, Canada.

Second. Average cost per cord at 28 mills of the International Paper Company for wood in the rough.

Third. Average cost at same mills for prepared wood.

Fourth. Average delivered price for news print paper for certain dates (pages 3288 and 3290 of Hearings).

Year.	First.	Second.	Third.	Fourth.
	<i>Per cord.</i>	<i>Per cord.</i>	<i>Per cord.</i>	<i>Per ton.</i>
1880.....	(a)	(b)	(c)	\$140.00
1890.....		\$2.75	\$4.75	68.00
1896.....	\$3.25			
1897.....				
1898.....		5.48	7.53	
1899.....		5.41	7.47	
1900.....	3.75	5.83	8.06	43.60
1901.....	4.00	6.33	8.66	
1902.....	4.75	6.58	8.96	
1903.....	5.30	6.76	9.19	
1904.....	5.35	7.32	9.98	
1905.....	6.00	7.71	10.40	
1906.....	6.00	7.92	10.76	
1907.....	6.25	8.30	11.42	42.88
1908.....	6.00	9.87	13.46	44.41
January, 1909.....		10.42	14.00	
February, 1909.....		10.37	13.88	

^a Wood pulp in its infancy.

^b Price paid at various mills before organization of the International Paper Company.

As to your questions regarding quantity and relative prices of paper exported by our mills, I would respectfully refer you to pages 1155, 1156, 1157, and 1168 of the Pulp and Paper Investigation Hearings. The International Paper Company is practically the only exporter.

This testimony shows:

Year.	Amount exported.	Price at mill exported paper.	Price at mill paper sold in United States.	Difference per ton.
	<i>Tons.</i>			
1900.....	26,365	\$38.02	\$35.54	+\$2.48
1901.....	22,261	38.78	36.28	+ 2.50
1902.....	19,150	36.82	35.80	+ 1.02
1903.....	23,552	36.48	37.70	- 1.22
1904.....	24,929	37.76	37.80	- .04
1905.....	36,198	38.48	36.94	+ 1.54
1906.....	44,797	37.76	35.52	+ 2.24
1907.....	18,167	37.04	36.64	+ .40

The reasons for the decrease in 1902 and 1907 are also given in the testimony.

Yours, truly,

KARL MATHIE,

Manager Watab Pulp and Paper Company.

SARTELL, Minn.

Number of tons of No. 2 news print paper made daily, 3,800.

Number of tons of No. 1 news print paper made daily, 200.

Mr. BROWN. Mr. President—

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Nebraska?

Mr. CLAPP. With pleasure.

Mr. BROWN. I should like to ask the Senator if he knows what the price of spruce wood per cord is in his State?

Mr. CLAPP. Mr. President, I do not exactly; the figures are the averages taken from the documents. I am not standing here alone for any industry limited to the State of Minnesota.

Mr. BROWN. It would be no discredit if the Senator were. I was trying to find out, in order to get the cost of production, the price of this wood; what it is worth in his State.

Mr. CLAPP. I can not give the Senator the figures. These figures have simply been taken on the average of the testimony given before the committee and before the commission.

Mr. BROWN. Will the Senator allow me briefly to call his attention to some figures?

Mr. CLAPP. With pleasure.

Mr. BROWN. I call his attention to a prospectus issued by the Minnesota and Ontario Power Company, which is a corporation in the Senator's own State, which has organized and built a mill at International Falls, and has its stocks and its bonds on the market. This witness, from my friend's own State, says that they propose to make print paper out of wood that will cost less than \$6.50 a cord. They go on further to state that the total cost of production of a ton of paper in the State of Minnesota at their own mill will only aggregate \$23 per ton.

Mr. CLAPP. Mr. President, the prospectus of a party of gentlemen who seek to exploit an enterprise and desire to attract capital has no force, to my mind, against the figures that show the importations one way and the exportations the other. That is what tells the story as to which country can make paper the cheaper.

Mr. BROWN. The thing that tells the story, if the Senator will permit me, is the fact whether they are making print paper and what it costs to make it. This company certifies here that they are under contract to furnish a large amount of paper based upon that cost of production.

Mr. CLAPP. Mr. President, if the American manufacturer can furnish paper cheaper than the Canadian manufacturer, I should like to know how it happens that the American manufacturer, with his usual activity and desire for commercial conquest, would permit the imports of printing paper to run from nothing in 1899 to 42,000,000 tons in 1909.

Mr. BROWN. Mr. President, I know the Senator does not want to be mistaken. He said "42,000,000 tons."

Mr. CLAPP. If I said "tons," it was a mistake. It should be 42,000,000 pounds.

Mr. BROWN. What is 42,000,000 pounds when the country is consuming 1,200,000 tons?

Mr. CLAPP. Forty-two million pounds is precisely forty-two million times one pound.

Mr. BROWN. The Senator is correct in his mathematics.

Mr. CLAPP. The argument holds that if the importation was practically nothing in 1899 and rose to 42,000,000 pounds in 1909, American manufacturers have been unable to stay that importation, while during the same time the export of the American manufactured article has only been a slight fraction over 3 per cent.

Mr. ALDRICH. Mr. President—

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Rhode Island?

Mr. CLAPP. Certainly.

Mr. ALDRICH. The prospectus which the Senator read from is a prospectus of an international paper company, whose mill, I think, is on the Rainy River in Canada. The Senator from Minnesota should introduce an amendment to this bill to allow its product to come in free, as it is on the boundary line between the two countries.

Mr. BROWN. A great many of our mills are on the boundary line. This company owns mills on both sides; but the securities referred to are for the mill on this side. The cost of production is for print paper on this side, and not on the other.

Mr. ALDRICH. I do not know how the Senator knows that from the prospectus. I could not tell that by examining it.

Mr. CLAPP. It does seem to me, with all deference to my friend from Nebraska, that a prospectus put out to float bonds and securities would be a poor basis upon which Congress should deal with industries involving the wages, the living, the happiness, and the security of people who are engaged in other mills in this industry from one end of the country to the other.

Mr. BROWN. That is undoubtedly true, but the source from which this prospectus comes is to be considered. It comes from Minnesota. They certainly are not trying to "gold brick" the people up in Minnesota. This is from one of the Senator's constituents, and I am using him as a witness against the Senator's argument.

Mr. CLAPP. And this was sent down to Wall street. It was not to "gold brick" Minnesota, but to "gold brick" Wall street if anyone. [Laughter.]

Mr. TILLMAN. Mr. President—

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from South Carolina?

Mr. CLAPP. Certainly.

Mr. TILLMAN. Does the Senator say that some speculators in Minnesota are supposing that they can "get even" with Wall street?

Mr. CLAPP. Well, Minnesota has sent one man to Wall street, and Wall street has not succeeded in getting the better of him yet. [Laughter.]

Mr. TILLMAN. That is not the point. I am talking about the people in Minnesota. Are some of the innocents up there thinking they can go into Wall street and cheat it and get even with it?

Mr. CLAPP. Minnesota has been built up largely because Minneapolis men and St. Paul men were able to secure capital in the East.

Mr. TILLMAN. I merely wanted to know whether the Senator supposed he had anybody in Minnesota who could gamble with those fellows over there and get out.

Mr. CLAPP. So far as the Minnesotans are concerned, those who have gone to Wall street, they have successfully maintained themselves so far.

Mr. TILLMAN. I do not doubt that the Minnesota gamblers will compare with the Wall street gamblers; but I am just speaking about the lambs from Minnesota who go to Wall street.

Mr. CLAPP. Now, Mr. President, taking these broad principles, the increase in the price of raw material that goes into this product, the importation from Canada, the fact that this industry has never been able to dump its goods in any foreign market at a less price than at home, all have satisfied me that this duty has not worked injuriously to the American people in the protection which it has accorded to this particular industry.

Last fall I heard a great deal about the advance in the price of paper. During the campaign I asked a great many men in our State who are publishing newspapers about it. Their universal verdict was that there had been no startling increase in the price of paper, viewed in the light of the general uplift of prices in this country in the past few years. During the winter I wrote letters to a number of those publishers, and but one of them has complained of that increase.

Petitions have been presented here asking for the removal of this duty from the standpoint of labor. Mr. President, we also have petitions here from labor organization after labor organization asking that this duty be retained at the rate which it has been understood for some time would probably be the report of the committee. There are two sides to this labor question. There are thousands of people employed in these mills, and perhaps there is no other industry in this country that appeals to the poor in its neighborhood as do these mills. These mills, as a rule, are located on the frontier.

I know something of what the people on the frontier have to endure; and I have received letters from those people urging us to maintain a tariff that will insure the permanence of this industry, because the settler finds the mills will take wood which would otherwise be refuse on his land, and he gets a little return in clearing his land.

There is one other phase of this question—I had not intended to take so long; I had intended merely to put these concrete facts before the Senate—but there is another proposition, and that is the question of Canada.

I have believed for years, living in Minnesota and on the boundary between Canada and the United States, that the time will come when we can no longer maintain an artificial line where there is no great natural difference of climate, production, or race of people.

I am inclined to think that sooner or later we shall have to recognize that condition. It would be immaterial to me whether I voted to-day to put this duty at \$4, believing that \$4 is a necessary duty to-day, with the idea of changing that duty if we can so change our relations with Canada—as I hope and believe we shall be able to do—or leave it in the form in which the Senator from Wisconsin has placed it, so that automatically it will be reduced in 1912, unless within that time we find the attitude of the Canadian government and our own economic conditions will prevent our making that reduction.

So in the first instance I shall vote for the amendment of the Senator from Wisconsin; and having studied this question and established these concrete facts, which can not be disputed, I believe that \$6 the present rate may well be reduced to \$4, and in fixing it at \$4 the committee has made a fair and material reduction upon this particular item; and so believing I for one am disposed to vote for \$4, for this is a reduction of one-third from the Dingley rate and is along the line I have urged during this session, a reduction fair to all.

Mr. CLAY. Mr. President, I do not intend to occupy more than two or three minutes of the time of the Senate to explain my vote.

In my State a portion of my constituents are very much in favor of a duty of \$5 instead of \$4 on paper, and another por-

tion of my constituents are very much against it. I base my vote in this instance entirely upon the report of the special committee appointed by the Speaker of the House of Representatives to investigate this subject. That committee was in session for ten months. It made a most critical examination into the affairs of the different paper-mill companies throughout this country and in Canada, and, after that investigation, that committee reported to the House unanimously in favor of a duty of \$2 per ton on this paper.

Mr. President, I do not desire to criticize the Finance Committee. I am fully aware of the fact that the Finance Committee has had before it a herculean task to look after the different items in this bill, and I deny that the Finance Committee has had the opportunity to give to this schedule the time that was given to it by the special committee of the House; and taking that report from beginning to end I am unable to reach any other conclusion than that \$2 per ton is ample for the purpose of taking care of the interests of this country.

That report I have before me. The select committee caused investigations to be made in 15 eastern paper mills, 17 eastern ground-wood mills, 3 western paper mills, and several Canadian mills, covering a period of thirteen years; that is, from 1895 to 1907. The result of that investigation is stated by Mr. MANN, page 819, of CONGRESSIONAL RECORD, as follows:

The daily wage paid in the Canadian mills is about the same as in the American mills. Many of the skilled workmen in the paper mills of Canada are brought from the United States.

Now what does this committee say—the committee which investigated this question for ten long months? That in 15 eastern mills it cost for labor \$8.52 per ton to make paper; in 3 western mills, \$7.52 per ton; in the St. Regis mill, \$6.89 per ton; the International Paper Company's mills, \$8.33 per ton; the Booth mill, in Canada, \$9.05 per ton.

If that committee found the truth, after a careful examination of their books, they found that the cost of making paper was greater in Canada than in the United States.

Mr. GALLINGER. I think the Senator has made a mistake in saying that that is the cost of making a ton of paper. He stated it inadvertently, of course, and I presume he does not want it to go into the RECORD. It is the cost of pulp.

Mr. CLAY. No; it is the cost of labor.

Mr. GALLINGER. I beg pardon.

Mr. CLAY. It is not the cost of the wood or the materials. I understand the average profit on a ton of paper is \$8, and that is what the committee appointed by the House find. I did not intend to convey the impression that the wood and the labor cost the respective amounts that I have just set forth. The Senator is correct.

If the inquiry into the cost of labor in news print paper be approached from the basis of the living wage, we find that Canada is on the same level as the United States.

I am anxious to have a vote on this measure, and I do not desire to read this entire report, but I will ask that a part of the report I have marked be inserted in the RECORD without being read.

Mr. ALDRICH. What is the Senator reading from?

Mr. CLAY. I am reading, from a synopsis of the report, the evidence taken by the committee appointed by the House to make this investigation.

Mr. ALDRICH. No; I mean what paper is the Senator now reading from?

Mr. CLAY. I am reading from a letter addressed by Mr. Norris to the Finance Committee, and these facts are taken from the evidence furnished by that report, and I have compared these facts with that report, and I find it to be correct.

Then, Mr. President, if wages cost more in Canada than they do here, I am unable to understand why we ought to place a duty of more than \$2 on print paper. I simply ask that these facts be inserted in the RECORD to justify my vote, and, as I am as anxious as is the chairman of the committee to get through with this schedule, I will close my remarks.

The VICE-PRESIDENT. Without objection, permission is granted.

The matter referred to is as follows:

Total labor cost from rough wood to paper.

[Page 652 of CONGRESSIONAL RECORD.]

	Per ton.
15 eastern mills.....	\$8.52
3 western mills.....	7.52
18 United States mills.....	8.43
St. Regis mill.....	6.89
International Paper Company's mills.....	8.33
Booth mill (Canadian).....	9.05

If the inquiry into the cost of labor in news print paper be approached from the basis of the living wage, we find that Canada is on the same level as the United States, as is shown by testimony of David S. Cowles (p. 908), George Chahoon, Jr. (p. 805), Carl Riordan (p. 805), F. B. Lynch, of Minneapolis (p. 2400), and J. R. Booth (p. 3361).

Mr. J. T. Carey (p. 1376), president of the International Brotherhood of Paper Makers, testified that his union controlled 5 or 6 mills in Canada; that the wages in the Laurentide mill, the Belgo-Canadian mill, the Windsor Locks mill, were practically the same as in the United States.

The United States consul at Three Rivers said the wages were higher in Canada, because all the skilled labor came from the United States and inducements were offered those men to leave home and country.

Mr. Cowles had declared that the pay was, if anything, higher in Canada than in the United States, and that this applied to unskilled as well as to skilled labor. The figures which I attach in comparative tables of pay of positions give the relative pay for each position so far as received and establish absolutely and without qualification that the living wage in the Canadian mill is the same, if not more, than the average of all the American news print mills.

Mr. Carl Riordan, of Montreal (p. 806), summarized the entire situation in a dispatch submitted to the committee that common labor was paid an average of \$1.75 in Michigan and New York, \$1.50 in Maine, \$2 in northern Ontario, \$1.50 to \$1.60 in southern Ontario, and \$1.25 in Quebec and New Brunswick.

The amounts paid by various companies for labor on paper machines—that is, for machine tenders, back tender, third hand and fourth hand—may be stated as follows:

	Hourly rate.				Total per hour.
	Machine tender.	Back tender.	Third hand.	Fourth hand.	
Berlin.....	\$0.50	\$0.37	\$0.25	\$0.22	\$1.35
St. Regis.....	.47	.32	.24	.20	1.24
Laurentide (Canadian).....	.48	.31	.22	.19	1.21
Canada Paper Co. (Canadian).....	.50	.31	.21	.15	1.18
Cliff.....	.41	.29	.25	.19	1.15
International.....	.42	.26	.21	.21	1.10
Booth (Canadian).....	.35	.25	.17	.14	.92
Everett.....	.37	.21	.16	.16	.90
Cloquet.....	.32	.23	.18	.16	.89
Consolidated.....	.33	.22	.16	.13	.85
Flambeau.....	.32	.20	.16	.15	.83
Wisconsin.....	.32	.21	.15	.11	.79
Gould.....	.27	.16	.12	.12	.68
Gilbert.....	.27	.15	.12	.12	.66

Comparisons of pay of positions.

Page.	Hours.	Mill.	Machine tenders.	Back tenders.	Third hand.	Fourth hand.	Beater engineer.	Beaters.	Grinders.	Finishers.	Screen men.	Laborers.	Firemen.
807	12	Bureau of Labor (p. 807), 1906.....	\$2.88	\$2.08				\$2.07	\$1.77	\$1.78		\$1.56	
	8	International (average).....	3.16	2.08	\$1.70	\$1.08	\$2.30	1.68	1.65	1.75	\$1.65	1.65	\$2.00
1592	8	Cliff.....	3.32	2.34	1.82	1.50	2.31	1.82	1.82	2.00	1.82	1.50	2.25
1061	12	Gould.....	3.25	2.00	1.50		1.87	1.50		2.00	1.50	1.80	1.75
													2.00
1410	12	Gilbert.....	3.40	1.87	1.50		2.62	1.80		1.62		1.80	2.57
			3.15	1.77	1.37								
			4.00	2.75	2.00		3.00	1.50	1.50				1.65
927	8	St. Regis.....	3.75	2.50	1.90	1.65							
			3.50										
	8	Pejepscot.....	4.00										
			3.50										
1693	12	John Edwards.....	3.75	2.40			2.75	1.80	1.80			1.70	2.25
1676	12	Cloquet.....	3.85	2.76	2.16	1.92	2.76	1.92	1.92				2.04
1784	12	Flambeau.....	3.84	2.40	1.92	1.80	2.76	1.92	1.85	1.75	1.60	1.75	1.92
1712	12	Consolidated.....	4.00	2.64			3.00	1.92	2.00	2.00			1.75
1871	12	Niagara (Wisconsin).....	4.35	2.60	1.92	1.65	3.00	1.80	1.80			1.65	
1861	12	Wisconsin Paper and Pulp Co.....	3.84	2.52	1.80	1.35	2.76	1.80	1.80	1.75			1.92
1889	12	Everett.....	4.45	2.50	2.00		3.00	2.25		2.50		2.25	2.35
			4.00	2.50	1.80	1.50							
805	8	Laurentide.....	3.75										
	8	Canada Paper Co.....	4.00	2.50	1.75	1.25							
883	12	Booth.....	4.25	3.00	2.00	1.75	3.00	1.75	1.70-2.50	1.50-1.75			1.75
1409	8	Berlin mills.....	4.00	3.00	2.00	1.80	3.50	2.00	1.80	1.64	1.80	1.52	1.85

In preparing this formulation I have restricted my statement to cost of production, as you indicated. I have therefore omitted other matters which I believe are pertinent, such as:

The combinations of paper makers.
The unjustifiable advance in 1907 of \$10 per ton in the price of print paper.

The merger into the International Paper Company and excessive capitalization of mills that were fit only for the scrap heap.

The oppressions upon publishers.
Thanking you for this opportunity to submit these figures relating to cost of production, I am,
Yours, truly,

JOHN NORRIS,
*Chairman of Committee on Paper,
American Newspaper Publishers' Association.*

Mr. ALDRICH. Mr. President, the amendment of the committee involves questions of national and international importance which ought to have serious consideration on the part of Senators. Since the Mann report was made and since this bill passed the House of Representatives the Canadian government has officially announced its purpose to transfer the pulp and paper industry from the United States to Canada. That purpose has been understood in Canada for some time, but it has never until recently been officially announced.

The Province of Ontario some time ago inserted provisions in the crown leases which made impossible the exportation of logs and of pulp wood from that country. Now, the premier of the Province of Quebec has announced in a public statement that the same policy is to be adopted in that Province. It is stated unofficially that the premier of the Province approves this policy.

Now, what is this policy? It is to prevent and forbid the exportation from Canada of logs and pulp wood. Canada is going back to the middle ages and adopting the policy which was adopted in England two or three hundred years ago, of forbidding the exportation of machinery and of forbidding the exportation of gold and silver. The only theories of the past are revived and reenacted in the Dominion of Canada at this moment for the deliberate and avowed purpose of transferring the entire industry of making pulp and paper from the United States to Canada, and we are asked in the Senate of the United States to put those products upon our free list or to substantially reduce the duty for the purpose of assisting the Dominion of Canada in this work of destruction.

I think it is time that the American Senate should stop to consider this question from that standpoint as well as from another, to which I will call the attention of the Senate later.

Now, what is the purpose? The purpose of these gentlemen can be carried out, perhaps, if we give them ingress into the markets of the United States, which is the great paper market of the world. This announced purpose of the Canadian Government was not known at the time that the Mann committee were considering this question and when they made their report. It was not known when the House of Representatives passed this bill, and is it the desire of the American Congress and the American people to facilitate this work of destruction, to tear down the walls which protect the American market? Then we should adopt the progressive amendments which have been suggested by the Senator from Nebraska and the Senator from Missouri and the Senator from Wisconsin and remove the obstacles, so as to enable Canada to carry out this new policy of hers.

Mr. BROWN. Mr. President—

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Nebraska?

Mr. ALDRICH. I do.

Mr. BROWN. Does the Senator refer to the address of the premier which I read yesterday morning?

Mr. ALDRICH. I am not sure about the Senator reading it. I am referring to the address of the premier of the Province of Quebec, in which he says they proposed to adopt the policy of forbidding the exportation of logs and pulp wood from the Province of Quebec.

Mr. BROWN. That is it.

Mr. ALDRICH. That is the question. I do not care—

Mr. BROWN. I understand. I want to get at your remedy. It is not desired by us to have exportation prohibited?

Mr. ALDRICH. I am going to make some remarks on that subject later.

Mr. BROWN. Can I not ask just one question now?

Mr. ALDRICH. Of course you can.

Mr. BROWN. It is not a result we want—to have exportation of spruce from Canada prohibited?

Mr. ALDRICH. In its results it is a thing we do not want at all.

Mr. BROWN. That is what I say. We do not want it.

Mr. ALDRICH. No.

Mr. BROWN. Then, so that Canada may not impose that prohibitory law, you favor putting a high duty on her products, to keep all the rest of the products out?

Mr. ALDRICH. What does the Senator—

Mr. BROWN. You are following the policy of the premier. You would make importations from Canada to this country of the raw material we must have more difficult. I ask that of the Senator from Rhode Island. We must have it for our mills.

Mr. ALDRICH. That is hardly a question now. I will take it up later. We are on the other side of this line.

Of course we would regret seeing Canada put an export duty upon logs or forbid their exportation. That goes without saying, I think; but if she threatens us in that direction, what shall we do? Shall we tear down the walls and give them our markets, she retaining her pulp wood and pulp in Canada?

What is the duty of the American Congress in this emergency, because it is an emergency. Canada has an unlimited amount, as the Senator says, and we all agree—

Mr. BROWN. Mr. President—

Mr. ALDRICH. Wait a moment.

Mr. BROWN. Let me ask the Senator—

Mr. ALDRICH. Not just now.

Mr. BROWN. A little one.

Mr. ALDRICH. Not just now.

The VICE-PRESIDENT. The Senator from Rhode Island says "Not just now."

Mr. ALDRICH. The Dominion of Canada has an unlimited amount of wood; she has water power; she has everything else that America has; she intends deliberately to produce wood pulp and paper in her Dominion; and in order to do that, she is throwing a line of prohibition around the United States. What ought we to do under those circumstances? That is the question. What is our duty? Is it the purpose of the Senator from Nebraska and the Senators who are associated with him in this matter to remove the duties entirely for the purpose of giving this market to Canada and to aid them in carrying out this purpose? It ought to be our purpose to put such restrictions upon our markets, to put such conditions upon the entering into our markets, as will make it impossible, so far as the action of the United States is concerned, to carry out successfully this new policy of the Canadian government. That is my notion about it. I would—

Mr. BROWN. Mr. President—

Mr. ALDRICH. I would provide for the imposition of such duties as would make it impossible for those people to come here and take possession of our markets in competition with our own paper men.

Mr. BROWN. How would the duty of \$4 a ton on print paper stop the hand of the Canadian government from passing a law prohibiting exportations?

Mr. ALDRICH. It might not stop the hand of the government.

Mr. BROWN. How would it tend to stop it?

Mr. ALDRICH. I will explain that to the Senator if he would like. I will show exactly how it would stop it. We have in the United States invested in paper making \$250,000,000.

Mr. FRYE. Three hundred and fifty million dollars.

Mr. ALDRICH. Three hundred and fifty million dollars. I will accept the suggestion. We have \$300,000,000. We have an amount of timber which will last this country for a hundred years at least; I think, myself, a great deal more than that. I think, as I stated the other day, with the processes of reforestation that are now going on in this country and with the immense amount of wood which is now in existence in every Southern State and in every Western State and in every Northwestern State, we have wood enough in this country to-day to go on indefinitely in the manufacture of paper.

What do we need to carry on that manufacture successfully? Do we need to tear down the barriers which have existed, when under a rate of \$6 a ton the importations have been increasing in the last few years very rapidly; or do we need to put such restrictions as we propose in this bill upon articles imported under these conditions from Canada as will prevent the successful carrying out of this plan?

Mr. TILLMAN and Mr. BROWN addressed the Chair.

Mr. ALDRICH. I yield to the Senator from South Carolina.

Mr. TILLMAN. I want—

Mr. BROWN. He wants to speak. I want to ask a question.

Mr. TILLMAN. I wish to ask the Senator from Rhode Island if his information is the same as that of the Senator from Nebraska, that spruce wood alone can be used for the production of print paper?

Mr. ALDRICH. It is not.

Mr. TILLMAN. I could not see how it was possible, but that was the information I got; and I want to say to the Senator from Rhode Island, while I am on my feet, that he is entirely right in saying there is enough timber in the South and enough

that is coming and will keep on coming as long as it continues to rain to make paper pulp for a million years.

Mr. ALDRICH. It is made of poplar, white birch, spruce, hemlock, and a dozen different varieties which are found in this country and in every part of the country from Maine to Texas, and there is no possibility of there being such a shortage of wood in this country as will prevent our mills from making indefinitely all the print paper that can be used.

Mr. BROWN and Mr. BRISTOW addressed the Chair.

The VICE-PRESIDENT. Does the Senator from Rhode Island yield, and to whom? Two Senators have addressed the Chair.

Mr. ALDRICH. I will yield first to the Senator from Nebraska, for a question only.

Mr. BROWN. If it be true that we have wood in this country to run our mills indefinitely, why have these companies bought 12,000 square miles of spruce in Canada?

Mr. ALDRICH. Because they could buy it cheaper there than they could in the United States. That is the reason.

Mr. BROWN. When they owned in this country 8,000 square miles?

Mr. ALDRICH. That may be.

Mr. BROWN. If they have a supply at home, why did they go across the line and buy more land?

Mr. ALDRICH. If they could buy woodland in Canada cheaper than in the United States, they would undoubtedly buy it.

That is a business proposition to which everybody will assent, I think. It is an investment. They may be caught in this trap which is being set for them by the Canadian government and not be able to get the timber out. What the Canadian government is trying to do is to force these people to come there and build paper and pulp mills. That is the purpose of the scheme, undoubtedly.

Now I yield to the Senator from Kansas.

Mr. BRISTOW. I want to ask the Senator from Rhode Island if he means to say that print paper used in the publication of newspapers is made from poplar and birch?

Mr. ALDRICH. I do; and hemlock and spruce and fir and a great variety of other trees—cottonwood.

Mr. BRISTOW. Mechanically ground?

Mr. ALDRICH. Yes; mechanically ground, of course—any kind of grinding. Has the Senator any other question?

Mr. BRISTOW. I want to say that the sulphite process makes these other timbers into paper, but that the Senator is entirely in error when he says that for print paper the pulp is made from anything except spruce, with a mixture of sulphite.

Mr. ALDRICH. Senators representing paper States are all around me, and I am willing to take their testimony as against that of the Senator from Kansas.

There is no question about the fact that print paper is being made to-day from at least 8 or 10 different woods, and those woods are found in every section of the country. There are mills engaged at this moment in making paper in Virginia, North Carolina, and in several other Southern States.

Mr. BROWN. Sulphite.

Mr. ALDRICH. What difference does it make whether it is sulphite or not?

Mr. BROWN. It makes a big difference.

Mr. ALDRICH. Why?

Mr. BROWN. Because it increases the cost.

Mr. ALDRICH. That is so much more the reason why we should have protection upon print paper—because it can be made in the Southern States by the sulphite process. Then we should give the mills in the Southern States protection against Canada, especially under existing conditions. Has the Senator anything more to say?

Mr. BROWN. Yes; I have.

Mr. ALDRICH. I hope the Senator will confine himself to questions.

Mr. BROWN. I want to say a word.

Mr. ALDRICH. Later on I will be glad to yield.

Mr. BROWN. Let me suggest to the Senator that this is the first time in all the discussion and consideration and study of this question that I have ever heard anybody contend that the sulphite mills were making print paper. It is the mechanical ground mills that use spruce and use it exclusively. You can make paper out of any wood on earth. I did not say you could not. But when it is made from any but spruce by the mechanical process it costs so much it can not be used for print paper.

Mr. ALDRICH. The Senator from Nebraska is a novice. He has just commenced the study of this question, evidently, if he thinks that print paper can not be made from pulp produced by the sulphite process. It is made every day, and a large part of the print paper that you are using in this country is so made.

Mr. BROWN. I should like to have mentioned one witness's name who will sustain that proposition—just one; just one news paper man to sustain that proposition; just one mill owner who will do it.

Mr. ALDRICH. I am not so well acquainted with news paper men as is the Senator from Nebraska.

Mr. BROWN. Then I am not the only novice there is in the house.

Mr. ALDRICH. No; but I do know that five years ago almost the entire print paper made in the United States was made by the sulphite process, and a large part of it is so made to-day. It may be made by these different processes, but what difference does it make what the process is? That is not the question I am discussing. I am discussing the question whether there is in the United States wood enough to supply the people of this country with print paper; and I say, without the slightest hesitation, that there is, scattered all over the United States.

What is the duty—

Mr. BROWN. Mr. President—

Mr. ALDRICH. What is the duty of Congress under those conditions? Is it the duty of Congress to tear down these walls, as I have already stated, and reduce the duty on paper? My own judgment is we ought to put such restrictions upon the importations of paper from Canada and make the rate of duty so high that it would not be possible for the Dominion of Canada to carry out this new plan. But the amendment of the committee was not prepared for the purpose of prohibiting the importation of pulp wood or logs or paper from Canada into the United States.

When this bill came before the Committee on Finance, they determined if possible to find out what was the relative cost of its production in the United States and Canada, with a view of recommending the imposition of such a duty as would equalize the difference between the cost of production in Canada and the United States.

These new conditions to which I have alluded had not then arisen and do not form a part of the judgment that is incorporated in the amendment suggested by the committee.

Now, the committee asked the representatives of the Publishers' Association and the representatives of these paper companies to furnish us testimony as to the difference in the cost of production between the two countries. As I stated yesterday, the statements furnished by these gentlemen were conflicting in their character.

There was only one statement which was agreed by the representatives of both interests as a correct one. I do not mean to say that we based our judgment upon that statement. As I said yesterday, according to that statement the cost of producing paper was stated at \$31.38 a ton in Canada. It included, however, \$0.56 per ton as insurance and taxes, \$1.31 for general expenses of the company in Brussels, Belgium—

Mr. BROWN. Mr. President—

Mr. ALDRICH. Now, wait a moment; and included \$1.92 a ton for bonding, which has nothing to do, of course, with producing paper; thus reducing the mill cost of paper, from the logs to the paper—that is, the cost of conversion, and the cost of the logs—to \$27.59 a ton.

Now, that was one statement. The committee had a great variety of other statements in Canada and the United States. The result of our investigations as to the cost of producing paper in the United States, investigations made of the books of the companies themselves, investigations covering a great variety of mills under a great variety of circumstances, led me to the conclusion, which I think is absolutely correct, that it would cost \$31.50 a ton under the most favorable circumstances, and only taking into consideration the items which were taken in this Belgo-Canadian statement to produce that paper in the United States. That is the very lowest price in the very best mills in the United States.

Beyond that the committee were satisfied from a very exhaustive examination (the Senator from Utah [Mr. SMOOT] has the details and the figures, I will not take the time of the Senate to go into the matter) that the cost of wood between the United States and Canada is at least \$4 a ton on the paper, which is the amount of the duty that we suggest should be paid in this case. The Mann committee found that there was a difference in the cost of labor and an average on material of \$2 a ton, but we do not take that into consideration. We are certain from our investigation that the value of wood in the United States is at least \$4 a ton more than it is in Canada. The estimates which are given to us by the paper makers is vastly in excess of that in some parts of the country. The Senator from Wisconsin [Mr. LA FOLLETTE] said a few minutes ago that the cost is very much greater in Wisconsin. The cost of producing paper in this country is very much greater, as is

shown by the sworn statement of the Audit Company, of New York, from \$39.50 a ton in all the mills in Wisconsin as against \$27.59 in Canada, in every case there being a difference of \$10. Under other conditions the difference was less. The mills in Wisconsin are not as well located with reference to wood as some of the other mills. If the price of wood was precisely the same in Canada and the United States, then the difference in the cost of transportation would equal at least the amount of duty that we should get. In other words, taking the Canadian timber from the Canadian forests and transport it to the Canadian mills, in the average American mills it would cost at least \$4 a ton more than it would to take those same logs from the Canadian forests to the Canadian mills.

I am not undertaking to go into details about this matter. I will not weary the Senate. I could go on indefinitely. The committee have affidavits and statements without number bearing upon this question. I am perfectly certain that no intelligent man could take this testimony and read it carefully, having in view the result which we are all anxious to accomplish—the finding out the approximate cost between the two countries—without being satisfied that \$4 a ton is not sufficient to equalize the cost of production in this country and in Canada.

Mr. BEVERIDGE. May I ask the Senator a question? What testimony is it he refers to?

Mr. ALDRICH. The testimony and the statement made by the manufacturers of paper.

Mr. BEVERIDGE. Before the committee?

Mr. ALDRICH. Before the committee.

Mr. BEVERIDGE. Has it been laid before the Senate?

Mr. ALDRICH. It has not been laid before the Senate.

Mr. BEVERIDGE. Then it would not have been possible for any Senator to have read it.

Mr. ALDRICH. I am not suggesting that it would. I am stating upon what testimony the judgment of the committee was based. I say I can not go into the details of it. It would take a week probably for the Senator from Indiana to read it, if he did not do anything else.

Mr. BEVERIDGE. Has the Senator himself read it?

Mr. ALDRICH. I have.

Mr. BEVERIDGE. Then it did not take the Senator a week.

Mr. ALDRICH. It did not.

Mr. BEVERIDGE. He read it very rapidly?

Mr. ALDRICH. I did not read it so rapidly, but I read it in connection with other matters from time to time.

Mr. BEVERIDGE. Then it must have taken an entire week probably. I do not claim to understand with the same speed. So the Senator says upon this particular thing it has taken him a week to read it.

Mr. ALDRICH. I say the testimony is before the Committee on Finance, and it is open to the Senator from Indiana if he wants to read it, and it would take him a week to read it. There is enough testimony for that; and I hope the Senator will not interrupt me further.

Mr. BEVERIDGE. I am not going to interrupt the Senator except to say that the Senator has made somewhat of a reflection upon Senators for not having read this testimony which he says will prove so and so. I was curious to know where it was. The Senator says it is upon the files of the committee, and it has not been laid before any Senators so that they could read it to verify the conclusions of the committee.

Mr. ALDRICH. I said nothing about the testimony in the way of a reflection on anyone. That was said by the Senator from Indiana. I did not suggest that it was necessary for anybody to read the testimony. I stated that with this testimony before us our best judgment is, and it is the unanimous report of the committee, that the cost of producing paper in Canada is more than \$4 a ton less than it is in the United States, and I say that no intelligent man can read this testimony and ascertain the facts without coming to that conclusion. I say that without reference to the international situation, which I think is a most serious one for the United States and a most serious one where the Dominion of Canada has, as I said, adopted the method of the middle ages.

Mr. GALLINGER. Has threatened to adopt it.

Mr. ALDRICH. They have announced, practically, that they are going to do it. One of the provinces has already adopted it, and I have not the slightest doubt but that the Province of Quebec will adopt this policy. When the Province of Quebec adopts the policy, that means practically the Dominion of Canada, because Ontario and Quebec cover the pulp-producing part of that country. So, if that happens in Canada, there will be an absolute prohibition upon importations to the United States of logs and pulp wood. If it is our purpose to quietly submit to that sort of thing and suggest to our neighbors across the lines that if all they have to do is to make a threat of this kind

and the American Senate prostrates itself before them, then we will reduce this duty or repeal it. If we intend to protect this great industry in the United States, then we ought to strengthen the duty. We ought to put on the importation of pulp and pulp wood and paper in the United States such restrictions as will notify the Dominion of Canada that this is not entirely a one-sided proposition, that we have some interests to serve, and that we have some rights to maintain on this side of the line.

The Senator from Nebraska [Mr. Brown] the other day said that only 180,000 men, or something like that, are employed in the pulp and paper mills of the United States. I do not remember the number he stated, but I think he said that more men than that are employed in the newspaper offices of the country. Does the Senator think that the employees of the newspaper offices of this country are to lose their occupation or have their wages reduced on account of a duty of \$4 or a difference of \$2 on print paper? Is it a matter of life and death—

Mr. BROWN. I should like to answer the Senator.

Mr. ALDRICH. Wait just a moment. Does the Senator think that the reduction of \$2 from the Dingley rate and an increase of \$2 above the House rate will operate to reduce the prices of the newspaper proprietors and publishers in the United States? Does he think that the circulation of the papers is to be reduced, that their advertising charges are to be reduced, or that the pay of their employees is to be reduced on account of this reduction? Certainly not. But if Canada succeeds in closing the paper mills of the United States, you put actually out of employment and banish from their homes the people who are engaged in the business in this country.

Mr. CUMMINS. Mr. President—

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Iowa?

Mr. ALDRICH. Certainly.

Mr. CUMMINS. I take it the Senator from Rhode Island believes that Canada will shortly impose a heavy duty on pulp wood?

Mr. ALDRICH. No.

Mr. CUMMINS. An export duty?

Mr. ALDRICH. No; I think not. That is not the proposition. It is to forbid the exportation from Canada.

Mr. CUMMINS. If Canada forbids the exportation of pulp wood into the United States and the maximum and minimum feature of the bill, which is shortly to be considered, becomes a part of it, as I have no doubt the Senator from Rhode Island believes it will, and print paper is worth \$40 a ton, there would then be an import duty upon it of \$10 a ton; would there not?

Mr. ALDRICH. Mr. President, the committee have amendments to these pending paragraphs, 402 to 405, which have not as yet been read, making a direct application of the maximum and minimum provisions to pulp and pulp wood and paper. They will be taken up immediately after the pending paragraphs or these amendments are disposed of.

Mr. CUMMINS. In the midst of the discussion it seemed to me that the fear entertained by the Senator from Rhode Island was groundless, inasmuch as the conduct of Canada which he anticipates would be immediately followed by an import duty on print paper coming from Canada much larger than he himself or his committee proposes. I can not see, therefore, any reason for increasing the duty on print paper in order to anticipate the effect of this action upon the part of the Dominion of Canada.

Mr. ALDRICH. Of course, if you put pulp paper on the free list, then it would not be affected. If we reduce the duty to \$2 a ton, then it would not be affected by the increase which is suggested.

Mr. CUMMINS. Mr. President—

Mr. ALDRICH. The Senator will pardon me. The committee suggests in connection with this duty provisions which, I think, will prevent the prohibition suggested by the Canadian government. But I will take up that matter later, when we reach those provisions of the bill. I prefer that course, if the Senator does not mind.

Mr. CUMMINS. I think the Senator from Rhode Island did not quite express himself accurately, because, no matter what the specific duty here imposed upon print paper may be, if you attach to the bill the provision that if any country, or the province of any country, shall discriminate against us so that our relations will be unfair, then the duty shall be 25 per cent, not of the duty here imposed, but 25 per cent ad valorem. That would give to our paper mills, it seems to me, absolute protection against the contingency which has been suggested by the Senator from Rhode Island.

Mr. ALDRICH. That would depend entirely upon whether the President of the United States thought the prohibition of

exportation was an undue discrimination against the United States. It will be very difficult, I think, for the President to say that a prohibition which was general in its terms, while it might be directed particularly toward the United States, is to be held to be an undue discrimination as against the United States, unless it was of such a character that it did not apply to any other nation.

Of course, that would not be true in this case. I am extremely doubtful, and the committee is extremely doubtful, as to whether it is possible under the maximum and minimum provision of the bill to guard against this danger. For that reason they have suggested to put into the bill in terms in these particular paragraphs, 402 to 405, special provisions safeguarding the interests of the United States with reference to these discriminations, and not to leave it to maximum and minimum provisions, as, in the opinion of the committee, it is very uncertain whether they would have application to this case.

Mr. CUMMINS rose.

Mr. ALDRICH. If the Senator will pardon me—

Mr. CUMMINS. May I ask another question?

Mr. ALDRICH. Certainly.

Mr. CUMMINS. Does the suggestion of the Senator from Rhode Island apply also to the paragraph with regard to wood pulp?

Mr. ALDRICH. It does. The committee will suggest to the Senate the adoption of specific provisions as to both these paragraphs.

Mr. CUMMINS. I have been utterly unable to understand how the committee could report free wood pulp and at the same time logically insist upon a duty on print paper, because wood pulp is simply one of the stages at which wood arrives before it finally becomes paper.

Mr. ALDRICH. I think the Senator will understand that fully when the paragraph in regard to wood pulp is taken up.

Mr. CUMMINS. It may be.

Mr. ALDRICH. I will try to explain it to the satisfaction of the Senator then.

Mr. CUMMINS. Hitherto it has been very mysterious.

Mr. ALDRICH. We have not reached the subject yet. The committee did not feel obliged to discuss or explain the paragraphs of the bill until they are reached.

Now, let us look a little at the character of this duty. Senators upon both sides of the Chamber have been inclined to impose small duties upon articles either for purposes of protection or for purposes of revenue.

This duty is about 10 per cent. It has very many features which are quite like the lumber business, although, of course, print paper is a more advanced product than any kind of lumber. The duty upon these articles under the suggestion of the committee is the lowest of any duty in this whole schedule. It is not excessive and can not be construed to be excessive. If the newspaper publishers of the United States had to pay this total amount it would make a difference of only \$4 a ton on the paper which they used. I do not believe that the newspaper publishers of the United States are here asking for anything in charity. I believe that the great mass of the newspaper publishers of the United States want to have the paper industry treated fairly. I know perfectly well that there are certain newspapers in this country that by covert threats and the abuse of Senators and Members of the House and everybody else who did not agree with them as to what should be done with this duty upon paper have been trying to force us to adopt these low rates or to put this paper upon the free list; but, in my judgment, those men represent a very small and a very unimportant minority of the great newspapers of the United States, whose treatment of public questions is not affected by their material interests. The class who can only see an additional cost of perhaps \$2 a ton in the paper in the discussion and disposition of a great question like this are so unimportant that they should not be considered here.

It is our duty, representing the people of the United States, to take care of these questions with fair treatment to all the people of the country, in whatever interests or whatever industries they are engaged, including the newspapers; but what is there in this that can possibly be construed to be unfair treatment of the newspapers? It is quite as much for the interests of the newspaper publishers of the United States to have this industry maintained in this country in a fairly profitable condition and in a fairly prosperous condition as it is for anybody else. If you destroy this industry here, who knows what the price of print paper will be in the next ten years? As the Senator from Minnesota [Mr. CLAPP] has shown conclusively, there have been no great advances. It is true that the paper companies did consider an advance, which perhaps was not justified,

at one time, in 1907; they talked about it. They put up their prices, but never sold any paper at those prices; the price of paper went back, and it is now sold at not above what has been the average price for the past ten years. I think the Senator from Nebraska will have to concede that.

I have stated as concisely as I could the reasons which actuated the Committee on Finance in making this recommendation. They have desired to be perfectly fair in their treatment both of the newspapers and of the paper industry, and I believe that their judgment should be confirmed by the Senate.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE.]

Mr. GORE. Mr. President, the Senator from New Hampshire [Mr. GALLINGER] this morning registered his protest against the reduction of the duty on print paper from \$6 per ton, as it now stands in the Dingley Act, to \$4 a ton, as proposed by the pending amendment brought in by the Finance Committee. I desire now to register my protest against the increase of the duty on print paper from \$2 per ton, as proposed in the House bill, to \$4 per ton, as proposed in the pending amendment.

It seems to me, Mr. President, that this is one question which ought to rise above the ordinary considerations that determine either partisan or political issues. It seems to me that this is one question upon which Democrats and Republicans could alike agree and unite for the purpose of promoting so vast and so beneficent an industry as the publication of newspapers, magazines, and other periodicals in this country.

It has already been suggested that the Democratic platform adopted at Denver declared in favor of placing wood pulp and print paper upon the free list. I may be pardoned for saying that platform promises have a strong and binding force with me. I might almost say that they impose a sacred obligation upon me. I shall not now discuss the academic question as to whether or not circumstances might in certain cases remit that obligation; but, Mr. President, I do desire to say that I favor free wood pulp and free print paper, not because the Denver platform declared in favor of those propositions, but I favor placing those articles on the free list because, sir, that action is right, and because it is founded on just principles and sustained by sound and wise policy.

The late President of the United States, Mr. Roosevelt, in his annual message in 1907, recommended to Congress that wood pulp and print paper be placed upon the free list. The imputation cast at certain Senators that this proposal commits them to free trade assuredly can not be hurled at the recent Republican President.

The Senator from New Hampshire this morning, with tears in his voice, expatiated upon the distressful condition which this proposition would bring upon the laboring men in the State of New Hampshire. He painted in vivid and lurid colors the poverty and distress which would overcome them. It can not be said that President Roosevelt was in favor of remanding those laborers to a condition of poverty, to a condition of squalor, to a condition of misery. I leave that issue to be settled between the Senator from New Hampshire and the ex-President; and I will allow their friends and the newspapers to determine which is the better Republican, and which is the better friend alike to the laboring man employed in the pulp-paper mills and those employed in the print shops of the country.

Mr. President, the Republican platform adopted at Chicago announced the principle upon which this tariff revision was to be conducted. A sufficient rate only was to be imposed to cover the difference between wages at home and abroad plus a reasonable profit to the manufacturer. I am perfectly aware that this tariff measure ought to be drawn in accordance with the principles thus enunciated by the dominant party.

Mr. President, there are three points to be considered in determining the rate of duty which ought to be imposed upon print paper—the elements which are employed in its production and which constitute its cost. I refer to the cost of power, the cost of labor, and the cost of the raw material.

Wood pulp and paper are largely produced through the agency of water power in this country; and it has not been denied, and can not be denied, that the United States is unexcelled in this particular by any other country engaged in the manufacture of these products. Fortunately, at least for this industry, the water power is situated in the very vicinity of the spruce forests—the raw material. According to the census of 1905, 44 per cent of all the water power used in the United States was employed in the production of pulp wood and print paper. So far as cheap power is concerned, we are as well, if not better, situated than any country under the sun.

The next element of cost is that of labor. I attach no sanctity to statistics. I know the wilderness of figures with which the Senate has been perplexed during this discussion; but I send

to the desk an authority which, it seems to me, ought to be conclusive as to the labor cost in the United States and in Canada with respect to the production of wood pulp and print paper.

The VICE-PRESIDENT. In the absence of objection, the Secretary will read.

The Secretary read as follows from page 908, Paper and Pulp Investigation Hearing, House of Representatives, volume 2:

Mr. COWLES. It is a fact that Canadian labor has gotten on a par now with labor in the United States. If anything, I should say that labor is higher in Canada than it is in the United States.

The CHAIRMAN. Do you mean skilled labor?

Mr. COWLES. I mean skilled labor and cheap labor, both. That was not formerly so, but it is so to-day. That is my own experience and my own observation.

Mr. GORE. Mr. President, Mr. Cowles is the former president of the American Pulp and Paper Association, a corporation which received the indorsement of the distinguished Senator from New Hampshire this morning. Mr. Cowles, as I understand, produces something like 170 tons of paper or pulp per day. He is interested in three mills situated in the great State of Maine. It is a fundamental principle of law and a fundamental dictate of common sense that the situation of a witness with respect to the facts ought to have some bearing upon the weight to be attached to his testimony. I mean to offend no one when I refer to a principle of law or common sense in this Senate. I am aware that in a tariff revision they have absolutely no weight and absolutely no influence; but here is the ex-president of the American Pulp and Paper Association, a man largely engaged in the production of those articles, and one, as I understand, who owns or is connected with three different mills in the State of Maine, and he says that labor is higher in Canada than it is in the United States, and states this to be true both from his experience and from his observation.

Ordinarily we would attach a great deal of weight to the statement and testimony of this witness; but, sir, on yesterday the distinguished Senators from Maine bore witness in the Senate that labor is cheaper in Canada than it is in the United States, and, to fortify their statements, they assured the Senate that they had visited the Dominion of Canada. Of course, the statement of a Senator upon his personal responsibility must be conclusive with his fellow-Senators; but I say that when a man engaged in the business, and with a large experience, declares that labor is cheaper in the United States than it is in Canada, that generally would carry conviction to the ordinary and unprejudiced mind. But of course I would not set up the testimony of Mr. Cowles against the evidence of a Senator who had visited the Dominion of Canada.

It seems to me that this statement, corroborated by the hearing before the House committee, ought to justify us in the conclusion that labor is at least as cheap in this country as it is in Canada. I may say in this connection that in 1901 a royal commission reported to the Canadian government, on the 15th of November, that the cost of producing paper in the United States and in that country was practically the same. That was the report of a royal commission, not designed to deceive or mislead the Finance Committee or the Senate.

Sir, we have the evidence of that commission from the Canadian side; we have the evidence of Mr. Cowles from the American side, agreeing that Canada has no advantage in point of labor as compared with the United States. Whenever a condition is found to exist, it is presumed to continue until the contrary is shown. The Mann committee has proved that this condition still continues; that labor is as cheap here as it is in Canada.

Mr. President, the other remaining consideration is that of the cost of material, including machinery. It has often been stated and admitted that machinery costs about 25 per cent more in Canada than in the United States. There are several material elements entering into the production of paper apart from pulp wood, and I understand that the American mills have considerable advantage in those particulars over the Canadian mills; but, with respect to the prime raw material—pulp wood—how does the account stand?

I believe the Senator from Nebraska [Mr. Brown] said a few moments ago that the Minnesota and Ontario Paper Company had issued a prospectus, in which it represented to the public that it had contracted for half a million cords of pulp wood at a price ranging from \$3.50 to \$5 per cord. The mill of that company is situated at International Falls, Minn. I was astonished to hear the honor and integrity of that company impeached upon the floor of the Senate. It was said that we should not be governed by a prospectus, which was merely issued to deceive the investing public, to deceive and entrap the widow and the orphan, of whom we hear so much, and of whom we see so little in these speculative transactions. If companies issuing a prospectus like this will deceive the invest-

ing public, is it not possible that interested concerns, like the International Paper Company, might possibly deceive the Finance Committee? Why should we attach credence to them in the one case and disbelieve them in the other?

But, sir, the statement of this particular company in its prospectus is not such an extravagant representation after all. I hold here a volume of the hearings on wood pulp and paper, and on page 2359 it appears that during the calendar year of 1907 we imported from Canada 750,000 cords of pulp wood. They came through 17 different ports, through 17 different gateways into the United States. The average price of this vast amount of cord wood was less than \$5 per cord—to be exact, I believe it was \$4.98 per cord.

It is possible that these import figures were falsified, as false weights have sometimes been employed. But I fancy there was no such motive to misstate these figures as actuated the falsification of the sugar weights. If 750,000 cords of wood were imported into the United States at an average valuation of less than \$5, where is the justification for the claim that the wood costs \$4 more in the United States than it does in the Dominion of Canada? There is no justification.

Mr. FRYE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Maine?

Mr. GORE. Yes, sir.

Mr. FRYE. The average freight, the transportation, of that wood to our mills was \$4 a cord, which would make it \$6 for the cord and a half that it takes to make a ton of paper, making it cost us nearly \$10 when we get it at our mills.

Mr. GORE. Assuming that the Senator's guess as to the freight paid is as nearly accurate as is his guess as to the amount of cord wood used in manufacturing a ton of pulp, these results follow: In the first place, let me say that the Senator has stated before and the Senator from Rhode Island restated, that a cord and a half of wood was used in the production of a ton of paper pulp. All the authorities that I have consulted agree that 1½ cords of wood are necessary to produce a ton of pulp.

With reference to the freight rates, I suggest that many of the American mills are situated approximately as near to the forests as are certain of the Canadian mills, and in Canada some of this wood is floated 300 miles on the river, and the loss from sinkage is from 12 to 15 per cent.

I ask the Senator from Maine what is his authority for saying that the charge is \$4 a cord? On the face of it, it is unreasonable; and unless he can produce a bill of lading or some other authenticated statement, he ought not to expect the Senate to accept it with absolute confidence.

Mr. FRYE. Mr. President, the freight is by rail and not by water when we buy pulp wood in Canada.

Mr. GORE. How many mills in your country import wood by water and how many by rail?

Mr. FRYE. None of them import by water from Canada, unless it comes from Nova Scotia. From Nova Scotia we can import by water. We can not import it otherwise by water.

Mr. GORE. I wish the Senator had some authority for that statement—I mean the statement that the freight is \$4 per cord.

Mr. ALDRICH. On this side of the Chamber a statement from the Senator from Maine does not need an affidavit to corroborate it.

Mr. GALLINGER. That is right.

Mr. GORE. We on this side repose perfect faith in the Senator's character and credibility. No statement from any source designed to increase a rate of duty needs any corroboration in the mind of the chairman of the Finance Committee. I repeat, no one challenges the sincerity or veracity of the Senator from Maine.

I have heard no denial of the figures that imported pulp wood was worth less than \$5 a ton, and I have seen a statement that some Maine mills have purchased Canadian pulp wood at \$3.75 a cord.

Mr. President, the most thorough investigation which has been made upon this subject was made by the House committee, consisting of a majority of Republicans. The most thorough and searching investigation yet made with reference to any schedule or with reference to any section of the pending bill was made by that committee. We ought not to be asked to repudiate that official report, except after another investigation more thorough and after another report judicial and authoritative.

We have heard vague hints about affidavits in the possession of the Senator from Utah [Mr. Smoot]. He is prolific in affidavits. But, sir, an elaborate report by a legally constituted committee ought to have more weight in the Senate than unpublished affidavits from unknown and unnamed affiants. An ex parte committee has conducted an ex parte examination of

ex parte witnesses and judgment is returned 21,000 editors and publishers.

It has seemed to me that the pulp-wood situation has been solved by the Senator from Idaho. He suggested yesterday that they had millions of acres or millions of tons or some other millions of sage grass in the western part of this country from which paper could be manufactured. I take it, that sagebrush or sage grass is a voluntary native and indigenous growth in that section, and certainly American sage grass needs no protection against Canadian sage grass. It has occurred to me that paper manufactured from sage grass possibly accounts for the yellow journal, which has recently made its advent in the journalistic field of this country.

In the fiscal year 1907 we exported, as I remember, 121,000,000 pounds of paper of various kinds to foreign countries. We imported only 21,000,000 pounds. Our exportations were six times as large as our importations, a conclusive proof that the tariff was not necessary.

Mr. President, I observe that we shipped 48,000,000 pounds to Great Britain, 18,000,000 pounds to the Japanese Empire—let this be remembered by those who think we can not compete with the world—we exported 12,000,000 pounds to the Argentine Republic, and, sir, we exported 8,000,000 pounds to Australia, New Zealand, and Tasmania. Our mills have been selling their products in those bright, warm isles which gem the oriental seas. Our mills ship their products all over the world, and the foreigner, with his subsidized ships, with his cheaper freight rates, with his pauper labor, has not been able to undersell the American or to drive him out of the foreign market, even in the remotest regions of the earth. What higher proof could be required that the American mills do not need this protection?

I have a letter, transmitted by the American consul to the Department of State, which I shall print in the Record, showing that when prices were quoted at \$50 in New York, delivered, the American mills delivered print paper in Bristol, England, at \$43.50 per short ton, a difference of \$6.50 in favor of the foreigner and against the American consumer.

For my part, I condemn the practice. I think the American manufacturers ought to sell to their friends and fellow-citizens at home as cheap as they sell to the alien and the stranger across the deep. But that is a fundamental difference between the Democratic and the Republican party. In the Republican campaign book of 1906 they declare that if any American manufacturer had sold his products cheaper abroad than at home, it was to the glory and the honor of such manufacturer.

Mr. President, the fact that we compete in all the markets of the world, with all the countries of the world, and that we sometimes sell cheaper abroad than at home, takes away from these paper manufacturers every claim and title to this tariff protection.

The Senator from New Hampshire proved to his own satisfaction that it cost \$8.57 more to manufacture a ton of paper in the United States than it did in Canada. No other argument was necessary to convince me that the tariff ought to be removed. But this is another fundamental distinction between the two political parties of this country. I believe every man has a right to buy in the cheapest and to sell in the highest market. I believe if the American editor can buy print paper for \$8.57 less in Canada than he can buy it in the United States, he has a sacred and an indefeasible right to make the purchase there. I believe there is neither moral nor constitutional right for this Government to thrust its hand into the pockets of an American editor and take out \$8.57 in order to pension a wood pulp or paper manufacturer in the State of New Hampshire or the State of Maine.

The right to exchange property is as sacred as the right to own property. Trade is a blessing and not a curse. But I shall not urge these considerations further now, because I realize that this measure must be framed along protectionist lines, and it ought to be framed in pursuance of the Republican platform and in bona fide redemption of its pledges.

If the Senators on the other side are really solicitous to promote the prosperity of the laboring man; if they really desire to secure the greatest good to the greatest number, then this tax on pulp and paper should be removed. By the federal census of 1905 there were nearly four times as many people employed in the print shops of this country as in the pulp and paper mills. The number engaged in the various printing establishments was 251,000, and the number engaged in the pulp and paper mills was only 70,000.

Mr. President, I voted the other day to place printing presses on the free list, to reduce the duty on linotypes to 10 per cent, and for the same considerations I voted to-day to place wood pulp and print paper on the free list. I agree, however, that it

would not be amiss to insert a provision which would protect us against retaliatory legislation on the part of the Canadian government.

But, sir, let me say that Canada is the best customer of the United States. We sell her \$20 per capita. We sell Canada twice as much as she sells us, and if we insist upon excluding her finished products, can we seriously complain if she prohibits the exportation of her raw materials? The instinct of self-preservation might possibly justify such a course.

The chairman of the Finance Committee complains that Canada's proposal to prohibit the exportation of pulp wood is a return to the methods of the dark ages. I would remind the Senator that prohibitory taxes on exports and prohibitory taxes on imports are twin relics of the dark ages. We enjoyed reciprocity with Canada for ten years, and a return to that policy, in accordance with McKinley's last words, would be fruitful of infinite blessings to both countries.

I wish to say in passing that, in my judgment, every man should be allowed to buy his tools untaxed. The farmer should be allowed to buy his plow, the carpenter his plane, the miner his pick, and the manufacturer his machinery, untaxed. Let us encourage industry rather than discourage it; and if any man desires to toil, desires to add to the Nation's wealth, in God's name, let him toil untaxed.

Not only does the Government tax the press, tax the type, and tax the paper of the editor and printer, but it enters into active competition with them. The Government advertises for business, solicits business, and accepts contracts to print private cards, or, rather, to print the names of private parties upon stamped envelopes. There are many socialists in this country, and when their theories are adopted in practice, then, and not till then, should the General Government enter into competition with the private citizen for private business of this description.

A letter was read here this morning which, it seemed to me, cast an unwarranted and unprovoked reflection upon the publishers of this country. The letter charged that free paper was being urged solely "for the benefit of the opulent editors." There are, indeed, a few editors who have waxed wealthy, but there is a vast majority, approaching nigh to unanimity, who were born poor and have held their own ever since. There are many who would not have to journey to Africa in order to find the tracks of the wolf. There are many weekly editors I know who have to wrestle with the bread question like St. George of old with the dragon.

It is not within my jurisdiction to pass upon the debt owing by the Republican party to the Republican press of this country, but I may be pardoned for saying that the obligation can not be overestimated. I wish to say that the Republican party is indebted to the Republican press for its triumphs and its victories. The panic of 1907 could have been made a thousand-fold worse if the press had been disposed to aggravate its evils. It was the spirit and tone of optimism which characterized the press from day to day that averted an unspeakable calamity on that occasion. From day to day they represented the conditions as improving, that the stress and distress were passing, and by those representations, which they made perhaps with greater constancy than truth, they preserved the Republican party from shipwreck and from ruin.

Now, sir, what obligation the Republican party may owe the press for that service and that assistance it is not my part to estimate or to determine, but it does seem to me that the party is giving its press justification to exclaim, "Ingratitude, thou marble-hearted fiend!" I say this because I despise the ingrate, whether he be a Democrat or a Republican. But, sir, that is an issue to be fought out and determined between the Republican press and the Republican party. If that press is as persistent in demanding the recognition of this interest as are the manufacturers of New England, within less time than three years wood pulp and print paper will be on the free list. If the Republican press chastises those who are disloyal to its interests, as in my judgment it should, within less than three years a measure will come from a Democratic House into this Chamber placing wood pulp and print paper on the free list, and this Republican Senate, arrogant and omnipotent as it now fancies itself to be, will not refuse that demand of the American newspapers on the eve of a presidential election. If the press will but strip its enemies naked and will scourge their quivering flesh with the whip of scorpions and of fire it will triumph.

Now, that contest should not be predicated upon the demand merely for free wood pulp and print paper. That is too narrow a field upon which to wage so mighty a contest or upon which to achieve so glorious a victory. The press should demand tariff revision downward in good faith and in good earnest. They

should demand the revision of the tariff downward on the great necessities of life that enter into the daily consumption of every household in the Nation.

They should demand the reduction, not the revision of the tariff. They should demand a reduction of duties on woolen goods, on blankets, on cotton fabrics, on building materials of various kinds, and on the tools of the various trades, implements, and the machinery of various industries. Waged upon that ground, the press will triumph in the coming contest for itself and for the people.

This schedule proves to the press, as every schedule proves to the people, that it is more important that certain statesmen be placed on the retired list than that any one article should be placed on the free list. The little finger of a Senator from New Hampshire or Maine outweighs the whole loins of the 21,000 torchbearers of the United States. This should remind both the press and the people that the manufacturers stand by their interest regardless of party, and that the people and the press alike stand by their party regardless of interest.

Mr. President, I do not look upon this question as being on an absolute level with other industrial and commercial questions which have been debated and decided pending this tariff revision. I think there are other and higher considerations. I know there are those who reduce every proposition to a common denominator of dollars and cents. They have no patience with any proposal which can not be expressed with the dollar mark and a decimal. There are those who have defied the dollar and who have worshiped gold as their god. I know that considerations of humanity, of progress, and enlightenment do not appeal to those idolaters. But it seems to me that this proposition to reduce the tariff on print paper rests upon the very highest considerations of patriotism and of public policy.

Mr. President, we expend \$343,000,000 every year in the common schools of the country for the education of the youths of the land, a larger sum, as I remember, than was ever raised in a single year by any tariff law ever enacted during the history of this country. We have 17,000,000 children enrolled and nearly half a million good men and women consecrated to the education of our children. Yet we impose a tax of from ten to twelve dollars a ton on the paper that is used in the manufacture of schoolbooks for our children. We largely neutralize the benefits and blessings of this taxation dedicated as a sacred fund to the education of the coming men and the coming women of America, the men who must fight our battles in the future and the women who must mother the generations of unborn Americans.

In my judgment a tax on print paper is a tax on intelligence. It is a fine on knowledge. It sets a premium upon ignorance and a penalty upon learning. A tax on print paper is a shade on the lamp of enlightenment and a cloud over the sun of civilization.

It is as true as it is ancient that a free press is the palladium of liberty. Tyrants, sir, have never been able to thrive in that white light which a free press sheds upon the throne. It is the sacred duty of the press to speak truth to the king in the hearing of the people and to the people in the hearing of the king.

Mr. President, the first recorded utterance of the most high God was "Let there be light." This has ever been the battle hymn of human progress. This has ever been and must ever be the watchword of advancing civilization. The nation that forgets this mandate must relapse into social chaos and intellectual night. There are kindreds among the sons of men who are still thrall to the power of darkness. There are Senators who seem to prefer darkness rather than light.

Notwithstanding the first fiat of Omnipotence was, "Let there be light," yet this Senate, in defiance of the decree, sets up its puny enactment, "Let there be night."

Mr. President, whether physical, intellectual, or moral, light is a blessing to be sought and not an evil to be shunned. I would not place a meter upon the eyelids of the people and charge them for the joyous sunbeams. I would not annul or defy the ordinance of the Almighty. I would say now and forever, "Let there be light."

The first word of the Deity should be the first and last word of humanity. The first luminous edict of man's Divine Maker should be the first and last precept of those who were made in the divine image.

Mr. GORE subsequently said: I ask that certain documents may be printed in the RECORD in connection with my remarks.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Oklahoma to print certain statements in connection with his speech?

Mr. ALDRICH. None whatever.

The VICE-PRESIDENT. The Chair hears no objection.

The matter referred to is as follows:

DIXON LETTER.

[From p. 2020 of Pulp and Paper Investigation.]

The correspondence from the American consul relating to the sale of American paper at Sheffield, England, is as follows:

AMERICAN CONSULATE,
Sheffield, England, May 26, 1908.

The ASSISTANT SECRETARY OF STATE,
Washington, D. C.

SIR: I have the honor to transmit herewith copy of a letter I recently received, which speaks for itself.

The writer of this letter, Mr. Joseph Dixon, is the proprietor of large paper mills at Oughtibridge, near this city, and at Grimsby; he is known to me personally as a thoroughly reliable man, and upon receipt of the letter I had an interview with the writer, and pointed out that I could not use the letter as he suggested unless the ban of privacy was removed, and asked him if he was willing to be quoted in the matter. I then asked if the statements made by him were susceptible of proof; he said the yearly quantity stated was based upon his knowledge of the requirements of the purchasers here; the rail and ocean freights can be readily verified. The price per pound, Mr. Dixon says, was furnished him by the proprietors of two newspapers here, who are customers of his for a part of their paper supply at a somewhat higher price than they are paying the American paper makers; but whether they would, if called upon, produce bills to prove his statement, he was not prepared to say.

In view of the conflicting interests involved, I forward the letter for such action as the circumstances may seem to warrant.

I have the honor to be, sir,

Your obedient servant,

CHARLES N. DANIELS, Consul.

(Peter Dixon & Son, paper makers, West March Paper Works, Grimsby, Head Office, Spring Grove Mills.)

OUGHTIBRIDGE, NEAR SHEFFIELD,
May 19, 1908.

DEAR MR. DANIELS: An inquiry is now being held in Washington on paper. The Government there is trying to find out if the American paper makers are selling cheaper to foreigners than to United States publishers. It might be useful to know if you were to tell your Government that 3,000 tons or more United States newspaper has come into Sheffield yearly for two or three years at 1 1/2d. (2 1/2 cents) per pound, less 14 per cent, equal to £10 (\$48.67) per ton (2,240 pounds) net in Sheffield. The carriage from Hull is 10s. 10d. (\$2.63) per ton, and must be 15s. (\$3.65) sea freight, or, say, £8 14s. 2d. (\$42.38) f. o. b., and the price in New York is £10 5s. 6d. (\$50) or more.

Yours, very truly,

JOS. DIXON.

NOTE.—The conversions into United States currency, in parentheses, have been added by me.

CHARLES N. DANIELS, Consul.

Reducing the price to short tons, the figures \$42.38 for a long ton become \$37.84 for a short ton f. o. b. New York, or \$12.69 less than the price to American consumers.

At a meeting of British paper makers held in London in October, 1903, J. Dixon, of Peter Dixon & Sons, used the following language:

"The International Paper Company and other trusts told me it paid them exceedingly well when they could only dispose of 90 per cent of their paper in their own country and sent the other 10 per cent over here (Great Britain) for what they could get for it."

The English publication known as the "Paper Maker and Paper Trade Journal" gave the details of the American made news in London at 1 1/2d., less 15 per cent, or £9 18s. 4d. for a ton of 2,240 pounds, equal to \$42.45 per ton of 2,000 pounds, or \$21.21 per 100 pounds. At that time the International Paper Company was asking \$2.35 for paper in New York City. The charges for freight to London would be 16s.; London clause, 1s. 9d.; sorting, 2s. per ton; damage and deterioration, 2s.; or a total of £1 8s. 6d.; so that the price on that basis would net the maker f. o. b. New York, £8 9s. 10d., or \$1.80 per 100 pounds, a difference of 55 cents per 100 pounds, or \$11 per ton, between paper sold in New York for domestic consumption and paper sold in New York for export.

At the annual meeting of the American Newspaper Publishers Association, held in New York, April 22, 1909, the following was adopted:

Resolved, That the American Newspaper Publishers Association approves the acts and methods of the chairman of the committee on paper. It congratulates him upon the progress thus far made in the work assigned to him and bids him continue upon the same lines.

Paper and wood pulp.

[Census of 1905.]

Number of establishments.....	761
Capital.....	\$277, 444, 471
Salaried officials, clerks, etc.....	5, 778
Salaries.....	\$6, 007, 032
Wage-earners, average number.....	65, 964
Total wages.....	\$32, 019, 212
Miscellaneous expenses.....	\$18, 440, 041
Cost materials used.....	\$111, 251, 478
Total value of products.....	\$188, 715, 189

Printing and publishing.

Number of establishments.....	26, 422
Capital.....	\$385, 008, 604
Salaried officials, clerks, etc.....	64, 969
Salaries.....	\$63, 036, 582
Wage-earners, average number.....	185, 180
Total wages.....	\$108, 882, 518
Miscellaneous expenses.....	\$102, 466, 410
Cost of materials used.....	\$123, 470, 804
Value of products.....	\$496, 061, 357

Newspapers and periodicals.

Number of establishments.....	18, 033
Number of publications reporting.....	21, 494
Capital.....	\$239, 505, 949
Salaried officials, clerks, etc.....	48, 761

Salaries	\$47, 127, 711
Wage-earners, average number	96, 857
Total wages	\$59, 821, 488
Miscellaneous expenses	\$67, 635, 238
Cost of materials used	\$70, 354, 474
Pounds of paper used for newspapers and periodicals	1, 821, 629, 830
Total value of products	\$309, 301, 854
<i>Book and job printing.</i>	
Number of establishments	8, 389
Capital	\$145, 502, 655
Salaried officials, clerks, etc.	16, 188
Salaries	\$15, 908, 871
Wage-earners, average number	88, 323
Total wages	\$49, 061, 030
Miscellaneous expenses	\$34, 831, 172
Cost of materials used	\$53, 116, 330
Total value of products	\$186, 759, 503

Minutes of the United States circuit court, showing pleas of guilty June 22, 1908, by the members of the fiber and manila pool.

The passing of judgment and the sentence of the court upon Allen Brothers Company, Analomink Paper Company, Bayless Pulp and Paper Company, Bedford Pulp and Paper Company, Brownville Paper Company, Champion Paper Company, Central Paper Company, Continental Paper Bag Company, De Grasse Paper Company, The Dexter Sulphite Pulp and Paper Company, Detroit Sulphite Pulp and Paper Company, Fletcher Paper Company, Gould Paper Company, Hartje Paper Manufacturing Company, The Island Paper Company, Island Paper Company, The Jefferson Paper Company, Newton Falls Paper Company, Orono Pulp and Paper Company, Parsons Pulp and Paper Company, The Racquette River Paper Company, York Haven Paper Company, Munising Paper Company (Limited); Charles W. Pratt and John W. Moyer impleaded.

MINUTES.

FRIDAY, June 19, 1908.

The court meets and is opened by proclamation.

Present: Hon. Charles M. Hough, judge.

United States v. Allen Brothers Company, Analomink Paper Company, Bayless Pulp and Paper Company, Bedford Pulp and Paper Company, Brownville Paper Company, Champion Paper Company, Central Paper Company, Continental Paper Bag Company, De Grasse Paper Company, The Dexter Sulphite Pulp and Paper Company, Detroit Sulphite Pulp and Paper Company, Fletcher Paper Company, Gould Paper Company, Hartje Paper Manufacturing Company, The Island Paper Company, Island Paper Company, The Jefferson Paper Company, Newton Falls Paper Company, Orono Pulp and Paper Company, Parsons Pulp and Paper Company, The Racquette River Paper Company, York Haven Paper Company, Munising Paper Company (Limited); Charles W. Pratt and John W. Moyer impleaded.

On motion of United States attorney, ordered, arraignment.

Messrs. Stroock & Stroock, appearing on behalf of the above-named defendants, entered a plea of guilty.

Adjourned to June 22 for sentence.

(An extract from the minutes.)

JOHN A. SHIELDS, Clerk.

MONDAY, June 22, 1908.

The court meets and is opened by proclamation.

Present: Hon. Charles M. Hough, judge.

United States v. Allen Brothers Company, Analomink Paper Company, Bayless Pulp and Paper Company, Bedford Pulp and Paper Company, Brownville Paper Company, Champion Paper Company, Central Paper Company, Continental Paper Bag Company, De Grasse Paper Company, The Dexter Sulphite Pulp and Paper Company, Detroit Sulphite Pulp and Paper Company, Fletcher Paper Company, Gould Paper Company, Hartje Paper Manufacturing Company, the Island Paper Company, Island Paper Company, the Jefferson Paper Company, Newton Falls Paper Company, Orono Pulp and Paper Company, Parsons Pulp and Paper Company, the Racquette River Paper Company, the York Haven Paper Company, Munising Paper Company (Limited), Charles W. Pratt, and John W. Moyer, impleaded.

On motion of United States attorney, ordered, sentence.

The court thereupon proceeds to pass judgment and sentence: Allen Brothers Company, to pay a fine of \$2,000; Analomink Paper Company, to pay a fine of \$2,000; Bayless Pulp and Paper Company, to pay a fine of \$2,000; Bedford Pulp and Paper Company, to pay a fine of \$2,000; Brownville Paper Company, to pay a fine of \$2,000; Champion Paper Company, to pay a fine of \$2,000; Central Paper Company, to pay a fine of \$2,000; Continental Paper Bag Company, to pay a fine of \$2,000; De Grasse Paper Company, to pay a fine of \$2,000; the Dexter Sulphite Pulp and Paper Company, to pay a fine of \$2,000; Detroit Sulphite Pulp and Paper Company, to pay a fine of \$2,000; Fletcher Paper Company, to pay a fine of \$2,000; Gould Paper Company, to pay a fine of \$2,000; Hartje Paper Manufacturing Company, to pay a fine of \$2,000; the Island Paper Company, to pay a fine of \$2,000; Island Paper Company, to pay a fine of \$2,000; the Jefferson Paper Company, to pay a fine of \$2,000; Newton Falls Paper Company, to pay a fine of \$2,000; Orono Pulp and Paper Company, to pay a fine of \$2,000; Parsons Pulp and Paper Company, to pay a fine of \$2,000; the Racquette River Paper Company, to pay a fine of \$2,000; the York Haven Paper Company, to pay a fine of \$2,000; Munising Paper Company (Limited), to pay a fine of \$2,000; Charles W. Pratt, to pay a fine of \$1,000; and John W. Moyer, to pay a fine of \$1,000.

(An extract from the minutes.)

JOHN A. SHIELDS, Clerk.

FRIDAY, July 10, 1908.

Before Hon. Charles M. Hough, judge.

The United States v. Petoskey Fiber Company, impleaded.

On motion of United States attorney, ordered, arraignment.

Messrs. Stroock & Stroock, appearing on behalf of the above-named defendant, pleads guilty.

On motion of United States attorney, ordered, sentence.

The court thereupon proceeds to pass judgment and sentence the defendant to pay a fine of \$2,000.

(An extract from the minutes.)

JOHN A. SHIELDS, Clerk.

Text of the decree of the United States Circuit Court against The General Paper Company et al., defendants.

IN THE CIRCUIT COURT OF THE UNITED STATES FOR THE DISTRICT OF MINNESOTA, THIRD DIVISION.

United States of America, complainant, v. General Paper Company, The Itasca Paper Company, Hennepin Paper Company, Wolf River Paper and Fiber Company, Atlas Paper Company, Kimberly & Clark Company, Riverside Fiber and Paper Company, Wausau Paper Mills Company, Centralia Pulp and Water Power Company, Combined Locks Paper Company, Dells Paper and Pulp Company, Grand Rapids Pulp and Paper Company, Menasha Paper Company, The C. W. Howard Company, The Nekoosa Paper Company, The Falls Manufacturing Company, Flambeau Paper Company, The John Edwards Manufacturing Company, The Wisconsin River Paper and Pulp Company, Tomahawk Pulp and Paper Company, Northwest Paper Company, Consolidated Water Power and Paper Company, The Petoskey Fiber Paper Company, Rhinelander Paper Company, defendants.

The President of the United States of America to General Paper Company, The Itasca Paper Company, Hennepin Paper Company, Wolf River Paper and Fiber Company, Atlas Paper Company, Kimberly & Clark Company, Riverside Fiber and Paper Company, Wausau Paper Mills Company, Centralia Pulp and Water Power Company, Combined Locks Paper Company, Dells Paper and Pulp Company, Grand Rapids Pulp and Paper Company, Menasha Paper Company, the C. W. Howard Company, The Nekoosa Paper Company, The Falls Manufacturing Company, Flambeau Paper Company, the John Edwards Manufacturing Company, the Wisconsin River Paper and Pulp Company, Tomahawk Pulp and Paper Company, Northwest Paper Company, Consolidated Water Power and Paper Company, the Petoskey Fiber Paper Company, and Rhinelander Paper Company, and to your counselors, attorneys, solicitors, trustees, agents, clerks, employees, servants, and workmen, and to each and every of you—

GREETING:

Whereas it hath been represented to the judges of our circuit court of the United States for the third division of the district of Minnesota in chancery sitting, on the part of the United States of America, complainant, in its certain bill of complaint, exhibited in our said circuit court on the chancery side thereof, before the judges of said court, against you, the said General Paper Company, the Itasca Paper Company, Hennepin Paper Company, Wolf River Paper and Fiber Company, Atlas Paper Company, Kimberly & Clark Company, Riverside Fiber and Paper Company, Wausau Paper Mills Company, Centralia Pulp and Water Power Company, Combined Locks Paper Company, Dells Paper and Pulp Company, Grand Rapids Pulp and Paper Company, Menasha Paper Company, the C. W. Howard Company, The Nekoosa Paper Company, The Falls Manufacturing Company, Flambeau Paper Company, the John Edwards Manufacturing Company, the Wisconsin River Paper and Pulp Company, Tomahawk Pulp and Paper Company, Northwest Paper Company, Consolidated Water Power and Paper Company, the Petoskey Fiber Paper Company, and Rhinelander Paper Company, defendants.

That the defendants and each of them, in violation of the provisions of sections 1 and 2, respectively, of the act of Congress approved July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies," did enter into an agreement, combination, and conspiracy with one another to restrain the trade and commerce among the several States, and to control, regulate, and monopolize said trade and commerce in the manufacture of news print, manila, fiber, and other papers, and in the distribution, sale, and shipment thereof among the several States, as is more particularly alleged in the bill of complaint, and that in pursuance of said combination and conspiracy in restraint of trade and to monopolize said trade and commerce as aforesaid, the said defendants did cause to be organized under the laws of the State of Wisconsin a corporation, to wit: The General Paper Company, defendant, with a capital stock of \$100,000, divided into 1,000 shares of \$100 each, which were pursuant to said common understanding, distributed among the defendants upon the basis of the estimated relative productions of such kinds and grades of paper made by the respective defendants, and that the said stock was owned by said defendants, respectively, and that each of said defendants by a contract created the General Paper Company its exclusive selling agent for any and all box, lining, hanging, novel, print, and manila paper manufactured by each of said defendants, respectively, and conferred upon the said General Paper Company absolute power to control and restrict the output of each of them, and to fix the price at which all paper manufactured by the said defendants should be sold throughout the States of Illinois, Wisconsin, Minnesota, Iowa, North Dakota, South Dakota, Montana, Utah, Colorado, Kansas, Nebraska, and other States, and to determine to whom and the terms and conditions upon which said paper should be sold, into what States and places it should be shipped, and what publishers and other customers the mill of each of the said defendants should supply.

That the said General Paper Company was and is controlled and governed by a board of directors, upon which board each of the defendants other than the General Paper Company was and is represented by one of its principal officers, and that the number of said board has been from time to time increased, as new manufacturing corporations have entered into contracts with the said General Paper Company making it their exclusive selling agent, as aforesaid, so as to permit representation thereon by said new corporations.

And that your actings and doings in the premises are contrary to equity and good conscience, and that said combination is unlawful and in derogation of the common rights of the people of the United States, and in violation of the acts of Congress of July 2, 1890, as aforesaid, and it being ordered that a writ of permanent injunction issue out of said court upon said bill restraining you and each of you, as prayed for in said bill.

We therefore, in consideration thereof and of the particular matters in said bill set forth, do strictly command you, the said General Paper Company, The Itasca Paper Company, Hennepin Paper Company, Wolf River Paper and Fiber Company, Atlas Paper Company, Kimberly & Clark Company, Riverside Fiber and Paper Company, Wausau Paper Mills Company, Centralia Pulp and Water-Power Company, Combined Locks Paper Company, Dells Paper and Pulp Company, Grand Rapids Pulp and Paper Company, Menasha Paper Company, The C. W. Howard Company, The Nekoosa Paper Company, The Falls Manufacturing Company, Flambeau Paper Company, the John Edwards Manufacturing Company, the Wisconsin River Paper and Pulp Company, Tomahawk Pulp and Paper Company, Northwest Paper Company, Consolidated Water Power and Paper Company, the Petoskey Fiber Paper Company, and Rhinelander Paper Company, that you and each of you, and all and each

and every of your respective directors, officers, agents, servants, and employees, and all persons acting under or through you or in your behalf, or claiming so to act, be, and you and they and each of you and them are hereby, perpetually enjoined, restrained, and prohibited from doing any act in pursuance of or for the purpose of carrying out the said combination, conspiracy, and agreement in restraint of trade and commerce, as aforesaid, and from monopolizing said trade and commerce as aforesaid.

That you, the said General Paper Company, your officers, agents, servants, and employees, be, and hereby are, enjoined from acting as the sales agent of said defendants, or any of them, and from selling or fixing the price at which news print, manila, fiber, and other papers of the various defendant corporations shall be sold and into what States it shall be shipped and sold, and all contracts, agreements, and understandings by which you, the said General Paper Company, were and are acting as the general sales agent of the defendants and each and every of them be, and hereby are, declared unlawful and canceled, annulled, and set aside, and you and each of you are hereby enjoined and restrained from making, executing, or carrying out any such contract, agreement, or understanding in the future.

That you, the said Itaska Paper Company, Hennepin Paper Company, Wolf River Paper and Fiber Company, Atlas Paper Company, Kimberly and Clark Company, Riverside Fiber and Paper Company, Wausau Paper Mills Company, Centralia Pulp and Water-Power Company, Combined Locks Paper Company, Dells Paper and Pulp Company, Grand Rapids Pulp and Paper Company, Menasha Paper Company, the C. W. Howard Company, the Nekoosa Paper Company, the Falls Manufacturing Company, Flambeau Paper Company, the John Edwards Manufacturing Company, the Wisconsin River Paper and Pulp Company, Tomahawk Pulp and Paper Company, Northwest Paper Company, Consolidated Water Power and Paper Company, the Petoskey Fiber Paper Company, and Rhinelander Paper Company, and each of you, your officers, agents, servants, and employees, are hereby jointly and severally restrained and enjoined from continuing the agreements made between each of you and the said General Paper Company, and all agreements heretofore made whereby the said General Paper Company was and is constituted the sales agent of any and all news print, manila, fiber, and other papers, and all contracts and agreements and understandings by which the said General Paper Company was and is so constituted the selling agent of you and each of you, are declared to be unlawful and are hereby canceled and annulled, and you and each of you are hereby restrained and enjoined from making, executing, or carrying out any such contract, agreement, or understanding in the future, and from authorizing the said General Paper Company to sell, fix the price of and terms of sale of the products of, or to control or regulate the output of each of your mills and manufactories, or to dictate and determine the persons, corporations, or newspapers to which it shall be sold, or the States into which the same shall be shipped and sold.

That you and each of you, and all and each and every of your respective directors, officers, agents, servants, and employees, and all persons acting under or through you or any of you, or in your behalf, or claiming so to act, be, and you and they and each of you, and them, are hereby, enjoined, restrained, and prohibited from entering into, taking part in, or performing any contract, combination, or conspiracy, the purpose or effect of which will be, as to trade and commerce in news print, manila, fiber, and other papers manufactured by you, between and among the several States and Territories and the District of Columbia, a restraint of trade, or a monopolization of, or an attempt to monopolize trade, in violation of the provisions of the act of Congress approved July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraint and monopolies," and the acts amendatory thereof, either by agreeing or contracting together or with one another, expressly or impliedly, directly or indirectly, with respect to the manufacture, price, sale, shipments, and disposition of news print, manila, fiber, and other papers manufactured, sold, and distributed by you or any of you, or by contracting and agreeing together or with one another expressly or impliedly, directly or indirectly, as to the prices at which the said paper or any part or grade thereof shall be sold, as to the persons or corporations to whom it shall be sold, as to the territory in which any of such paper shall be shipped, sold, or otherwise disposed of, or as to the amount or quantity of such paper, or any grade thereof, which shall be manufactured, sold, or distributed by you or by any of you, or by agreeing or contracting together or with one another with a view to the imposition of any burden or condition upon the manufacture, sale, or disposition of such paper manufactured by you or any of you. Hereof fail not, under the penalty of what the law directs.

Witness, the Hon. Melville W. Fuller, Chief Justice of the Supreme Court of the United States of America, this 18th day of June, 1906.

Issued at my office in the city of St. Paul, under the seal of said circuit court, the day and year last aforesaid.

[SEAL.]

HENRY D. LANG, Clerk.

UNITED STATES OF AMERICA,

District of Minnesota, Third Division, Sct.:

I, Henry D. Lang, clerk of the circuit court of the United States for the district of Minnesota, do hereby certify that I have carefully compared the foregoing paper writing with the original thereof, which is in my custody as such clerk, and that the said paper writing is a correct copy of such original and of the whole thereof, in the cause therein named.

Witness my hand as clerk, and the seal of said court. Done at my office in St. Paul, Minn., this 18th day of June, A. D. 1906.

HENRY D. LANG, Clerk.

Text of indictment of the fiber and manila pool.

Comprising Allen Brothers Company, Analomink Paper Company, Bayless Pulp and Paper Company, Bedford Pulp and Paper Company, Brownville Paper Company, Champion Paper Company, Central Paper Company, Continental Paper Company, De Grasse Paper Company, The Dexter Sulphite Pulp and Paper Company, Detroit Sulphite Pulp and Paper Company, Fletcher Paper Company, Gould Paper Company, Hartje Paper Manufacturing Company, The Island Paper Company, Island Paper Company, The Jefferson Paper Company, Newton Falls Paper Company, Orono Pulp and Paper Company, Parsons Pulp and Paper Company, The Racquette River Paper Company, York Haven Paper Company, Munising Paper Company (Limited), Charles W. Pratt, and John W. Moyer, impleaded.

In the circuit court of the United States of America for the southern district of New York of the May term, in the year 1908.

FIRST COUNT.

Southern district of New York, ss: The grand jurors for the United States of America, empaneled and sworn in the circuit court of the United States for the southern district of New York, and inquiring for that district, upon their oath present, that for two years and upward prior to the day of the finding and presentation of this indictment, the following-named corporations, respectively organized and existing under and authorized by the laws of the several States herein named in connection with them, respectively, and hereafter in this indictment called "defendants" and "corporation defendants," to wit:

Allen Brothers Company, a corporation of New York; Analomink Paper Company, a corporation of Pennsylvania; Bayless Pulp and Paper Company, a corporation of Pennsylvania; Bedford Pulp and Paper Company, a corporation of Virginia; Brownville Paper Company, a corporation of New York; Champion Paper Company, a corporation of New York; Central Paper Company, a corporation of Michigan; Continental Paper Bag Company, a corporation of Maine; De Grasse Paper Company, a corporation of New York; The Dexter Sulphite Pulp and Paper Company, a corporation of New York; Detroit Sulphite Pulp and Paper Company, a corporation of Michigan; Fletcher Paper Company, a corporation of Michigan; Gould Paper Company, a corporation of New York; Hartje Paper Manufacturing Company, a corporation of West Virginia; The Island Paper Company, a corporation of New York; Island Paper Company, a corporation of Wisconsin; The Jefferson Paper Company, a corporation of New York; Newton Falls Paper Company, a corporation of New York; Orono Pulp and Paper Company, a corporation of Maine; Parsons Pulp and Paper Company, a corporation of West Virginia; Petoskey Fiber Paper Company, a corporation of West Virginia; The Racquette River Paper Company, a corporation of New York; and The York Haven Paper Company, a corporation of Pennsylvania have carried on business as manufacturers of and dealers in, among other things, fiber and manila papers, which have been and are useful and valuable articles of merchandise; that the following-named persons, hereafter in this indictment called "defendants" and "individual defendants," to wit, John W. Moyer and Charles W. Pratt, partners under the firm name of Moyer & Pratt, in their several capacities as partners in, and in behalf of those firms, respectively, and in the names of the said firms, have carried on the business aforesaid; that the following-named partnership duly organized and existing under and by virtue of the laws of the State of Michigan, hereinafter in this indictment called "defendants" and "corporation defendants," to wit, Munising Paper Company (Limited), has carried on the business aforesaid; that in so carrying on the said business the said defendants have manufactured large quantities of the said merchandise at the mills operated by them in the several States at the several points named in the following list, to wit:

Allen Brothers Company, at Sandy Hill, N. Y.
Analomink Paper Company, at North Water Gap, Pa.
Bayless Pulp and Paper Company, at Austin, Pa.
Bedford Pulp and Paper Company, at Big Island, Va.
Brownville Paper Company, at Brownville, N. Y.
Champion Paper Company, at Carthage, N. Y.
Central Paper Company, at Muskegon, Mich.
Continental Paper Bag Company, at Watertown, N. Y.
De Grasse Paper Company, at Pyles, N. Y.
The Dexter Sulphite Pulp and Paper Company, at Dexter, N. Y.
Detroit Sulphite Pulp and Paper Company, at Detroit, Mich.
Fletcher Paper Company, at Alpena, Mich.
Gould Paper Company, at Lyons Falls, N. Y.
Hartje Paper Manufacturing Company, at Steubenville, Ohio.
The Island Paper Company, at Carthage, N. Y.
Island Paper Company, at Menasha, Wis.
The Jefferson Paper Company, at Black River, N. Y.
Newton Falls Paper Company, at Newton Falls, N. Y.
Orono Pulp and Paper Company, at Orono, Me.
Parsons Pulp and Paper Company, at Parsons, W. Va.
Petoskey Fiber Paper Company, at Petoskey, Mich.
The Racquette River Paper Company, at Potsdam, N. Y.
The York Haven Paper Company, at York Haven, Pa.
Moyer & Pratt, at Lyons Falls, N. Y.
Munising Paper Company (Limited), at Munising, Mich.

And have sold such merchandise to retail dealers in and consumers of the same located in the said States where the said mills were situated and also in the other States of the United States, and particularly in the said southern district of New York, and preliminary to and in pursuance of such sales of such merchandise have shipped large quantities thereof from their said mills to their agents and to such retail dealers in and consumers of the said merchandise; that in shipping the said merchandise from the said States above named into and through other States under the circumstances aforesaid, that being the major portion of their said business, the said defendants have been engaged in trade and commerce among the several States of the United States of America within the meaning of the act of Congress approved July 2, 1890, and entitled "An act to protect trade and commerce against unlawful restraints and monopolies;" and that John H. Parks, late of the city of New York, in the said southern district of New York, also herein called "defendant" and "individual defendant," at the time and place hereinafter mentioned, formulated the plan and solicited and induced the making by the several members of the association hereinafter mentioned of the contract hereinafter described, and since then has continuously performed the duties of and acted as secretary and treasurer of said association.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that because the said corporation defendants and the said firm before and during the two years last past, have been in fact separate and distinct from each other, their said interstate business, trade, and commerce should have been conducted strictly on a competitive basis, and would have been so conducted but for the unlawful contract in restraint of the said business, trade, and commerce in this count of this indictment next mentioned.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that the said defendants, on the 13th day of September, in the year 1906, at and within the said city of New York, in the said southern district of New York, unlawfully and knowingly, through the organization and by the means of the association hereinafter described, did make a certain contract in restraint of the said interstate business, trade, and commerce so then and since then carried on by them as aforesaid; that on the day and year last aforesaid a certain association was organized by the said corporation and individual defendants by them called the "F. & M. Association," which said association adopted and maintained a constitution and by-laws in writing,

In terms unknown to the said grand jurors, and which, therefore, can not be here set forth in full, but which provided among other things that the said corporation defendants and the said firms should severally be admitted to membership in such association, and have proportionate interests in the same, in accordance with a rating ascertained by determining the ratio of the output of such merchandise by each member to the total output of all the members during its best six of the twelve months just previous to the formation of the said association; that the said association should have a president, a vice-president, and a secretary and treasurer; that the headquarters and offices of the said association should be located in the said city of New York; that the members of the said association were to make to the secretary and treasurer thereof true daily reports received for and of all shipments made by them, respectively, of such merchandise; that the secretary and treasurer of the said association should keep all the reports, records, books, and papers pertaining to the business thereof, and should have power to visit and inspect the mills and examine the books and business of the several members; that meetings of representatives of the members of the said association should be held in the said city of New York every quarter, at which meetings the prices at which the said merchandise was to be sold by the several members of the said association during the coming quarter were to be agreed upon and fixed by such representatives, which prices were not to be changed or departed from during the quarter otherwise than by the unanimous consent of the members of the association; that at each such quarterly meeting the aggregate output of the members of the said association and the share thereof allotted to each member was to be prescribed for the ensuing quarter, it being provided that any member might exceed its allotment in case it purchased the right so to do from some other member falling short of its allotment; that the said association should have a contingent fund, made up in part of contributions by the several members in the nature of admission fees in proportion to their said ratings, and in other part by the monthly additions hereinafter mentioned; that the said several members were to contribute monthly \$5 for each ton of merchandise shipped by them, respectively, during the month to a general fund, from which fund the expenses of the said association were to be paid, and 25 cents for each ton of said merchandise so shipped was to be transferred from the said general fund and added to the said contingent fund, the balance being distributed monthly among the said members in accordance with their said ratings; and that the interest of any member in the said contingent fund should be forfeited upon such member withdrawing from the said association.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that since the day in this count aforesaid, under the terms and operation of the said contract, competition as to the prices at which the said merchandise has been sold and delivered by the said corporation defendants and the said firms in the said business, trade, and commerce, and which before then had existed between them as aforesaid, has been in fact prevented, eliminated, and destroyed by the fixing of arbitrary, uniform, and noncompetitive prices for the said merchandise so sold and delivered, and by the selling and delivering of such merchandise in the said business, trade, and commerce at the prices so fixed, the same being prices greatly in excess of the prices which but for the said unlawful contract would have prevailed for the said merchandise in the said business, trade, and commerce since the making of the said contract, and being prices through and by which an unlawful tax has been levied upon the people of the United States amounting to a large sum of money, to wit, \$1,000,000 annually.

And so the grand jurors aforesaid, upon their oath aforesaid, do say that the said Allen Brothers Company, Analomink Paper Company, Bayless Pulp and Paper Company, Bedford Pulp and Paper Company, Brownville Paper Company, Champion Paper Company, Central Paper Company, Continental Paper Bag Company, De Grasse Paper Company, the Dexter Sulphite Pulp and Paper Company, Detroit Sulphite Pulp and Paper Company, Fletcher Paper Company, Gould Paper Company, Hartje Paper Manufacturing Company, the Island Paper Company, Island Paper Company, the Jefferson Paper Company, Newton Falls Paper Company, Orono Pulp and Paper Company, Parsons Pulp and Paper Company, Petoskey Fibre Paper Company, the Racquette River Paper Company, the York Haven Paper Company, Munising Paper Company (Limited), Charles W. Pratt, John W. Moyer, and John H. Parks, on the said 13th day of September, in the year 1906, at the said city of New York, in the said southern district of New York, in manner and form in this count of this indictment aforesaid, unlawfully did make a contract in restraint of trade and commerce among the several States, against the peace and dignity of the said United States, and contrary to the form of the statute of the same in such case made and provided.

SECOND COUNT.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that the said corporation and individual defendants named in the first count of this indictment, under the circumstances and conditions in that count particularly set forth, in and by carrying on the business, trade, and commerce in the same count described under and according to the terms of the contract in the said first count mentioned, during the period of time from the said 13th day of September, in the year 1906, to the day of the finding and presentation of this indictment, at and within the said city and southern district of New York, and in and by committing the overt acts in this count hereafter set forth, unlawfully and knowingly have engaged in a combination and conspiracy in restraint of the said business, trade, and commerce among the several States, against the peace and dignity of the said United States, and contrary to the form of the statute of the same in such case made and provided.

OVERT ACTS.

1. And the grand jurors aforesaid, upon their oath aforesaid, do further present that in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same and as an act on his part of engaging in the same, the said John H. Parks, on the 17th day of September, in the year 1906, at and within the said city of New York, in the said southern district of New York, unlawfully did prepare and mail to each and all of said defendants a certain writing of the tenor following, that is to say:

Minutes of meeting of the F. & M. manufacturers, held at room 903, Century Building, 1 West Thirty-fourth street, New York City, September 13, 14, and 15, 1906.

Met at 11 a. m. Thursday, September 13, 1906.
Acting President H. H. Everard in the chair.

Present:

1. Analomink Paper Company.
2. Bedford Pulp and Paper Company.
3. Bayless Pulp and Paper Company.
4. Champion Paper Company.
5. De Grasse Paper Company.
6. Dexter Sulphite Pulp and Paper Company.
7. Detroit Sulphite Pulp and Paper Company.
8. Fletcher Paper Company.
9. Island Paper Company, of Carthage, N. Y.
10. Moyer & Pratt.
11. Munising Paper Company.
12. Petoskey Fibre Company.
13. York Haven Paper Company.
14. Allen Brothers Company.

Mr. J. H. Parks stated that in view of the conditions of the letter of escrow having been fulfilled, he had felt himself justified in declaring the deal operative, in pursuance of which he had, on Monday, telegraphed each signer of the L/E accordingly. The present meeting is for the purpose of adopting prices, formulating a constitution and by-laws, and to get the association fully "launched;" in other words, to complete the organization.

Referring to the Hartje Paper Manufacturing Company, the committee appointed originally to secure the cooperation of said company reported that it had agreed with the company that it might sell its product at \$3 per ton less than the fixed association selling prices, if it desired to, but was to pay the same pool tax on its shipments as all other members.

Voted, that we proceed to read, discuss, and adopt a constitution and by-laws for this association, substantially in accordance with the plan submitted by Mr. J. H. Parks.

The secretary accordingly read the constitution and by-laws, section by section; and same were adopted, with such amendments as seemed advisable.

Adjourned until 2 p. m. to-day, Thursday, September 13, 1906.

Met at 2.30 p. m. Thursday, September 13, 1906.

Acting President H. H. Everard in the chair.

Same manufacturers present as at this morning's session, with the addition of Central Paper Company and Newton Falls Paper Company.

The reading of the constitution and by-laws was continued, the same being acted upon, section by section.

At this point Mr. Cheeseman begged to be excused.

Voted, that consideration of paragraph No. 27 of the constitution be laid on the table for future action.

Voted, that a committee of three be appointed by the chair, to prepare a resolution to be presented to our meeting to-morrow morning, covering the matter of pool contributions on shipments of old and new orders.

The president appointed Messrs. Bayless, Allen, and Fletcher as this committee.

Adjourned until 8 p. m. to-day, Thursday, September 13, 1906.

Met at 8 p. m. Thursday, September 13, 1906.

Acting President H. H. Everard in the chair.

Same members present as at afternoon session, except Analomink Paper Company, Champion Paper Company, and De Grasse Paper Company.

DISCUSSION.

THEME—SELLING PRICES.

Adjourned, to meet at 10.30 a. m. to-morrow, Friday, September 14, 1906.

Met at 10.30 a. m. Friday, September 14, 1906.

President H. H. Everard in the chair.

Same members present as at yesterday afternoon's session, except Petoskey Fibre Company and Central Paper Company.

A telegram was received from Mr. W. P. Herring, of the Jefferson Paper Company, that he would be in New York this evening, which was the earliest he could get here.

Mr. Sparks, of the Union Bag and Paper Company, met with us. Mr. Sparks stated that his company makes but 30 to 35 tons per day of manila papers, including screenings. That they are anxious to do everything possible for the improvement of the business, and if anything occurs which is likely to cause trouble, if they are advised thereof, they will do what is necessary on their part to correct the situation. The question was asked Mr. Sparks as to whether they would agree to curtail their production, in cases where the other mills found it advisable to do so. Mr. Sparks stated they had but one machine, and would probably have to keep it running, but in such a case as spoken of, would probably be willing to meet the association more than they would at this time be willing to agree to absolutely.

Voted, that the selling-price list recommended by the committee be taken from the table.

Voted, that the selling-price list submitted by the committee be adopted, and be put into effect to-day, Friday, September 14, 1906.

The committee appointed to adjust the matter of selling prices on the Bedford Pulp and Paper Company's product reported.

Voted, that the report of the committee on Bedford Company's selling prices be accepted and adopted.

Voted, that actual specified orders accepted September 12, 1906, or earlier, as per lists filed with Mr. Parks on or before September 18, 1906, be exempt from pool contribution, provided such orders are shipped on or before October 20, 1906. During this period, said members are to pay their full fixed percentages of association expenses, but their participation percentages shall be reduced in the ratio that their exempt sales bear to their total sales. All orders received after September 12, 1906, and all shipments made after October 20, 1906—whether taken at old prices or new prices—shall be subject to the regular pool contribution of \$5 per ton.

Adjourned until 2.30 p. m. to-day, Friday, September 14, 1906.

Met at 2.30 p. m. Friday, September 14, 1906.

Acting President H. H. Everard in the chair.

Same members present as at morning session.

Voted, that each manufacturer shall file with the treasurer, on or before September 18, 1906, a complete memorandum of his unfilled orders and contracts in hand September 14, 1906, giving number of pounds and kinds of paper, sizes and selling prices due each customer on September 14, 1906.

It was also agreed that each mill should acquaint the treasurer with the designation of the grades they make, compared with the designations of the official price list.

DISCUSSION.

THEME—PARTICIPATION PERCENTAGES.

Voted, that the treasurer be instructed to forward a copy of our official price list to Mr. Sparks, of the Union Bag and Paper Company, and one to Mr. Waller, of the International Paper Company, for their guidance.

Voted, that no member shall quote the complete price list to any one customer.

The following motion was not acted upon, but is to be placed on the "order of business" for consideration at our next meeting, viz:

"Moved, that each member of this association shall participate in same only to the extent of his actual monthly percentage of shipment of preamble goods, unless said mill is shut down for reasons beyond control or by the approval or under the direction of this association. Each member shall be required to mail to the treasurer, on or before the 5th of each month, a correct statement of his shipments of preamble goods and nonpreamble goods during the previous month."

Further reading of the constitution and by-laws and the adoption of same, section by section.

Voted, that a special meeting of the association be held at the treasurer's office in New York City on Thursday, October 11, 1906, at 11 o'clock a. m.

Voted, that the president be, and he is hereby, authorized to appoint such committees as may be needful during the recess of the association.

Voted, that the treasurer be authorized to follow such course as to the preparation and circulation of the constitution, votes, etc., as in his judgment may be most advisable.

Voted, that such payments as have been made by the Ypsilanti Paper Company be returned to them by the treasurer.

Voted, that the temporary officers be made permanent officers of the organization, viz: Mr. H. H. Everard, president; Mr. J. E. Campbell, vice-president; Mr. John H. Parks, secretary-treasurer.

Adjourned.

Attest:

A. P. PLUMB,
Secretary pro tempore.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 24th day of September, in the year 1906, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain circular letter to each and all of said defendants—that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

SEPTEMBER 24, 1906.

To the members of the F. and M. Association.

Re contingent fund.

GENTLEMEN: I received checks and drafts from 25 "associates," amounting to \$17,127.75 for account of your "contingent fund."

The Second National Bank, New York, reports regarding the above that it has collected \$17,127.75; less collection charges, \$13.83; to our credit September 22, 1906, \$17,113.92.

Re your statistics for participation percentages.

Following is a copy of your resolution on this subject, viz:

"Paragraph 10. Each member shall be entitled to a fractional part or share of the profits of the association, ascertained and determined as per paragraph 3, said shares to be established as follows, viz, participation percentages to be determined upon the basis of one factor, viz, (1) the factor of production, meaning thereby the actual average production of preamble goods made by any member in any six self-selected calendar months during the period from July 1, 1905, to July 1, 1906, as shown by the gross machine reports of each company. The relative percentage of each member as regards this factor shall be determined in parts of 100, expressed decimally. Said result will and shall constitute said member's participation percentage in the net profits of the association. Members shall at the outset furnish the secretary with a detailed statement of their sales as hereby required, which statement shall be verified in such manner as the association may determine.

"Participation percentages, when once established, may be decreased by the admission or increased by the withdrawal of members, calculated as previously stated in this paragraph, but can not be otherwise changed."

Please send me promptly your statement of your claims under said resolution, in order that I may proceed to have them verified without undue delay.

Respectfully submitted.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 25th day of September, in the year 1906, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain circular letter to each and all of said defendants—that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

SEPTEMBER 25, 1906.

To the members of F. and M. Association.

Re price list.

GENTLEMEN: I beg to call your attention to the following resolution adopted by you at your September 13, 1906, meeting, viz:

"Voted, that no member shall quote the complete price list to any one customer.

I trust, for obvious reasons, that each of you will be governed strictly by the provisions of this resolution; and that in placing prices in the hands of your salesmen they should comprise only the grades manufactured by the individual member.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 25th day of September, in the year 1906, at and within the said city of New York, in the said southern district of New York, unlawfully did prepare and mail to each and all of said defendants a certain writing of the tenor following, that is to say:

RULES AND REGULATIONS.

SUPPLY OF VOUCHERS.

Rule 1. Members will be supplied by the secretary with the following vouchers and such other vouchers as the executive committee may prescribe.

Vouchers of shipments for a daily report of shipments to accompany copies of invoices sent to the secretary.

Voucher of remittance for advices to the secretary of pool contributions on sales shipments to customers and sent to the secretary therewith; also to show authorized discounts and allowances.

SUPPLY OF COPY BLANK SHEETS.

Rule 2. Members will also be supplied by the secretary with copy blank sheets.

OTHER STATIONERY.

Rule 3. Members must give due notice to the secretary when needing a new supply of the above voucher blanks. All other books and stationery required by members must be supplied by members themselves.

LISTS OF SELLING AGENTS.

Rule 4. Members must send to the secretary lists of their several stores, selling agents, and commission houses.

SYNDICATE BUYERS AND COMMISSION HOUSES.

Rule 5. Jobbing houses and syndicate buyers can not be appointed as selling agents or commission houses.

STOCKS OF GOODS WITH JOBBING HOUSES.

Rule 6. No member of this association will be allowed to carry a stock of goods with any jobbing house.

STOCKS AT STORES AND SELLING AGENCIES.

Rule 7. Stocks of goods at stores and selling agencies will be treated as a part of the stocks on hand of the several members maintaining the same, and sales therefrom shall be reported and be subject to the same pool contributions as from factories. (See Rule 10.)

REPORTING SALES FROM STORES AND AGENCIES.

Rule 8. Stores and selling agents must invoice their sales in the names of the members whom they severally represent.

REGULATION OF SELLING PRICES BY STORES AND AGENCIES.

Rule 9. Stores and selling agents must conform in every particular, in selling goods, to the prices, terms, and regulations established for members.

RENDERING INVOICES FROM STORES AND AGENCIES.

Rule 10. Each store and selling agent must send to the secretary daily a press, or hand-written, copy of each invoice of goods sold that day, and must make a list of said invoices on a voucher of shipments, stating purchaser's address and shipping marks and numbers, and must send the voucher to the secretary with the copies of invoices attached. A special form of voucher of shipments will be furnished to members for their stores and selling agents.

PRICE CHANGES UNANIMOUS.

Voted, after our prices are once established they shall not be changed, except by unanimous vote.

DEAL OPERATIVE.

Voted, that when the initial contributions to the contingent fund and the letters of escrow are placed in Mr. J. H. Parks's hands, in accordance with the terms of the letter of escrow, he be authorized to notify every manufacturer immediately, by wire, that the deal becomes operative at once.

OFFICIAL PRICE LISTS.

Voted, that only one copy of the official price list be furnished each member.

CONSIGNMENTS.

Voted, all shipments from the mail shall be considered as sales; and no consignments shall be made after the agreement takes effect.

LETTER OF ESCROW.

Voted, that the treasurer be requested to send to each member a suggested form of letter of escrow, which may be used by the members to accompany their remittances for the pool contributions on their first month's sales.

DIVERSION OF EXPORT SHIPMENTS.

Voted, if a member shall make a sale of goods for export, and such goods afterwards appear not to have been actually exported, the same shall be accounted for, and pool profits contributed thereon, in the same way in all respects as if sold to domestic trade. The quantity of goods contained in such sale shall be deducted from the member's quota.

SELLING PRICES EFFECTIVE.

Voted, that the selling price list submitted by the committee be adopted, and be put into effect to-day, Friday, September 14, 1906.

REVISION OF PARTICIPATION PERCENTAGES, ETC.

Voted, that actual specified orders accepted September 12, 1906, or earlier, as per lists filed with Mr. Parks on or before September 18, 1906, be exempt from pool contributions, provided such orders are shipped on or before October 20, 1906. During this period said members are to pay their full fixed percentages of association expenses, but their participation percentages shall be reduced in the ratio that their exempt sales bear to their total sales. All orders received after September 12, 1906, and all shipments made after October 20, 1906, whether taken at old prices or new prices, shall be subject to the regular pool contribution of \$5 per ton.

OFFICIAL PRICE LISTS TO NONMEMBERS.

Voted, that the treasurer be instructed to forward a copy of our official price list to Mr. Sparks, of the Union Bag and Paper Company, and one to Mr. Waller, of the International Paper Company, for their guidance.

"AD INTERIM" COMMITTEES.

Voted, that the president be, and he is hereby, authorized to appoint such committees as may be needful during the recess of the association.

CIRCULATION OF VOTES, ETC.

Voted, that the treasurer be authorized to follow such course, as to the preparation and circulation of the constitution, votes, etc., as in his judgment may be most advisable.

YPSILANTI PAPER COMPANY.

Voted, that such payments as have been made by the Ypsilanti Paper Company be returned to them by the treasurer.

PERMANENT OFFICERS.

Voted, that the temporary officers be made permanent officers of the organization, viz. Mr. H. H. Everard, president; Mr. J. E. Campbell, vice-president; Mr. John H. Parks, secretary-treasurer.

GUARANTIES.

Voted, that guaranties on prices, terms, or conditions shall not be made.

REJECTED PAPER.

Voted, where any member has rejected paper, the facts and circumstances regarding any settlement or disposition which he may make of such rejected paper shall be submitted to the secretary for his approval, together with the original correspondence, if required. The pool contribution shall be recharged, if same has meantime been credited back to the member.

LISTS OF UNFILLED ORDERS.

Voted, that each manufacturer shall file with the treasurer on or before September 18, 1906, a complete memorandum of his unfilled orders and contracts in hand up to and including September 14, 1906, giving number of pounds and kinds of paper, sizes, and selling prices, due each customer on date of commencement of organization.

TIME LIMIT ON ORDERS.

Voted, that order specifications for our preamble goods shall not be taken for delivery shipment beyond the last day of the quarterly sales periods following the dates of our regular quarterly meetings.

VOTING AT MEETINGS.

Voted, that it is the duty of every member to attend each meeting of the association and all of its sessions. If unable to attend, he should give a proxy authorizing absolutely some other person to vote for him. Failing to do either of these things, the requirement of a unanimous vote in changing the established prices shall be settled by the full affirmative vote of those present. No member shall have any right to pretest against, or dissent from, any action taken by reason of failure to be present, or to give a proxy or to vote when present.

DEPOSITORY.

Voted, that the funds of the association shall be deposited in the National Park Bank, New York City, to the credit of the "F. and M. Association."

PROVISION FOR RUNNING EXPENSES.

Voted, that the president, vice-president, and treasurer, conjointly, be, and they are hereby, empowered to borrow from the contingent fund whatever amount may be found necessary for the running expenses of the association up to the time when pool contributions on September, 1906, sales are paid in.

SPECIAL 70 PER CENT DISTRIBUTIONS.

Voted, that the treasurer be, and he is hereby, authorized and directed to make a special distribution of, say, 70 per cent of the net proceeds of the pool contributions derived from the sales of any calendar month within fifteen days after they have all been paid in, commencing with pool contributions paid November 15, 1906.

COLLECTIONS.

Voted, that in case of costs on local checks for pool taxes, such costs shall be charged to the members sending such checks.

SPECIAL AGREEMENT ON TONNAGE REPRESENTATION.

Voted, that when it shall appear that any mill has not been operated to its reasonable capacity within the period mentioned in our resolution for establishing tonnage for the basis of computing percentages, a committee shall be appointed to fix a fair tonnage for such member. Should the member object to the tonnage allowed him by the committee, the matter shall be adjusted by arbitrators, one to be selected by the association, one by the complaining member; and if these two can not agree, they to choose a third arbitrator. The action of a majority of these three arbitrators to be final and binding.

EMPLOYMENT OF TREASURER.

Voted, that we employ Mr. John H. Parks as secretary and treasurer of the F. and M. Association, at a salary to be computed at the rate of 10 cents per ton on all our sales from the date on which the organization takes effect, which salary shall amount to a monthly compensation of not less than at the rate of \$25,000 per annum. It is expressly provided, however, that his employment by us, as above, may be terminated, and shall cease, and the said salary be discontinued on the first day of any calendar month after the expiration of three months after written notice of our desire and intention to terminate the same.

POOL CONTRIBUTION ON RETURNED GOODS.

Voted, that no pool contributions shall be refunded to any member, which were paid on preamble goods returned to him by a customer; except in the case of unused goods, and in the latter case, such refund shall be conditional upon the treasurer being satisfied that the particular goods in question were sold by the member during the life of the association. In case of any such refund, the same pool contribution shall be refunded as was charged and paid on the goods when originally shipped by the member.

REPORTS OF SHIPMENTS OR NONSHIPMENTS.

Voted, that all shipments must be reported to the treasurer not later than three days following the date of shipment; that if no shipment be made on any day, notice shall be sent to the treasurer, stating that fact; and if the treasurer fails to receive from any member notice of shipment or nonshipment for a space of six days—excepting holidays and Sundays—he shall demand explanation of the delinquent member, and shall file such explanation; and if the explanation does not show the delinquency to have been reasonably unavoidable, it shall be the duty of the treasurer to report the correspondence to each member.

REPORTS OF ORDERS RECEIVED.

Voted, that members shall report to our treasurer, on the 1st and 10th days of every month, the total of orders received by them in tons, since the first day of the current quarter, less cancellations made by customers.

TRAVELING EXPENSES.

Voted, the legitimate railroad traveling expenses of each member when attending meetings, shall, when a written expense account is rendered, be paid by the treasurer out of the general fund of the association; provided such member has been present at all first roll calls and final adjournments, unless excused by the unanimous vote of the members present.

PER DIEM ALLOWANCE.

Voted, that in addition to the payment of the railroad traveling expenses of members heretofore provided for, \$5 per day will be paid to each member while in actual attendance at association meetings.

PARLIAMENTARY RULES.

Voted, that we adopt parliamentary rules for the conduct of all our meetings.

PRELIMINARY EXPENSE FUND.

Voted, that each manufacturer immediately advance to the treasurer \$1 per ton on his estimated daily capacity, to be used to defray the preliminary and early running expenses of the association, said amounts to be repaid out of the first available funds of the association.

TRAVELING EXPENSE BILLS.

Voted, that the traveling expense bills rendered by members shall be laid over until after the October, 1906, pool contributions are received by the treasurer.

NEW YORK FUNDS.

Voted, all remittances to the association shall be in New York funds.

AUDITING.

Voted, that the books and accounts of the treasurer shall be audited by expert examination, or otherwise, as the association may determine, and not less frequently than once in six months.

EMPLOYMENT OF AUDITOR.

Voted, that the president be authorized to employ an expert accountant to audit the books and accounts of the treasurer.

INOPERATIVE FACTORIES.

Voted, that if in case of fire or other casualty, or from any cause or reason whatsoever, and factory shall become inoperative, the member of the association owning such factory shall continue to draw his proportional part of the profits from the pool, the same as if he were in active operation, for one year from the time he ceases to operate, provided such time shall not extend beyond the life of the association.

ADOPTION OF CONSTITUTION AND BY-LAWS.

Voted, that the constitution and by-laws as read, amended, and adopted, section by section, be now, and they are hereby, adopted as a whole.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 3d day of October, in the year 1906, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain circular letter to each and all of said defendants; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

[Confidential.]

NEW YORK, October 3, 1906.

To the members of the F. and M. Association.

Re Canada.

GENTLEMEN: Messrs. Jenkins & Hardy, of Toronto, Canada, wrote, 10/1/06, that they have been "secretary-treasurer of the Canadian Paper Manufacturers Association for several years." They ask me to send them a copy of your "plan," and say, viz:

"It may be that in the near future we shall be glad of your assistance and cooperation in this country (Canada)."

I scarcely need say that I have not sent, and will not send them a copy of your "plan."

Some of the association's "clearing" through my office here have been able to obtain liberal monthly stipends from their Canadian competitors to "keep our products out of Canada." The low Canadian customs tariff enables American manufacturers in certain industries to advantageously export to Canada, whereas the high American customs tariff prevents Canadian manufacturers in the same lines from retaliating in kind.

Query, whether an international agreement with the Canadian paper manufacturers would be an advantage to you (?). Please post me.

Respectfully submitted.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that, further, in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 12th day of October, in the year 1906, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain circular letter to each and all of said defendants—that is to say, a letter which without the printed letter head thereof then and there was of the following tenor, to wit:

NEW YORK, October 12, 1906.

To the members of the F. and M. Association.

Re pool taxes on new business.

GENTLEMEN: This refers to your contribution of "pool taxes" on your sales at your advanced selling prices—i. e., "new business."

No member can properly estimate the pecuniary value to himself of a "pool" by his "pool-taxes" contributions. It is what he gets out of the "pool," not what he pays in, that determines its value to him.

There is perhaps nothing more difficult than to state a fact simply and convincingly, but the truth of the foregoing statement is self-evident.

Your "cost-schedule" prices undoubtedly represent the maximum prices which you could obtain on an "open market." By "cost-schedule prices" I mean your established official selling prices, net, with the pool taxes deducted, per ton. Probably on many sizes and kinds they are above the prices that would prevail in an "open market." Therefore it is clear that whatever prices you are now able to obtain on your sales above your cost schedule are wholly due to your association.

Without your association you would, in an "open market," undoubtedly be now selling your outputs at prices as much below your present selling prices as is represented by your "pool-taxes" contributions, if not more. Therefore it is equally clear that all the money you now obtain on your sales above your "cost-schedule values" is the property of the association.

Why? Because all you get above your cost schedule is "artificially" created for you by means of your cooperative "pool" agreement.

A GLARING EXAMPLE.

Suppose your "association sales" for a given period were 1,000 tons, sold at \$30 a ton, net. The sellers would receive \$30,000 therefor. If the cost-schedule value was, say, \$24 a ton—i. e., \$24,000—the pool taxes thereon would be \$6,000, net.

Now suppose said sales of 1,000 tons were all made by only one of our members, whose participation percentage is, say, 10 per cent. None of the other members sold anything. What would the resulting distribution be? Note:

Said 10 per cent member would "pay in" pool taxes of \$6,000 D/S; \$600, 10 per cent, he would receive back from the "pool" \$600; \$5,400, 90 per cent, leaving for distribution to the other (90 per cent) members \$5,400; \$6,000, 100 per cent.

Has said 10 per cent member gained or lost by the transaction? Is it not perfectly obvious that he has gained \$600 net? He has paid \$5,400 to make the \$600. True; but he could not have made it otherwise. He thus received \$24,600 net cash for the 1,000 tons he sold, whereas without the "pool" he would not have received over \$24,000.

It is therefore obvious that a member might "pay in" to our "pool" \$1,000 and receive back therefrom but \$10, and yet he would be a "gainer" to the extent of said \$10. In fact, if he received back anything, if it is not more than a nickel, he "comes out ahead," for whatever he receives, if anything, from a "pool" such as yours, whether little or much, is a net gain over and above what he could obtain in an "open market."

Re expenses of "pool."

The expenses of the "pool" are not paid by its members. The expenses of the "pool" are paid by the public. Said expenses are paid out of the excess price obtained above your "cost schedule," which the "pool" requires the public to contribute.

Barring "old orders," it is not what you pay in, but what you get out of your "pool" that determines its value to you, respectively.

A member says that he estimates that he will have to "pay in" in "pool taxes" more than he will probably "draw out," etc. Hence my foregoing comments.

Re "new business."

I repeat: "Barring 'old orders,' it is not what you will pay in, but what you will get out of your 'pool,' that will determine its value to you respectively."

Respectfully submitted.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 24th day of October, in the year 1906, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain circular letter to each and all of said defendants—that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

OCTOBER 24, 1906.

To the members of the F. and M. Association.

Re accountings.

GENTLEMEN: Under your rules this office is required to send you a detailed statement on or before the 10th day of each month, showing the amounts respectively due from you for pool contributions for the preceding calendar month. Said pool contributions are to be paid on or before the 15th day of each month, for the preceding calendar month, if you wish to avail of the 10 per cent cash discount. In order to enable us to place such monthly statements in your hands by the 10th, it is essential that you should forward to me, daily, your voucher of shipments, with copies of invoices annexed, covering your shipments each day; or, if you have not made any shipments on any given day, please send a slip stating that you have not. Our ledger accounts with each of you are kept in the following form, viz.,

Date.	Dr.	Amount.
1st—	For pool contributions,	
2d—	No shipments,	-----
3d—	For pool contributions,	Amount
4th—	Do.	Amount
5th—	No shipments,	-----

Each day is to be accounted for.

It is also important that you enable me—by daily reports of your shipments or nonshipments, as above—to render you your monthly statements on or before the 10th, because it is your intention to send me your respective checks for "pool contributions" as an escrow, no one or more of which are to be used, unless all members pay. In other words, the checks from any one, or more, less than all, members, for pool contributions, will not be available.

Therefore, (1) to avoid all cross purposes, and (2) to give every member an equal opportunity to save the cash discount, and (3) to insure prompt "distributions," please send me your V/S reports daily. Prompt daily reports of shipments or nonshipments, from all members, are indispensable to the efficiency of this office, and, otherwise expressed, are indispensable to the efficiency of your organization. No matter whether you always agree with the policy of the association or not, that is a matter which can be debated and settled at your meetings, or by circularized discussions, but your accountings and financial adjustments through this office, your "clearing house," must always be rigidly exact and regular, in accordance with your rules and regulations, in order to make your organization "a perfect price machine."

All of the successful "price-machine" associations with which I have been connected have been remarkable not only for their general scope and vigor, but for their minute attention to the details necessary to make their "clearing house" precise and efficient in all of its functions.

Respectfully submitted.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 11th day of June, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Parsons Pulp and Paper Company—that is to say,

a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

JUNE 11, 1907.

Answering your E/10th instant.

PARSONS PULP AND PAPER COMPANY, Philadelphia, Pa.

Re excess shipments—Quarter ended March 31, 1907.

GENTLEMEN: I beg to refer you to the following vote, adopted at the February 26, 1907, meeting, viz.: "Voted: That shipments of 'exemption list' goods shall be charged against the quota rights of members;" from which you will note that shipments of both preamble and "exemption list" goods are chargeable against the quota rights of members.

Yours, truly,

J. H. PARKS, A. P. P.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 18th day of June, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Jefferson Paper Company—that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

JUNE 18, 1907.

JEFFERSON PAPER COMPANY, Black River, N. Y.

GENTLEMEN: I received your telegram this morning, reading as follows, viz:

"Conditioned on our making 450 tons this month, what quota rights can we sell? Ignore our letter yesterday. Wire answer."

To which I have replied by wire as follows, viz:

"Telegram received. Estimated balance would be 250 tons."

Your share of the quota allotment for quarter ending June 30, 1907, roughly estimated, will be _____ Tons.
1,633

Your actual shipments thus far have been as follows:

	Tons.
April, 1907-----	413
May, 1907-----	505
	918

Allowing that you will make in June, 1907----- 715

Would leave you with a balance to sell of----- 265

As your share of the quota allotment given above (1,633 tons) will undoubtedly be changed in the final adjustment for the quarter, we wired you a conservative estimate of what you would have to sell, but would ask you to kindly bear in mind that those figures are subject to revision.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 9th day of May, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Dexter Sulphite Pulp and Paper Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

MAY 9, 1907.

DEXTER SULPHITE PULP AND PAPER COMPANY, Dexter, N. Y.

GENTLEMEN: I am to-day in receipt of a letter from one of the members, in response to my circular-letter inquiry of May 6, 1907, advising that he will sell 200 tons of quota rights applying to the current quarter at \$2 per ton.

This is the only "offer to sell" I have yet received. As soon as I have others in hand, I will duly advise you.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 3d day of July, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Bedford Pulp and Paper Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

JULY 3, 1907.

BEDFORD PULP AND PAPER COMPANY, Richmond, Va.

GENTLEMEN: I am to-day in receipt of a letter from the Fletcher Paper Company, advising that your Mr. Marcuse will sell them what quota rights they require for quarter ended March 31, 1907. I am therefore transferring 109,862 tons of your quota rights for said quarter to the account of the Fletcher Paper Company, and notifying them accordingly, which I trust will be satisfactory to you.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 8th day of July, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Hartje Paper Manufacturing Company; that is to say, a letter which, without the printed letter head hereof, then and there was of the following tenor, to wit:

JULY 8, 1907.

C. F. BRIGGS, Esq., Care of Hartje Paper Manufacturing Company, Pittsburg, Pa.

Answering your E/6th inst.

DEAR SIR: I note, with much pleasure, that your interview with Mr. Thornton, secretary and treasurer of the Richmond Paper Manufacturing Company, Richmond, Va., was an encouraging one, and I congratulate you on securing his promise to meet with you at my office on the 20th instant with a view of having his company affiliate with the F. and M.

Association. I hope when the conference is held that we will be successful in satisfying Mr. Thornton on all points, and that we will be able to induce him to join our association at the coming meeting.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 12th day of July, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Munising Paper Company (Limited), that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

JULY 12, 1907.

MUNISING PAPER COMPANY, Munising, Mich.

GENTLEMEN: This is an additional reply to your June 18, 1907, letter and refers also to my circular letter to the members of the F. and M. Association dated June 22, 1907, and question No. 71.

The following is a summary of the votes on said question: Yes, 11; no, 9; not replied, 4; total, 24.

Of the number of votes cast, a majority have, as you will note, voted to grant your request; but only 20 votes were cast, and it requires 13 affirmative out of 24 votes to carry. Therefore, although it is time for you to receive a reply to your June 18 inquiry, I regret to say that I am unable to give you one as yet. I have to-day written to the four members who have not replied and urged them to immediately respond so that I may give you a definite answer without further delay.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 17th day of July, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Orono Pulp and Paper Company, that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

JULY 17, 1907.

ORONO PULP AND PAPER COMPANY, Bangor, Me.

Re V/S No. 102 (your No. 2.)

GENTLEMEN: This refers to the following resolution, adopted at the November 15-16 meeting of the association, which reads as follows: "Voted: That the Orono Pulp and Paper Company be exempt from pool tax on a contract entered into with one of their customers, whose name they will furnish the treasurer, for deliveries to that customer up to July 1, 1907."

The shipments reported on your above-mentioned voucher is marked as being "On exemption list," and, as permission was given you to ship on the contract mentioned in the resolution only until July 1. I have transferred this shipment to the preamble account, assuming that your making of the invoice was a clerical error in your office. I trust, however, that you will confirm the correctness of the charge.

Thanking you in advance for your prompt attention hereto, I am, Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 7th day of August, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Island Paper Company, that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

AUGUST 7, 1907.

ISLAND PAPER COMPANY, Carthage, N. Y.

Re quota rights—Quarter ended June 30, 1907.

GENTLEMEN:

	Tons.
Your share of the sales allotment for April, 1907, was-----	517
Your share of the sales allotment for May, 1907, was-----	508
Your share of the sales allotment for June, 1907, was-----	507

Total for quarter----- 1,532

Against this, your shipments have been:

	Tons.
April, 1907-----	561-423
May, 1907-----	510-264
June, 1907-----	505-868
	1,576-1575

Making shipments in excess of your allotment of----- 44-1575

The following vote was adopted by the association at the January, 1907, special meeting, viz:

Voted, any member who shall ship in excess of his allotted and acquired quota rights shall pay to the association a penalty of \$1 per ton on such excess shipments.

By purchasing quota rights, however, to cover your said excess shipments, you may avoid the penalty above mentioned, and I would state that the following members did not ship up to their allotments for last quarter, and have therefore probably quota rights for sale, viz:

Anatomink Paper Company, North Water Gap, Pa.; Bayless Pulp and Paper Company, Austin, Pa.; Bedford Pulp and Paper Company, Richmond, Va.; Champion Paper Company, Carthage, N. Y.; Central Paper Company, Munising, Mich.; Continental Bag and Paper Company, 17 Battery place, New York City; Detroit Sulphite Pulp and Paper Company, Detroit, Mich.; Fletcher Paper Company, Alpena, Mich.; Island Paper Company, Menasha, Wis.; Jefferson Paper Company, Black River, N. Y.; Moyer & Pratt, Lyons Falls, N. Y.; Munising Paper Company, Munising, Mich.; Newton Falls Paper Company, Newton Falls, N. Y.; Orono Pulp and Paper Company, Bangor, Me.; L. H. Cheeseman, esq., care L. H. Cheeseman Company, Detroit, Mich.; York Haven Paper Company, Bowling Green building, New York City.

Kindly advise me as promptly as may be of such purchase as you may make, so that I may balance your quota rights account for the last quarter.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 8th day of August, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Petoskey Fiber Paper Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

AUGUST 8, 1907.

CHARLES JONES, Esq., Detroit, Mich.

Answering your E, 5th instant, re western prices.

DEAR SIR: Referring to your inquiry relative to the prices for quotations to Oregon, Washington, Montana, etc., I would refer you to the fourth paragraph, which appears on sheet 3 of the official association price list, which reads as follows, viz:

"On all shipments to territory west of Minneapolis and north of Omaha, including Sioux Falls, there shall be charged an advance of 10 cents per hundred pounds above list prices."

My interpretation of this resolution is that the 10 cents per hundred pounds extra on shipments to the points mentioned shall be over and above the prices listed on the price list for western deliveries.

I trust this is the information you desire.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 12th day of August, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Fletcher Paper Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

AUGUST 12, 1907.

A. M. FLETCHER, Esq., Chairman, Care of Fletcher Paper Company, Alpena, Mich.

Re Munising Paper Company's job lot shipment.

DEAR SIR: On July 29, 1907, the Munising Paper Company wrote me as follows, viz:

We have in hand order No. 6443 for * * * calling for 30,000 pounds No. 166 Yellow Tiger. This is a car of paper which was made up by us for another concern, but owing to a mistake on the part of our Chicago office the paper was made the wrong shade, and we were obliged to put this paper in stock and run the order a second time. This first lot is covered by the above-mentioned order, and for your information will say that we secured for the paper, which is in all sulphite dry finish, the following prices:

35-pound-----	\$3.25
30-pound-----	3.40
25-pound-----	3.75

All f. o. b. St. Joseph, 3 per cent, thirty days. As this is a legitimate job-lot sale, we presume you will have no objection to passing our invoices.

On receipt of the above I wrote the Munising Paper Company, July 31, 1907, as follows, viz:

Answering your E/29th inst.

I note your explanation in regard to the "job lot" of 30,000 pounds sold to * * * after having originally been made up for another customer, but rejected on account of wrong shade.

I have no personal authority whatever to "pass" your invoice at the prices secured for the paper. This is a matter which the association, by express vote at the February 25, 1907, meeting, placed in the hands of the Ways and Means Committee, viz:

"Voted, that any member desiring to dispose of job lots at prices below the association prices shall submit a list of the goods and samples to the chairman of the ways and means committee, whose decision shall be final; but the pool tax must be paid on all such sales."

I would suggest that you forward samples of the paper, with full explanation, to Chairman A. M. Fletcher, at Alpena, Mich., asking him whether he will rectify the sale already made, and to advise me regarding the matter, so that I may "pass" the invoices, if may be.

Did the Munising Paper Company write you on the subject? If so, please write me your ruling thereon.

If the Munising Paper Company did not write you regarding the matter, possibly you can give me your instructions with the above details before you, and thus, providing your ruling is in its favor, avoid the necessity of my bringing the matter before the association unnecessarily.

Thanking you in advance for your kind attention hereto, I remain, Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further, in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 20th day of August, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Continental Paper Bag Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

AUGUST 20, 1907.

JOHN SMITH, New York City.

Re quota rights—Quarter ended June 30, 1907.

DEAR SIR: Indorsed to the order of I. Kuhe, I inclose herein check for \$108.50, in payment of 217 tons of quota rights, applying to the above quarter, purchased from the Hartje Paper Manufacturing Company. With the return of the inclosed receipt, duly signed, will you kindly authorize me to transfer said 217 tons of quota rights from your account to that of the Hartje Paper Manufacturing Company, and oblige, Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further, in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 20th day

of July, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Allen Brothers Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

Messrs. ALLEN BROTHERS COMPANY,
Sandy Hill, N. Y.

JULY 20, 1907.

Answering your E/17th inst. GENTLEMEN: At the May 25, 1907, meeting of the association, a committee was appointed to consider the matter referred to in your letter of the above date, with the result that the following recommendation was made by the committee and adopted by the association, viz:

"A statement shows that they will have had returned to them \$600 more than they have contributed, including their original payment to the contingent fund. Inasmuch as this is a very good showing, and particularly inasmuch as our by-laws distinctly state that the initial contribution shall not be returned in case of the withdrawal of a member, we recommend that there be no refund to them of their share of the contingent fund. Especially as this is a precedent the rule should be lived up to."

Respectfully submitted.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 22d day of August, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Bayless Pulp and Paper Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

BAYLESS PULP AND PAPER COMPANY, Austin, Pa.

AUGUST 22, 1907.

Re quota rights—quarter ended March 31, 1907.

GENTLEMEN: I inclose carbon copy of my June 6, 1907, letter to you on this subject.

I do not seem to have received instructions from any member to transfer to your account the necessary quota rights to cover your overshipment for quarter ended March 31, 1907. Did you make a purchase? If not, will you kindly do so, so as to enable me to close the allotment account for said quarter, and oblige?

Awaiting your advice, I remain,

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on its part of engaging in the same, the said Petoskey Fiber Paper Company, on the 5th day of October, in the year 1907, at Petoskey, in the State of Michigan, unlawfully did mail a certain letter to the said John H. Parks; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

Mr. JOHN H. PARKS,
1 West Thirty-fourth street, New York City.

OCTOBER 5, 1907.

DEAR SIR: Your letter of October 3 received. We have written the mill, asking why they have not sent copies of shipments made.

I am having a very difficult time in keeping the mill in the association, and I believe that we will be obliged to go out and operate the same as the western mills are doing. We are under the same injunction as they and several of our directors are very uneasy; in fact, the secretary has written demanding that we withdraw.

We have a letter from Thomas Barrett & Son, of New York, asking quotations on a certain grade of paper which we have made for them for one year's contract. They are obliged to take the contract that way from their customer. We should like permission to quote them.

Yours, truly,

PETOSKEY FIBER PAPER COMPANY,
By L. H. CHEESEMAN.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 21st day of October, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Analomink Paper Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

ANALOMINK PAPER COMPANY,
North Water Gap, Pa.

OCTOBER 21, 1907.

Answering your E/14th inst. Re job lots.

GENTLEMEN: In order that I may have a record of the arrangement which permits you to ship the job lot, mentioned in your above letter, at less than current association prices, will you kindly send a sample of this paper to the chairman of the ways and means committee, and ask him to officially authorize me to "pass" such invoices as cover this lot. The resolution covering such matters, reads as follows:

"Voted (2/25/07), that any member desiring to dispose of job lots at prices below the association prices, shall submit a list of the goods, and samples, to the chairman of the ways and means committee, whose decision shall be final, but the pool tax must be paid on all such sales."

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further, in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 24th day of October, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Continental Paper Bag Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

JOHN SMITH, Esq., New York, N. Y.

OCTOBER 24, 1907.

Answering your E/22nd inst.

DEAR SIR: There is no article in the constitution containing a provision that the contingent-fund share may be returned to any retiring

member by a majority vote. Please not, however, the following paragraph of the constitution which refers to a change therein, viz:

"Paragraph 25, page 11. These articles of agreement may be changed at any meeting by the consent of three-fourths of all members of the association."

Under this paragraph the money might be refunded to you by the consent of three-fourths of all members, provided notice is given, in the call for the meeting, that a change in the indenture of agreement is proposed.

Confirming my telephone conversation, I inclose check for \$949.30, being an additional payment on account of the September distribution, of which kindly acknowledge receipt.

We are now making up revised distribution for July and August, so that the balance due you for those months may be ascertained and paid as promptly as may be.

I inclose a copy of the resolution adopted by the ways and means committee at the last meeting here, at which you were present.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 11th day of May, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the Manufacturers Paper Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

MANUFACTURERS PAPER COMPANY,
No. 41 Park Row, New York.

MAY 11, 1907.

Answering your E/3rd inst.

GENTLEMEN: I am to-day in receipt of a letter from the chairman of the ways and means committee, to the effect that a majority of said committee voted in favor of allowing you to make the contracts desired, viz:

1. With a southern jobber for 7 cars, to be taken from July 1, 1907 to July 1, 1908.

2. With a New York jobber for 300 tons No. 2 Manila, to be taken during the months of July, August, and September, 1907.

I presume you will file with me the details of these contracts, so that I may check same on the invoices which you will render.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further, in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 14th day of May, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Brownville Paper Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

BROWNVILLE PAPER COMPANY, Brownville, N. Y.

MAY 14, 1907.

Answering your E/13th instant, re current pool contribution.

GENTLEMEN: At the February 26, 1907, meeting, following closely upon the advance in prices then voted, the following resolution was adopted, viz:

"Voted unanimously, that the 'pool contribution' for the ensuing quarter be fixed at \$5.50 per ton, with 50 cents a ton discount if paid on or before the 15th day of the month. This pool contribution to apply on all shipments beginning April 1, 1907."

It was, of course, in conformity with this resolution that my monthly statement to you was made up.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further, in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 14th day of May, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Newton Falls Paper Company—that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

JAMES L. NEWTON, Esq.,
Treasurer Newton Falls Paper Company, Newton Falls, N. Y.

MAY 14, 1907.

Answering your E/10 inst., re pool taxes.

DEAR SIR: I have carefully gone over the association price lists covering the several advances made, including the initial advance of \$5 when the association was first organized. I find that while prices on the standard manila and fiber papers have been advanced \$10 per ton, the pool tax is to-day but \$5 net. This, of course, has operated to advance the cost schedule \$5 per ton.

On the bag papers the advance on the 100 per cent and 80 per cent has been but \$5, but on the 50 per cent the advance has been \$7 per ton, making an advance in the cost schedule on that grade of \$2.

Of course the fixing of the selling prices is entirely in the hands of the manufacturers, as is the rate of pool tax; and, properly, the amount paid into the association as a pool tax should represent the actual difference between the association selling prices and the cost of manufacturing the goods. If an advance in the selling price of bag papers is necessary to reach this state of affairs, this certainly should be made if it is possible to do so, taking into consideration existing market conditions.

I am inclined to agree with you that it would be difficult, if not impossible, to secure a mail vote advancing the selling prices of bag papers as the next meeting is so near at hand, and members will probably prefer to have a full discussion of the matter at that time. I have, therefore, entered an item concerning it on the order of business, which I understand to be in accordance with your desire.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further, in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 16th day of May, in the year 1907, at and within the said city of New York,

In the said southern district of New York, unlawfully did mail a certain letter to the said Moyer & Pratt—that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

MAY 10, 1907.

C. W. PRATT, Esq.,
Island Paper Company, Moyer & Pratt,
Carthage, N. Y.

Re sales allotment.

DEAR SIR: On February 27, 1907, I wrote calling your attention to the following vote adopted at the February 26, 1907, meeting, but up to date do not find that I have received advices from you as to the two concerns chosen:

"Voted, that Mr. Pratt, as representative of Moyer & Pratt and of the Island Paper Company (New York) be allowed to name two sales agents in New York City and vicinity to whom he shall be allowed to pay commissions not exceeding 2½ per cent of the regular association price delivered at this point; no cartage allowed."

Will you not kindly notify me by return mail regarding the matter, thereby obliging

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 4th day of January, in the year 1908, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to one George A. Kies; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

JANUARY 4, 1908.

GEORGE A. KIES, Esq., Clinton, Mich.

Re Petoskey.

DEAR GEORGE: Supplementing my recent letter to you, wherein I stated that we had not heard either from Mr. Cheeseman or from Mr. Fernel, in regard to October and November, 1907, payments for contingent fund and share of expenses, account Petoskey, I would state that Mr. Parks thinks it most important that we should bring this matter to a focus at once. The new interests in that mill must be brought into line, as the concern has always had the reputation of a "price cutter," and it would seriously disorganize the western market if they are allowed to run along loosely, without feeling that they are thoroughly affiliated and identified with us.

The fact that they have not sent us a check for the amounts due from them is most significant. Please follow this matter up closely and keep us posted as to results.

Yours, very truly,

J. H. PARKS, App.

Dictated by A. P. Plumb, secretary.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 12th day of December, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to one George A. Kies; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

DECEMBER 12, 1907.

MESSRS. G. A. KIES, H. I. GOLDSMITH,
CHARLES F. CLARK, JOHN W. PARKS.

Conjointly. Re Checking "shut downs."

GENTLEMEN: At the last meeting of the F. and M. Association, the following vote was adopted, viz:

"Voted, unanimously, that it is the sense of this association that all the mills should shut down all their paper machines for six regular working days between now and January 1, 1908, and that those mills that can do so are recommended to shut down Thanksgiving morning and remain shut down for one week." (A ye-a-and-nay vote was called on this resolution, with the result that it was unanimously adopted, as above noted.)

At the last meeting of the Paper Board Association an agreement was reached, which was not expressed in the minutes, but which was substantially as follows, viz:

Each mill present agreed, upon a roll call, that it would shut down its full production for two weeks prior to January 15, 1908; and in the case of the United, they agreed that while they would not shut down all their machines for the same period, they would at least shut down each machine for a space of two weeks during said period. The same would, of course, apply to any other member running more than one machine.

Therefore, at each place you visit, ascertain whether they have not shut down for the period required; and if so, verify the shut down and send us a letter certifying that your investigations show that the machines, or mill, as the case may be, was shut down from such and such a date to such and such a date. If the shut down has not yet occurred, ascertain when they intend to do so, and notify us accordingly. Be very careful in checking up these shut downs, and do not fail to render prompt report in each case.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 23d day of November, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to one A. M. Fletcher; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

NOVEMBER 23, 1907.

A. M. FLETCHER, Esq., Alpena, Mich.

DEAR SIR: As per your request, I have to-day sent the following letter to the manufacturers named, each written on plain paper, and dated simply "New York," viz:

"At a conference of the western fiber and manila mills, held last Tuesday, it was agreed that they would all shut down, commencing Thursday morning next, for the balance of the week, provided the eastern manufacturers would do the same.

At a meeting held in New York 22 of the manufacturers agreed to close down, starting Thursday morning, and staying down for a week at that time, or three days then and three days in the future, between now and December 31. The western men, I am positive, will agree to this and do the same.

The time to take a little medicine is when you are sick, not after you have gotten over the trouble. Consequently, if you will join in this movement and shut down your paper machines for a week, it will certainly relieve the pressure on the market and keep prices from breaking. We feel that a few of us have carried the burden of this advance for some time, and that you at least might do this much to help out in the emergency.

Trusting to receive your assurance that you will do this, either commencing Thursday or some time between now and the 31st of December, and hoping to receive a reply from you, which please address to me at Alpena, Mich., I remain,

Yours, truly,

A. M. FLETCHER.

This letter went to J. & J. Rogers Company, Ausable Forks, N. Y.; Henry Paper Company, Lincoln, N. H.; Odell Manufacturing Company, Boston, Mass.; Cushnos Paper Company, Augusta, Me.; Hollingsworth & Whitney, Boston, Mass.; Cherry River Paper Company, Philadelphia, Pa.; Carolina Fiber Company, Hartsville, S. C.; Marietta Paper Mills, Marietta, Ga.

I was unable to find, from any of our records in this office, the address of the Roanoke Rapids Paper Company, and I am, therefore, holding this letter to them, awaiting your advices as to where I shall send it.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oaths aforesaid, do further present, that further, in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part in engaging the same, the said John H. Parks, on the 11th day of January, in the year 1908, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said H. H. Everard; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

JANUARY 11, 1907.

H. H. EVERARD, Esq.,
President, Kalamazoo, Mich.

Re Petoskey Fiber Co.

DEAR SIR: Here is what Mr. Kies writes, viz:

"I went to Detroit this morning and had a talk with Cheeseman re Petoskey. He said he had not heard from Mr. Fernel; that he himself would have to pay the expense bills; that he would attend the meeting next week, and would pay then, if he could raise the money. He showed me a letter, dated September 28, from E. D. Warner, secretary Petoskey Fibre Company, a religious crank. He wrote that he had been looking up records of the General Paper Company injunction, and instructed Mr. Cheeseman to withdraw from the association, as he felt that he could not continue violating the law. Mr. Cheeseman said he was for continuing as members; that Mr. Cunningham probably would, but they were only two of the board of directors; that it would not do me any good to make a special trip to Petoskey. You will probably have a talk with him at the meeting, so I will not go to Petoskey until my regular trip in about two weeks, unless you think it best to go sooner."

I am submitting it to you verbatim, so that you may have it Monday morning in case you wish to say anything to Mr. Cheeseman before he starts for the East to attend our next week's meeting.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 4th day of November, in the year 1907, at and within the said city of New York, in the southern district of New York, unlawfully did mail a certain letter to the said Gould Paper Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

NOVEMBER 4, 1907.

G. H. P. GOULD, Esq.,
President Gould Paper Company, Lyons Falls, N. Y.

Answering your E/2nd Inst.

DEAR SIR: In preparing our distribution sheets we follow, as closely as we can, the legislation of the association; and then, after we have prepared the sheets, we call in the association auditors, who are expert accountants, to verify our figures or to make corrections if there are any errors. No money is paid out to any member until our distribution sheets have been O. K.'ed by said expert auditors. Therefore, so far as the figures are concerned, they are unquestionably correct.

But as to the theory upon which the distributions are made, that is another question. The same "exemption rule" that applies in the F. and M. Association prevails in the other associations. It may be, however, that the conditions in the F. and M. are such that it would warrant the changing of one feature; that is to say, to have the expenses charged up to members on the basis of their revised percentages rather than on the basis of their fixed percentages. If this were done, it would make a material difference in the net results to you, but some of the other members might object to it. It seems to me, therefore, that it might be well, if you wish it, to make it a question for debate at our next meeting; and if you would like to have me make it an item on the order of business, please so advise me.

The theory of a "pool," however, is that the active members must contribute to the passive members. To induce members to refrain from making cut prices in order to market their products a "pool," properly organized, will yield them just as much profit if their mill is shut down; and therefore such members are usually satisfied to take their compensation from the "pool" rather than to endeavor to obtain it through sales in the market. The direct result of this is to tone up the prices. I will not undertake, in a letter, to go into all the details of this argument; but, speaking in general terms, I would say that it is not what a member pays into a "pool," but what he draws out of a "pool," that constitutes the profit. And in this respect I beg to call your attention to the inclosed circular letter, which was issued some time ago on the subject.

Your, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy and to effect the object of the same, and as an act on its part of engaging in the same, the said Raquette River Paper Company, on the 9th day of January, in the year 1907, at Potsdam, in the State of New York, unlawfully did mail a certain letter; that is to say,

Oswego Falls Pulp and Paper Company to Auger & Son, Dr.—Continued.

Car No.—	Cords.	Feet.
5043	12	72
55044	16	112
12378	13	100
10073	13	100
302972	13	100
74326	16	112
304627	13	100
300715	13	100
14823	13	100
303744	13	100
8223	12	72
50119	13	124
13076	13	124
16326	13	100
24602	10	40
15572	13	112
61190	16	107
14941, 5151	12	56
13709	13	124
28889	10	
19651	13	108
14872	13	100
64570	17	28
55715	10	20
305507	13	124
1104	11	80
9478	12	90
27425	10	40
13834	13	100
50809	13	88
50576	13	88
55654	11	72
18538, 1526	10	24
308957	13	124
6696	13	4
300736	13	5
300708	13	124
15120	13	112
12507	12	103
527672	13	10
27690	10	40
16070	13	88
15427	13	88
16006	13	88
15936	13	88
15966	13	88
4309	12	48
3973	12	72
15974	13	88
11773	13	124
9925	13	124
Total	941	6,126

941 + 47.85 cords = 988.85 cords.
 988.85 cords, at \$14.50 \$14,338.33
 Less freight 7,592.43
 6,745.90

Oswego Falls Pulp and Paper Company to Auger & Son, Dr.
 JULY 31, 1908.

Car No.—	Cords.	Feet.
17904	14	27
19599	14	105
15845	17	32
2801	10	64
15595	15	4
15978	15	4
14161	13	61
15278	13	112
19987	14	64
60138	17	102
15746	14	8
22221	12	
10595	4	64
17598	15	3
15958	13	64
15427	13	64
17058	14	43
3962	12	72
12781	13	124
10879	13	124
12466	13	124
15791	15	88
16059	15	110
26491	12	
17741	13	101
25949	11	44
19254	14	79
15900	14	124
27889	12	48
19533	13	119
16224	14	55
301063	13	124
14991	13	58
1160	10	106
15210	16	24
16012	13	51
13071	13	121
60165	17	89
15598	14	14

Oswego Falls Pulp and Paper Company to Auger & Son, Dr.—Continued.

Car No.—	Cords.	Feet.
11809	13	124
24574	10	
15177	13	112
3075	8	16
304892	13	100
15681	13	100
2831	12	48
15365	13	112
304337	13	100
300803	13	61
12273	13	100
16040	13	112
13178	13	124
13782	13	124
15606	13	112
50237	14	58
20044	15	5
30089	15	5
18929	14	37
19333	14	37
50239	14	8
19473	13	120
1708	7	
41364	13	30
3436	9	96
10704	13	124
26489	9	48
25232	8	32
14039	13	124
7812	13	28
304128	13	124
16236	13	124
50332	13	112
2626	12	
19178	10	40
303078	13	112
15877	13	112
29662	12	48
14080	13	112
28436	10	40
15276	13	112
50556	14	32
15424	13	112
16080	13	112
24909	10	
17367	13	97
21031	12	114
18890	14	27
18566	14	36
302678	13	124
9648	12	72
10233	12	114
Total	1,165	6,433

1,165 + 50.65 = 1,215.65, at \$7.50 \$9,117.38
 Less \$1 per cord on 140.55 140.55
 8,976.83
 To make price \$14.50 per cord f. o. b. Fulton 8,509.55

Less freight, as per bills attached 17,486.38
 10,090.79
 7,395.59

COUNTY OF OSWEGO, State of New York, ss:
 H. Lester Paddock, being duly sworn, deposes and says that he is president and general manager of the Oswego Falls Pulp and Paper Company, a corporation doing business in the city of Fulton, State of New York; that during the year 1908 he made purchases of pulp wood of Auger & Son, of Quebec, of which the attached statements are true and correct copies; and that the price paid for said wood was \$14.50 per cord, delivered f. o. b. cars Fulton, and that settlements and payments for said wood were made on this basis.
 H. LESTER PADDOCK.
 Subscribed and sworn to before me this 21st day of May, 1909.
 [SEAL.] A. M. HURD, Notary Public.

MONTMORENCY LUMBER COMPANY,
 Portland, Me., June 3, 1909.
 Statement covering the Montmorency Lumber Company's cost of operating in Quebec, Canada, during the two years 1907-8 and 1908-9. This statement includes all cost involved in direct connection with the logging operation, even after charging off from 25 per cent to 33 1/2 per cent of the cost of river improvement, and, too, of the value of outfit and equipment used in connection therewith:
 1907-8 SEASON.
 Number of cords cut, 14,000.
 Length of wood, 4 to 12 feet.

Logging cost	Per cord.
Driving cost	\$3.15
Seminary dues (stampage)	.35
River improvement	.30
Depreciation	.10
Salaries	.20
Sinkage (5 per cent)	.20
Aggregate cost	4.35

1908-9 SEASON.

Number of cords cut, 27,500.
Length of wood, 12 to 16 feet.

	Per cord.
Logging cost	\$3.15
Driving cost	.45
Seminary dues (stumpage)	.80
River improvement	.10
Depreciation	.20
Salaries	.10
Sinkage (5 per cent)	.20
Aggregate cost	4.50

GEORGE A. BRIDGE,
Vice-President and General Manager.
JUNE 3, 1909.

STATE OF MAINE, Cumberland, ss:

Then personally appeared George A. Bridge, vice-president and general manager Montmorency Lumber Company, and made oath that the above statement by him subscribed is true, to the best of his knowledge and belief.

Before me,
[SEAL.]

JOSIAH H. DRUMMOND,
Notary Public.

The attached affidavits and audits are herewith submitted, in addition to those heretofore filed with you, which show as follows:

First. Affidavit of Edgar G. Murphy, general manager of the St. George Pulp and Paper Company, St. George, New Brunswick, giving the cost of spruce pulp wood, delivered at said mill, \$5.14 per cord, and the cost of manufacturing mechanical-ground wood pulp, dry weight, at \$8.96 per ton.

Second. Audit of Loomis, Conant & Co., certified public accountants, of New York, of the books of the St. Maurice Lumber Company, operating 3 mills in the Province of Quebec, as follows:

	Per cord.
Three Rivers mill, cost of rough spruce wood	\$4.72
Batiscan mill, cost of rough spruce wood	6.02
Pentecost mill, cost of rough spruce wood	5.54

Third. Similar audit of Loomis, Conant & Co., certified public accountants, of the books of the Miramichi Lumber Company, operating 2 mills in New Brunswick, Canada, as follows:

Morrison mill, cost of rough spruce wood	5.27
Chatham mill, cost of rough spruce wood	5.38

Fourth. Affidavit of A. H. Hilyard, manager of the Dalhousie Lumber Company (Limited), of Dalhousie, New Brunswick, showing a cost of

Fifth. Telegram from David S. Cowles, showing a cost of \$5.50 per rough cord and \$6.75 per cord for peeled wood, both f. o. b. Canadian shipping point. The cost of the peeled wood is equivalent to about \$5.50 per rough cord.

Sixth. Statement of the treasurer of the Union Bag and Paper Company, showing a cost for rough wood, f. o. b. boats, at their mills in Canada of \$5.56. This includes the 25 cents per cord extra which they must pay for wood intended to be exported to the United States, making a net cost for Canadian consumption of

Seventh. Affidavit of George A. Bridge, vice-president and general manager of the Montmorency Lumber Company (the original of which was filed with Senator SMOOT), which shows the following results:

1907-8 operation, amounting to 14,000 cords	4.35
1908-9 operation, amounting to 27,500 cords	4.50

This is the cost delivered in the water in front of the mills of this company on the Montmorency River, about 10 miles from Quebec.

Average cost 5.21

I am also attaching to these papers a brief in relation to the importance of the mechanical-ground wood-pulp industry of the United States.

Respectfully, yours,

Edgar G. Murphy, being duly sworn, deposes and says that he is the general manager for the St. George Pulp and Paper Company, a corporation engaged in the manufacture of wood pulp at St. George, New Brunswick, Canada, and paper at Norwalk, Conn.

That he is familiar with the costs of manufacture, and that the company's spruce pulp wood, delivered at its mill in St. George, New Brunswick, does not exceed \$5.14 per cord of 128 cubic feet.

In addition to this fact, that he knows of other spruce pulp wood being sold in Canada at a price not higher than the above.

That the cost of making a ton of mechanical pulp at St. George suitable for news-print paper, exclusive of pressing and baling, would not exceed \$8.96, itemized as follows:

Pulp wood	\$5.55
Labor	2.00
Felts	1.05
Miscellaneous	1.36

Total, per ton, dry weight 8.96

The wages paid are as follows:

	Per day.
Foreman	\$3.00
Tour bosses	2.00
Grinder men	1.83
Pressmen	1.83
Sawyer	2.00
Barker men	1.75
Laborers	1.50 to 1.75

EDGAR G. MURPHY.

STATE OF CONNECTICUT, County of Fairfield, ss:

NORWALK, May 20, 1909.

Personally appeared Edgar G. Murphy, signer of the foregoing statement, and acknowledged the same to be true, to the best of his knowledge and belief, before me.

ELSIE M. SCHUMANN,
Notary Public.

LOOMIS, CONANT & Co.,
New York, May 28, 1909.

Mr. CHESTER W. LYMAN,
Washington, D. C.

DEAR SIR: As requested, we have made an examination of the books, records, and accounts relating to the cost of wood operations for the season of 1908 of the following-named companies: St. Maurice Lumber Company, Three Rivers, Province of Quebec, Canada; St. Maurice Lumber Company, Batiscan Station, Province of Quebec, Canada; St. Maurice Lumber Company, Pentecost River, Province of Quebec, Canada; Miramichi Lumber Company, Chatham, New Brunswick, Canada.

Our examination was made for the purpose of ascertaining the actual cost per cord of rough wood of each of these operations; the costs to include all expenses of forest operations, driving, rafting and booming, crown and company stumpage, depreciation on river improvements and booms, general expenses, etc.

As a result of our examination, we hereby certify that the total number of cords of rough wood received at the mill booms of the above-named companies during the season 1908 was as follows:

	Rough cords.	Average cost per cord.
St. Maurice Lumber Co.:		
Three Rivers	42,735.00	\$4.7175
Batiscan	11,358.79	6.01875
Pentecost	5,063.83	4.5405
Miramichi Lumber Co.:		
Morrison mill	51,139.51	5.26879
Chatham mill	25,766.48	5.3738

Very truly, yours,

LOOMIS, CONANT & Co.,
Certified Public Accountants.

DALHOUSIE LUMBER COMPANY (LIMITED),
Dalhousie, New Brunswick, May 24, 1909.

C. H. GRIFFING, Esq.,
St. Maurice Lumber Company, New York.

DEAR SIR: Your wire of the 24th to hand, asking me to send you a statement showing cost, without company's stumpage, of last year's logs landed at the mill, on the rough cord basis. Beg to advise that our logs cost us, on this basis, \$10 per thousand superficial feet, delivered here at our mill, or equal to \$5.60 per rough cord.

Trusting this is the information you require, we remain,
Yours, very truly,

DALHOUSIE LUMBER CO. (LIMITED),
A. N. HILYARD, Manager.

I hereby certify the above to be correct.

WM. F. CORNEAU,
Justice of the Peace for Restigouche County, New Brunswick.

Cost of pulp wood in the United States.

SUMMARY.

	Cords.	Rossed per cord delivered.	Equivalent per rough cord delivered.	Equivalent per rough cord f. o. b. point of shipment.
DOMESTIC.				
Cliff Paper Co	4,501.28	\$15.31		
Petebone-Cataract	1,139.87	14.89		
	5,641.15	15.23	\$10.90	
Knowlton Brothers	42.24		11.83	
St. Regis Paper Co	5,000.00		10.40	
Wisconsin Mills	187,452.00		10.18	
Petebone-Cataract	124.00	12.90	11.06	
Total	193,259.39		10.21	
CANADIAN.				
Cliff Paper Co	61.27	14.04	10.00	\$5.51
Do	503.66	13.82	9.84	
Petebone-Cataract	276.89	14.65	10.46	5.51
Do	999.55	14.69	10.42	
Cliff Paper Co	92.34	11.00	9.43	
Total	1,933.71		10.20	

* Peeled.

† Average.

Total, Canadian and domestic, 200,193.10 cords. Average cost, per rough cord, delivered at mill, \$10.21.

Cost of pulp wood in the United States as per accompanying invoices, freight bills, and affidavits.

DOMESTIC WOOD.

[Cliff Paper Company, Niagara Falls, N. Y.]

Invoice.	Cords.	Rossed per cord.	F. o. b. point of shipment.	Freight paid.	Total cost.	Cost per roused cord delivered at mill.
December, 1907	420.03	\$11.75	\$4,935.35	\$1,041.67	\$5,977.02	\$14.23
January, 1908	184.24	11.75	2,164.82	456.91	2,621.73	14.23
Do	339.46	11.75	3,988.66	840.66	4,829.32	14.22
February, 1908	297.75	11.75	3,498.56	736.91	4,235.47	14.22
March, 1908	543.82	11.75	6,389.89	1,348.83	7,738.72	14.23
April, 1908	353.05	11.75	4,148.34	875.66	5,024.00	14.23
May, 1908	259.08	14.00	3,627.12	641.82	4,268.94	16.47
June, 1908	310.98	14.00	4,353.72	771.92	5,125.64	16.48
August, 1908	228.39	14.00	3,197.46	567.55	3,765.01	16.22
September, 1908	181.37	14.00	2,539.18	459.41	2,998.59	16.53
October, 1908	187.20	13.50	2,527.20	465.04	2,992.24	15.98
November, 1908	445.77	13.65	6,084.76	1,101.29	7,186.05	16.12
December, 1908	750.14	13.75	10,314.42	1,859.46	12,173.88	16.22
Total.....	4,501.28	12.83	57,769.48	11,167.13	68,936.61	15.31

^a Average.

Average cost per rough cord, \$9.10, f. o. b. point of shipment.
 Average cost per rough cord, delivered at mill, \$10.96.
 NOTE.—To develop the average cost per cord of rough wood: Convert roused cords into rough cords by deducting 70 cents per cord for rousing, and take 75 per cent of the remainder, as 1 cord of roused wood is the equivalent of 1½ cords of rough wood.

Cost of pulp wood in the United States.

CANADIAN WOOD.

[Cliff Paper Company, Niagara Falls, N. Y.]

Invoice.	Cords.	Per cord roused.	Cost f. o. b. point of shipment.	Freight paid.	Total cost.	Cost per cord delivered at mill.
March, 1908	12.18	\$8.05	\$98.05	\$91.94	\$189.99	\$15.59
April, 1908	49.09	8.05	395.17	275.04	670.21	13.65
Total.....	61.27	8.05	493.22	366.98	860.20	14.04

^a Average.

Average cost per rough cord f. o. b. point of shipment, \$5.51.
 Average cost per rough cord delivered at the mill, \$10.
 [Price based on mill delivery.]

Invoice.	Cords.	Total cost.	Cost per cord delivered at mill.
May, 1908	166.72	\$2,414.95	\$14.50
June, 1908	16.62	224.44	13.50
July, 1908	131.89	1,780.53	13.50
October, 1908	188.43	2,543.68	13.50
Total.....	564.93	7,823.80	13.85

^a Denotes fee land pulp wood from the Province of Ontario.
^b Average.

Average cost per rough cord, delivered at the mill, \$9.86.

PEELED.

[Price based on mill delivery.]

Invoice.	Cords.	Total cost.	Cost per cord delivered at mill.
June, 1908	65.09	\$715.99	\$11.00
July, 1908	27.25	299.75	11.00
Total.....	92.34	1,015.74	11.00

^a Average.

Average cost per rough cord, delivered at the mill, \$9.43.
 NOTE.—To convert roused cords into rough cords, deduct 70 cents per cord for rousing and take 75 per cent of the remainder, as 1 cord of roused wood is the equivalent of 1½ cords of rough wood.
 To convert peeled wood into rough wood, deduct one-seventh of the price.

Cost of pulp wood in the United States.

DOMESTIC WOOD.

[Pettebone-Cataract Paper Company, Niagara Falls, N. Y.]

Invoice.	Cords.	Per cord roused.	Cost f. o. b. point of shipment.	Freight paid.	Total cost.	Cost per cord delivered at mill.
1907.						
December 16	142.16	\$12.00	\$1,705.92	\$352.53	\$2,058.45	\$14.48
December 23	78.51	12.00	942.12	195.64	1,137.76	14.49
1908.						
January 13	123.76	12.00	1,485.12	306.91	1,792.03	14.48
February 29	131.34	12.00	1,576.08	324.39	1,900.47	14.47
March 16	138.28	12.00	1,659.36	343.15	2,002.51	14.48
April 15	94.60	12.00	1,135.20	233.76	1,368.96	14.47
April 25	114.69	12.00	1,376.28	282.53	1,658.81	14.46
August 31	101.39	13.75	1,394.11	252.52	1,646.63	16.24
November 30	215.14	13.40	2,882.88	533.79	3,416.67	15.88
Total.....	1,139.87	12.42	14,157.07	2,825.22	16,982.29	14.89

^a Average.

Average per rough cord, f. o. b. point of shipment, \$8.79.
 Average per rough cord, delivered at the mill, \$10.64.
 July 6, 1908, 124 cords, delivered at mill, \$1,599.60; \$12.90 peeled.
 Average per rough cord, delivered at the mill, \$11.06.

CANADIAN WOOD.

Invoice.	Cords.	Per cord roused.	Cost f. o. b. point of shipment.	Freight paid.	Total cost.	Cost per cord delivered at mill.
1908.						
April 20	82.30	\$8.05	\$662.52	\$473.56	\$1,136.08	\$13.80
April 30	61.27	8.05	493.22	398.68	891.90	14.55
May 19	133.32	8.05	1,073.22	955.38	2,028.60	15.21
June 16	276.89	8.05	2,228.95	1,827.62	4,056.58	14.65
June 25	56.25	(a)	(a)	(a)	815.64	14.50
Do	67.73	(a)	(a)	(a)	982.10	14.50
Do	77.84	(a)	(a)	(a)	1,128.70	14.50
Do	87.89	(a)	(a)	(a)	1,274.41	14.50
Do	99.12	(a)	(a)	(a)	1,437.45	14.50
July 31	59.30	(a)	(a)	(a)	859.85	14.50
August 6	149.25	9.20	1,373.10	884.42	2,257.52	15.12
September 2	42.52	(a)	(a)	(a)	616.54	14.50
Do	49.46	(a)	(a)	(a)	717.17	14.50
September 3	47.78	(a)	(a)	(a)	692.81	14.50
September 4	64.16	(a)	(a)	(a)	930.03	14.50
Do	40.67	(a)	(a)	(a)	589.72	14.50
September 5	64.32	(a)	(a)	(a)	932.64	14.50
September 7	65.29	(a)	(a)	(a)	946.71	14.50
September 9	27.97	(a)	(a)	(a)	405.56	14.50
Total.....	1,276.44				18,643.23	14.60

^a Price based on mill delivery.

^b Average.

Average per rough cord, f. o. b. point of shipment, \$5.51.
 Average per rough cord, delivered at the mill, \$10.43.

Cost of pulp wood in the United States.

DOMESTIC WOOD.

[Knowlton Brothers, Watertown, N. Y.]

Invoice.	Cords.	Per rough cord.	Cost f. o. b. point of shipment.	Freight paid.	Total cost.	Cost per cord delivered at mill.
1908.						
December 16	10.50	\$10.00	\$105.00	\$18.00	\$123.00	\$11.71
December 18	10.62	10.00	106.25	22.01	129.16	12.16
December 21	10.87	10.00	108.75	15.32	127.07	11.68
Do	10.25	10.00	102.50	18.00	120.50	11.75
Total.....	42.24	10.00	422.50	77.23	499.73	11.83

[St. Regis Paper Company, Watertown, N. Y.]

Invoice.	Cords.	Per rough cord.	Cost f. o. b. point of shipment.	Freight paid.	Total cost.	Cost per cord delivered at mill.
1909.						
February 23	12	\$8.00	\$96.00	\$30.76	\$126.76	\$10.53
Do	11	8.00	88.00	27.43	115.43	10.49
January 13	15	8.00	120.00	36.00	156.00	10.40
January 19	16	8.00	128.00	39.09	167.09	10.44
Total^b.....	54	8.00	432.00	133.28	565.28	10.47

^a Average.

^b Which is part of 5,000 cords; cost per rough cord, \$8; per cord delivered at mill, \$10.40.

As per affidavit submitted by David M. Anderson, general manager, St. Regis Paper Company, Watertown, N. Y.

Cost of pulp wood in the United States to paper mills in Wisconsin (per affidavit).

DOMESTIC.

F. o. b. point of shipment.	Cords.	Per rough cord.	Average freight per cord.	Cost per cord delivered at mill.
Duluth, f. o. b. cars.....	60,452	\$7.25	\$3.36	\$10.61
Do.....	67,000	6.28	3.43	9.71
Do.....	60,000	6.79	3.47½	10.26½
Total.....	187,452			10.18

*Average.

STATE OF NEW YORK,
County of Jefferson, City of Watertown, ss:

G. Seymour Knowlton, being duly sworn, says that he resides in the city of Watertown, N. Y., and is the secretary and treasurer of Knowlton Brothers (Incorporated); that said corporation is engaged in the manufacture of paper at the city of Watertown, N. Y.; that said corporation purchases its supply of pulp wood in the open market and has no timber lands of its own; that said corporation purchases 4-foot rough spruce wood and resses the same at its plant at Watertown, N. Y.; that during the year 1908 the price paid by said corporation for such rough pulp wood, 4 feet long, was \$10 per cord f. o. b. shipping point; that during the year 1908 said corporation purchased rough spruce pulp wood from the Post & Henderson Company, of Oswego, N. Y., whose mills are situate in the Adirondacks, the shipping point being Benson Mines, N. Y.; that said wood cost deponent's company \$10 per cord f. o. b. Benson Mines, N. Y.; that the freight from Benson Mines to deponent's mill at Watertown is 4½ cents per hundredweight; that hereto attached and made a part of this affidavit are four invoices of such pulp wood, showing the price and also the freight bills for each invoice, and showing the freight rate on such pulp wood; that this wood cost deponent's company \$11.75 per cord delivered at its mill in Watertown, N. Y.; that said price was the average price that deponent paid for 4-foot rough spruce pulp wood delivered at its mills in Watertown, N. Y., during the year 1908.

G. SEYMOUR KNOWLTON,
Secretary and Treasurer of
Knowlton Brothers (Incorporated).

Sworn to before me this 30th day of April, 1909.

J. C. McCORMICK,
Notary Public.

STATE OF NEW YORK, County of Jefferson, ss:

David M. Anderson, being duly sworn, deposes and says that he resides in the city of Watertown, N. Y., and is general manager of St. Regis Paper Company and Taggart's Paper Company, of Watertown, N. Y.

That said companies are engaged in the manufacture of news print paper at Felts Mills, Deferiet, and Great Bend, Jefferson County, N. Y. That on the 6th day of October, 1908, deponent, for his companies, purchased 5,000 cords of rough pulp wood at \$8 per cord f. o. b. Downey, N. Y.

That the contract for the purchase of this wood was made with Horace W. Downey, of Potsdam, N. Y.

That this wood was all cut on timber lands in Franklin County, N. Y. That almost the entire amount of this contract, 5,000 cords, has been shipped to deponent's mills at a freight rate of \$2.40 per cord, which deponent's companies have paid in addition to the purchase price of \$8 per cord, making a total cost for rough pulp wood f. o. b. cars at deponent's mills of \$10.40.

That attached hereto are four freight bills for wood shipped on this contract, and same are made a part of this affidavit.

DAVID M. ANDERSON.

Subscribed and sworn to before me this 30th day of April, 1909.

[SEAL.] O. R. OWENS, Notary Public.

STATE OF MINNESOTA, County of St. Louis, ss:

George W. Martin, being first duly sworn, deposes that he is a resident of Duluth, St. Louis County, State of Minnesota, and that he is a member of the firm of Martin Brothers, whose principal business is dealing in forest products, including spruce pulp wood; and that during the three seasons, beginning December 1, 1906, he has had contracts for the delivery of spruce pulp wood to paper mills, including news print paper, in Fox River Valley, Wis., notably at Appleton, Kimberly, Little Chute, Combined Locks, and Kaukauna, Wis.

And that during said three seasons its contracts were for a total of 67,000 cords of 128 cubic feet each, and that the average price for said three seasons was \$6.82 per cord of 128 cubic feet f. o. b. cars Duluth, Minn. And that the freight rates from Duluth to Fox River points is 8 cents per hundred, and that the freight per cord was from \$3.36 to \$3.50.

GEORGE W. MARTIN.

Subscribed and sworn to before me this 30th day of April, 1909.

W. C. VINCE,

Notary Public, St. Louis County, Minn.

(My commission expires April 14, 1916.)

L. R. MARTIN TIMBER COMPANY,
Duluth, Minn., April 28, 1909.

To whom it may concern:

This is to certify that we have furnished the following mills—The Nekosoa Edwards Paper Company, Nekosoa, Wis.; the John Edwards Manufacturing Company, Port Edwards, Wis.; the Centralia Pulp and Water Power Company, Grand Rapids, Wis.; the Grand Rapids Pulp and Paper Company, Grand Rapids, Wis., for the past three years with all their spruce pulp wood, and the price received for same was \$7.25 per cord free on board cars at Duluth, Minn., and that the freight rate from Duluth was 8 cents per hundred pounds to the above mills, and

that the amount of freight on each car was arrived at on the basis of 4,200 pounds to the cord.

L. R. MARTIN TIMBER CO.,
By H. P. GARDINER, Manager.

Witnesses:
W. C. VINCE,
ANNA PROVINSKI.

STATE OF MINNESOTA, County of St. Louis, ss:

On this 28th day of April, A. D. 1909, before me, a notary public within and for said county, personally appeared H. P. Gardiner, manager of the L. R. Martin Timber Company, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

[SEAL.] W. C. VINCE,
Notary Public.

STATE OF MINNESOTA, County of Hennepin, ss:

M. H. Coolidge, being first duly sworn, on oath says that he is president of the Coolidge-Schussler Company; that during the past three years, beginning with the fall of 1906 to the spring of 1909, the Coolidge-Schussler Company sold for delivery to various print paper mills in Wisconsin approximately 60,000 cords of spruce pulp wood (128 cubic feet), at an average price of \$6.79 per cord on board cars Duluth, Minn.; that the freight rate from Duluth to Grand Rapids and other Wisconsin River points is 8 cents per hundredweight, making the freight from \$3.35 to \$3.60 per cord.

M. H. COOLIDGE.

Subscribed and sworn to before me this 28th day of April, 1909.

[SEAL.] WM. M. MARTIN,
Notary Public.

Mr. BROWN. I ask for the yeas and nays on this question.

Mr. BEVERIDGE. What is now the question?

The VICE-PRESIDENT. The amendment submitted by the Senator from Wisconsin [Mr. LA FOLLETTE]. On this question the Senator from Nebraska demands the yeas and nays.

The yeas and nays were ordered.

Mr. FRYE. Mr. President—

Mr. BAILEY. I was on the floor to give notice that if we can now take a vote, I shall not make any objection.

The VICE-PRESIDENT. The yeas and nays have been ordered on agreeing to the amendment of the Senator from Wisconsin. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. FLINT (when his name was called). I am paired with the senior Senator from Texas [Mr. CULBERSON]. In his absence I withhold my vote. If he were present, I should vote "nay."

Mr. FRYE (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. DANIEL], but on these votes I am authorized to vote in his absence. I vote "nay."

Mr. JOHNSTON of Alabama (when his name was called). On this question I am paired with the junior Senator from Kentucky [Mr. BRADLEY]. If he were present, I should vote "yea."

Mr. SMITH of Maryland (when his name was called). I am paired with the senior Senator from Oregon [Mr. BOURNE].

Mr. TAYLOR (when his name was called). I am paired with the Senator from Wisconsin [Mr. STEPHENSON].

The roll call was concluded.

Mr. FOSTER (after having voted in the affirmative). I inquire if the senior Senator from North Dakota [Mr. McCUMBER] has voted?

The VICE-PRESIDENT. The Senator has not voted.

Mr. FOSTER. Then, I recall my vote. If he were present, I should vote "nay."

Mr. BAILEY (after having voted in the affirmative). I desire to ask if the Senator from West Virginia [Mr. ELKINS] is recorded?

The VICE-PRESIDENT. The Senator has not voted.

Mr. BAILEY. Then, I withdraw my vote, as I have a general pair with that Senator.

Mr. FLINT. I will transfer my pair with the senior Senator from Texas [Mr. CULBERSON] to the senior Senator from New York [Mr. DEPEW], and vote. I vote "nay."

The result was announced—yeas 31, nays 44, as follows:

YEAS—31.

Bacon	Clay	Hughes	Paynter
Bankhead	Cummins	La Follette	Rayner
Beveridge	Curtis	McLaurin	Shively
Bristow	Davis	Martin	Simmons
Brown	Dolliver	Money	Smith, S. C.
Burkett	Fletcher	Newlands	Stone
Chamberlain	Frazier	Overman	Tillman
Clapp	Gore	Owen	

NAYS—44.

Aldrich	Crawford	Heyburn	Perkins
Borah	Cullom	Jones	Piles
Brandegee	Diek	Kean	Root
Briggs	Dillingham	Lodge	Scott
Bulkeley	Dixon	Lorimer	Smith, Mich.
Burnham	Flint	McEnery	Smoot
Burrows	Frye	Nelson	Sutherland
Burton	Gallinger	Nixon	Taliaferro
Carter	Gamble	Oliver	Warner
Clark, Wyo.	Guggenheim	Page	Warren
Crane	Hale	Penrose	Wetmore

NOT VOTING—17.

Bailey	Daniel	Johnson, N. Dak.	Stephenson
Bourne	Depew	Johnston, Ala.	Taylor
Bradley	du Pont	McCumber	
Clarke, Ark.	Elkins	Richardson	
Culberson	Foster	Smith, Md.	

So Mr. LA FOLLETTE'S amendment was rejected.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. ALDRICH] on behalf of the committee. The Secretary will state the amendment.

The SECRETARY. On page 157, line 21, in paragraph 405, strike out "one-tenth" and insert "two-tenths," so as to read:

Valued at not above 2½ cents per pound, two-tenths of 1 cent per pound.

Mr. OVERMAN. On that amendment let us have the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. FLINT (when his name was called). I am paired with the senior Senator from Texas [Mr. CULBERSON]. I transfer that pair to the senior Senator from New York [Mr. DEPEW] and vote. I vote "yea."

Mr. FOSTER (when his name was called). I am paired with the Senator from North Dakota [Mr. McCUMBER]. If he were present, I should vote "nay."

Mr. JOHNSTON of Alabama (when his name was called). On this question I am paired with the junior Senator from Kentucky [Mr. BRADLEY]. If he were present, I should vote "nay."

Mr. McENERY (when his name was called). On this amendment I am paired with the senior Senator from Delaware [Mr. DU PONT], and therefore withhold my vote. If he were present, I should vote "nay."

Mr. SMITH of Maryland (when his name was called). I am paired with the Senator from Oregon [Mr. BOURNE].

Mr. TAYLOR (when his name was called). On this question I am paired with the Senator from Wisconsin [Mr. STEPHENSON]. If he were present, I should vote "nay."

The roll call was concluded.

Mr. BAILEY (after having voted in the negative). The recapitulation shows that the Senator from West Virginia [Mr. ELKINS], with whom I am paired, has not voted, and I therefore withdraw my vote.

The result was announced—yeas 44, nays 32, as follows:

YEAS—44.

Aldrich	Crane	Hale	Penrose
Borah	Crawford	Heyburn	Perkins
Brandeggee	Cullom	Johnson, N. Dak.	Piles
Briggs	Dick	Jones	Root
Bulkeley	Dillingham	Kean	Scott
Burnham	Dixon	Lodge	Smoot
Burrows	Flint	Lorimer	Sutherland
Burton	Frye	Nelson	Tallaferro
Carter	Gallinger	Nixon	Warner
Clapp	Gamble	Oliver	Warren
Clark, Wyo.	Guggenheim	Page	Wetmore

NAYS—32.

Bacon	Cummins	Hughes	Paynter
Bankhead	Curtis	La Follette	Rayner
Beveridge	Daniel	McLaurin	Shively
Bristow	Davis	Martin	Simmons
Brown	Dolliver	Money	Smith, Mich.
Burkett	Fletcher	Newlands	Smith, S. C.
Chamberlain	Frazier	Overman	Stone
Clay	Gore	Owen	Tillman

NOT VOTING—16.

Bailey	Culberson	Foster	Richardson
Bourne	Depew	Johnston, Ala.	Smith, Md.
Bradley	du Pont	McCumber	Stephenson
Clarke, Ark.	Elkins	McENERY	Taylor

So Mr. ALDRICH'S amendment was agreed to.

Mr. BAILEY. Mr. President, I call for—

Mr. ALDRICH. Is the Senator from Texas willing that we should get through with these amendments?

Mr. BAILEY. I am afraid to take that chance. There are only twenty-five minutes remaining until the Senate adjourns by regular order.

Mr. ALDRICH. All right; go ahead.

Mr. BAILEY. But, having the floor, I will say that I have no objection to the Senator from Rhode Island presenting any matter, if it will not take much time.

Mr. ALDRICH. I have some amendments to paragraph 202, but perhaps we had better dispose of the other matter first.

Mr. BAILEY. I think we had. I ask that the regular order, which is the income-tax amendment to the bill, be laid before the Senate.

The VICE-PRESIDENT. The Chair lays before the Senate the amendment referred to by the Senator from Texas, which

will be stated by the Secretary. Unless it is especially asked for, the Secretary will not read the entire amendment, as it has been read heretofore.

The SECRETARY. An amendment proposed by Mr. BAILEY, as modified, to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, viz: On page 73, after paragraph 213, to insert—

Mr. CUMMINS. Mr. President—

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Iowa?

Mr. BAILEY. I yield.

Mr. CUMMINS. Mr. President, I hope the Senator from Texas will permit me to make a suggestion, which I have twice before made, I believe, and which I hope may be received with more universal favor than it has hitherto met.

In view of the general understanding, which is that the Finance Committee will presently offer an amendment to the pending bill, which is intended as a substitute for the amendment offered by the Senator from Texas [Mr. BAILEY], I assume that there is not any objection anywhere to a direct decision and vote upon this subject. Therefore, I renew my request, made, as I have said, twice before, for unanimous consent to an agreement that upon the conclusion of the paragraphs in this bill relating to dutiable articles and the free list, the Senate shall enter upon the consideration of the income-tax amendment and continue that consideration until it is disposed of by direct vote.

Mr. ALDRICH. Mr. President, this matter has been discussed in the Senate on several occasions. I am ready now, as I have been heretofore, to agree to every portion of the suggestion of the Senator from Iowa, except that the matter shall be disposed of by direct vote. It must be disposed of, of course, under the rules of the Senate. I have not changed my opinion as to how it should be disposed of, for that, as a matter of course, is within the disposition and control of the Senate.

Mr. BAILEY. It would still be disposed of and controlled by the Senate if the Senate would give its consent to the request preferred by the Senator from Iowa.

Mr. ALDRICH. Mr. President, in my long service in the Senate I have never known of a request of this kind to be either made or granted. It is an entirely novel proposition. The majority of the Senate will dispose of the amendment as they may see fit at the time. I am perfectly willing to agree to a proposition that, when the schedules and the free list are disposed of, the amendment of the Senator from Texas [Mr. BAILEY] shall be taken up and continued before the Senate until disposed of.

Mr. BAILEY. Let me supplement what the Senator from Iowa [Mr. CUMMINS] has said. If the Senator from Rhode Island [Mr. ALDRICH] desires to avoid a precedent of that kind, which he says has never been known in the Senate; if he will say to me—I would take his word outside of the presence of the Senate—but if he will say to me in the presence of the Senate that he will not make a motion to refer this matter to a committee, but will come to a direct vote between the proposition which he has been dragged into supporting and the proposition which the Senator from Iowa and myself so heartily support, I will agree then to consent to the request preferred by the Senator from Iowa.

Mr. McLAURIN. What is the objection to taking a vote right now on this amendment? The Senator from Rhode Island has said that it has been debated sufficiently. We have some twenty minutes in which we can take a vote on it and dispose of this matter right now. I suppose all Senators have made up their minds.

Mr. BAILEY. The Attorney-General has not prepared the proposition for the other side yet.

Mr. McLAURIN. That proposition will not be interfered with at all by taking a direct vote now on this amendment. It seems to me we might do that and dispose of it one way or the other; and it might obviate the necessity of any vote on the substitute, or it might obviate the necessity of the Finance Committee considering any further income-tax provision.

Mr. HALE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Maine?

Mr. BAILEY. I yield if the Senator from Mississippi is through.

Mr. McLAURIN. I am through.

Mr. HALE. Let me ask the Senator from Texas and the Senator from Iowa, is it in their mind to prevent the Senate from voting upon any substitute for their amendment?

Mr. CUMMINS. It is not in mine.

Mr. BAILEY. Nor is it in mine.

Mr. CUMMINS. It is perfectly well understood, I think, Mr. President, among Senators, that the Senate Finance Committee will very soon introduce an amendment to the bill, which the committee propose to offer as a substitute for the pending amendment; and in asking for unanimous consent for an agreement to dispose of the matter directly, I did not, of course, intend to exclude the proposed substitute.

Mr. HALE. But some Senators fear that, if that is agreed to in terms, it implies a vote direct on the income-tax proposition. Does not the proposition of the Senator from Rhode Island cover all that—that when this question comes up it shall continue and be considered until the Senate finally disposes of it?

Mr. ALDRICH. To the exclusion of other business.

Mr. HALE. To the exclusion of all other business.

Mr. BAILEY. Let me say this to the Senator, and I am sure the Senator from Iowa and myself are at perfect agreement on that: We know, of course, that the majority of the Finance Committee will report a proposition.

Mr. HALE. A substitute.

Mr. BAILEY. Whether it is a substitute for the inheritance provision of the House bill or whether it is a substitute for the pending amendment, of course, I suppose, has not been finally determined.

Mr. ALDRICH. I will say very frankly that it is my purpose and my expectation, when the matter is taken up, to offer a substitute for the proposition of the Senator from Texas. I have no other purpose in view at all, and I expect the matter to be continued from day to day until it is finally acted on.

Mr. BORAH. Mr. President—

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Idaho?

Mr. BAILEY. I do.

Mr. BORAH. May I ask the chairman of the Finance Committee when this substitute will likely be reported to this Chamber?

Mr. ALDRICH. It is my purpose to report the substitute as soon as possible, certainly within twenty-four hours at least, before the matter is taken up. As soon as it can be perfected, it will be presented to the Senate.

Mr. BORAH. Mr. President, I know that the chairman of the Finance Committee, as well as the rest of us, is anxious to get through, but I suggest that the bill will be in the Chamber longer than twenty-four hours before he disposes of it.

Mr. ALDRICH. The Senator did not understand me. I said I would surely have the substitute here and offer it twenty-four hours before the matter is taken up. The committee will prepare a substitute, or be ready to present a substitute, as soon as possible; I should say not later than Monday.

Mr. McLAURIN. Mr. President, I ask the Senator from Rhode Island what is the objection to taking a vote now on this matter? That will dispose of it. The riders are up, and we could get through in a few moments.

Mr. ALDRICH. The substitute is not ready. If the Senator from Mississippi is willing to trust the committee to prepare a substitute and adopt it in advance, perhaps I might be willing.

Mr. BAILEY. I think you would get as many votes for it in that way as you will after you have prepared it.

Mr. McLAURIN. It is not the substitute that I propose a vote on, but the amendment now before the Senate. What is the objection to that? We could get it out of the way, either by adopting it, which would obviate the necessity for any substitute, or by rejecting it; and then the committee's action would be to bring in an amendment—

Mr. ALDRICH. Mr. President, my friend from Mississippi is not so innocent as he looks. [Laughter.]

Mr. McLAURIN. I was innocent enough to believe that we just wanted to find out what was the judgment of the Senate as to the amendment that is now before the Senate, whether a majority of Senators favored it or not. I understood the Senator from Rhode Island to say that it had been fully debated, and that everybody understood his mind on the matter. If that be so, we could then record our votes upon it, and have it settled at once whether we will adopt this amendment or not. We could have done that while we have been wrangling about it.

Mr. ALDRICH. Knowing the Senator's good judgment, I expect he will vote for the substitute which we shall present.

Mr. McLAURIN. No, Mr. President. Knowing the opposition the Senator from Rhode Island has to the income-tax amendment, I well know that he and his committee will not prepare any substitute for which I could vote; and I am satisfied with this amendment providing for an income tax.

Mr. ALDRICH. Has the Senator seen it?

Mr. McLAURIN. Oh, yes.

Mr. BEVERIDGE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Indiana?

Mr. BAILEY. I do.

Mr. BEVERIDGE. I understood the Senator from Rhode Island to say that he would agree, so far as he was concerned, to unanimous consent to take this matter up at a time that either the Senator from Iowa or the Senator from Texas would request, and that it might be considered from day to day until disposed of. As I understand, that is the broadest form of a unanimous-consent agreement possible in a general way, because it absolutely excludes any other business whatever from the time we begin the consideration of the amendment until the final vote is taken. I want to call the attention of the Senator from Iowa to the fact that I believe that is the broadest form of unanimous-consent agreement possible, because no other business whatever will be transacted—and it might as well be understood now—or under such a form of unanimous consent could possibly be conducted from the time we began the consideration until the time we concluded it except by unanimous consent.

Mr. CUMMINS. Mr. President—

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Iowa?

Mr. BAILEY. I do.

Mr. CUMMINS. Mr. President, I understand perfectly that the agreement as suggested by the Senator from Indiana would be very broad and general. It does not, however, exclude the very thing for which we have been contending from the beginning, namely, an effort upon the part of the Finance Committee to dispose of the amendment through a motion to refer to some committee. It seems to me that, as we are in accord with regard to the methods which will be resorted to to settle this question, we ought to have no difficulty whatever in expressing it. The Senator from Rhode Island says the committee intends to bring in an amendment, which it will offer as a substitute for the amendment now pending. That is a direct disposition of the pending amendment and comes directly within my original suggestion.

All I want is that when this amendment is taken up—and I have from the very first agreed it should be taken up at the end of the consideration of the paragraphs that impose duties—it shall then be considered and determined fairly upon its merits. The Senator from Rhode Island heretofore has not been willing to consent to that suggestion. Why? Because it was then in his mind—and I am not at all quarreling about that—that he could more conveniently dispose of it by moving to refer it to some committee, and he was unwilling to surrender that advantage. But now the whole situation has changed. The Finance Committee seems to be convinced that there is some supplement to our revenue necessary, and it proposes, as we understand, an income amendment which differs from ours only in this: That ours proposes a tax upon all the large incomes, whether they are individual or corporate, while the amendment, if we are to be advised by the papers and the influences which are now controlling, proposed by the Committee on Finance, is an income-tax amendment, to be imposed only upon the stockholders of corporations, whether their incomes be large or whether they be small. Here is an issue joined, and my suggestion now is for unanimous consent to decide that issue in a fair, clear vote between the proposal that will be made by the committee and the proposal already before the Senate.

I have no ulterior purposes. I have no ulterior motives. The Senator from Rhode Island knows that I have been anxious from the beginning to reach just this conclusion, and I hope it will be agreed to in some form that will enable us to reach the conclusion. As we now are, there is no time save the present for the consideration of the amendment, and if we do not reach a conclusion harmoniously and amicably with regard to it, then we must necessarily consider another motion, to postpone the income-tax amendment to a day certain, a result which I am sure is not looked upon with favor by anyone who believes in the principles of an income tax.

Mr. LODGE. Mr. President—

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Massachusetts?

Mr. BAILEY. I will.

Mr. LODGE. Mr. President, I think we are all agreed as to taking up the income-tax amendment after the conclusion of the schedules and continuing its consideration until it is disposed of. The question arises on excluding a certain motion at that time.

It is the custom in the House to bring in special orders, specifying what motions can be made and excluding others. That has never been done here. I have no more doubt than that I am standing here that the amendment of the Finance Committee will be offered as a substitute for the amendment of the Senator from Texas; but I object on general principles to adopting the system of cutting off the right to make a regular parlia-

mentary motion provided in the rule. I do not think it is a good practice. It never has been done under our unanimous-consent agreements, and I think every Senator should at least have reserved to him the right under the rule to make any regular parliamentary motion.

The VICE-PRESIDENT. The Chair understands the Senator objects to the request of the Senator from Iowa?

Mr. LODGE. I do.

Mr. ALDRICH. I think the Senator from Texas will agree with me. There will be no trouble here. We have been here together a long time. We on this side are not trying to get an agreement that will be different from what is expressed here. We will go on in the regular way. There is no trouble whatever about it. I have no intention at present to make a motion to refer; but I do not think it is desirable that we should be cut off from making proper motions with respect to the disposition of this subject.

Mr. BAILEY. Complying with the suggestion of the Senator from Massachusetts, who repeated the suggestion of the Senator from Rhode Island, that that kind of unanimous consent was unprecedented, or at least unusual, in the Senate, I agreed to waive that and to take the Senator's word that he would not make a motion to refer. But I do not deem it half so important now as it has been heretofore. Heretofore the plan of campaign mapped out by the Senator from Rhode Island was to move to refer this amendment to the Judiciary Committee, and that plan of campaign was based on the belief that they could cast more votes for a motion to refer than they could for a motion to defeat. That was the whole purpose. I was not altogether a novice at matters here, and I knew what the Senator intended to do and why he intended to do it, just as well as he did. Consequently I iterated and reiterated, with some degree of persistence, that that was what he intended to do, with the direct and specific object of preventing him from doing it. At least we have brought everybody in the United States Senate and everybody in the country to understand that a vote to refer is a vote to defeat, and he can now poll about as many votes against the amendment as he can on the motion to refer it.

The Senator from Rhode Island found that out, and so did the President of the United States find it out, and straightway, although the President, as has been recited here to-day, had declared that an amendment to the Constitution was unnecessary, and had made that declaration the basis of a criticism against the Democratic party, he now goes to the declaration of the Democratic platform; and I think if we could have a week or ten days longer, and we were blessed with the kind of progress that the last ten days has brought, the country would witness the unlooked-for spectacle of the Senator from Rhode Island even consenting to an income-tax amendment.

The VICE-PRESIDENT. May the Chair interrupt to suggest that it is very near 7 o'clock?

Mr. ALDRICH. I ask that the unanimous consent be granted.

Mr. BAILEY. The matter is now before the Senate. Let it go over, and it will be the pending question in the morning.

Mr. ALDRICH. It will not go over as the pending question.

Mr. BAILEY. Oh, yes.

Mr. LODGE. It will have no privilege in the morning.

Mr. ALDRICH. It will have no privilege to-morrow.

Mr. BAILEY. It will not?

Mr. ALDRICH. No.

Mr. BAILEY. When an amendment is pending—

Mr. ALDRICH. Oh, no.

Mr. BAILEY. Then I will ask unanimous consent to withdraw it, and I will offer it again when I can.

The VICE-PRESIDENT. Is there objection to that request?

Mr. ALDRICH. The Senator does not need to withdraw it. It falls at 7 o'clock.

Mr. BAILEY. Will it not be pending to-morrow?

Mr. ALDRICH. No.

Mr. BAILEY. I will ask the Chair for a construction of the parliamentary rule. If we adjourn without any action on it, does the amendment lapse or will it be pending when we again meet?

The VICE-PRESIDENT. The impression of the Chair is that the amendment would lapse.

Mr. BAILEY. The amendment would lapse? We ought to have a little more time—

Mr. ALDRICH. Will the Senator allow me to ask unanimous consent that this amendment be taken up immediately after the disposition of the schedules and continued from day to day until disposed of? I ask unanimous consent for that.

Mr. BAILEY. The Chair wishes to say something.

The VICE-PRESIDENT. The Chair wants to correct a misapprehension. The Chair was under a misapprehension. The Chair understands now, from what the clerk tells him, that—

the present occupant of the chair was not here when the original agreement was made—the amendment now having been brought up, it is regularly before the Senate. The Chair thinks—

Mr. ALDRICH. But it would have no privilege to-morrow unless—

The VICE-PRESIDENT. It would be the pending proposition. That is the impression of the Chair.

Mr. HEYBURN. I do not understand the amendment has been brought up in that sense.

Mr. ALDRICH. I ask the Chair to put the request for unanimous consent.

The VICE-PRESIDENT. What was the request of the Senator—that it go over until to-morrow?

Mr. ALDRICH. That the pending amendment be taken up immediately after the disposition of the schedules and be continued from day to day until disposed of.

The VICE-PRESIDENT. Is there objection to that request?

Mr. HEYBURN. I should like to understand the term "disposed of." The term "disposed of" does not imply a vote.

Mr. BEVERIDGE. Certainly.

Mr. HEYBURN. Not upon the amendment.

Mr. BEVERIDGE. That means subject to any rule of the Senate.

Mr. HEYBURN. I want that to appear in the RECORD.

Mr. BAILEY. Mr. President, I dislike to take myself off the floor, but I make the point of order that the hour of daily adjournment has arrived.

The VICE-PRESIDENT. The point of order is well taken. The hour of 7 o'clock having arrived, the Senate stands adjourned until to-morrow, Saturday, June 19, 1909, at 10 o'clock a. m.

SENATE.

SATURDAY, June 19, 1909.

The Senate met at 10 o'clock a. m.

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.

The Journal of yesterday's proceedings was read and approved.

FINDINGS OF THE COURT OF CLAIMS.

The VICE-PRESIDENT laid before the Senate communications from the assistant clerk of the Court of Claims, transmitting certified copies of the findings of fact filed by the court in the following causes:

In the cause of Jacob M. Davis and sundry other claimants of the League Island Navy-Yard v. United States (S. Doc. No. 107);

In the cause of Otto Seiler, administrator of the estate of Carl Weiland, deceased, v. United States (S. Doc. No. 106); and

In the cause of Hans Anderson and sundry other claimants of the Brooklyn Navy-Yard v. United States (S. Doc. No. 108).

The foregoing findings were, with the accompanying papers, referred to the Committee on Claims and ordered to be printed.

ALASKA-YUKON-PACIFIC EXPOSITION.

The VICE-PRESIDENT. The Chair lays before the Senate a telegram in the nature of an invitation to the Members of the Senate, which will be read.

The Secretary read as follows:

EXPOSITION GROUNDS,
Seattle, Wash., June 18, 1909.

HON. JAMES S. SHERMAN,
Vice-President, Washington, D. C.:

Yourself and Members of the United States Senate are cordially invited to attend Alaska-Yukon-Pacific Exposition, now being held at Seattle, to continue until October 16. Journey to this section, we believe, would be instructive and pleasant to the Members of Congress.

J. E. CHILBERG, President.

The VICE-PRESIDENT. The telegram will be referred to the Select Committee on Industrial Expositions.

PETITIONS AND MEMORIALS.

Mr. GALLINGER presented a petition of the National Federation of Remedial Loan Associations, praying for the enactment of legislation to regulate the money-lending business in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. DEPEW presented memorials of sundry citizens of Chateaugay, Beaver Falls, New York, Potsdam, and Watertown, all in the State of New York, remonstrating against any reduction from the Dingley rates on news print paper and wood pulp, which were ordered to lie on the table.

Mr. PILES presented a petition of the Pacific Coast Lumber Manufacturers' Association, praying that an appropriation be made to enable the Interstate Commerce Commission to make valuation of the railroad property in the United States, which was referred to the Committee on Interstate Commerce.