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DEMOCRATIC
CAMPAIGN BOOK

4747

FOR

1910

PUBLISHED BY THE

NATIONAL DEMOCRATIC CONGRESSIONAL COMMITTEE



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INTRODUCTION.

This publication contains extracts from speeches made in Congress, and which are found in the CONGRESSIONAL RECORD. It is intended to present the conditions existing to-day and to show the issues between the political parties. No one can carefully read this book, without bias, and not feel deep concern for his country. We ask a careful perusal of the various subjects discussed, and we feel sure that every candid person who is not controlled by a desire to profit personally through party organization will feel disgusted at the deception in legislation and administration and in the failure to meet the just demands of the people.

The Democratic party stands for equality of rights, and insists that the Government shall be administered for the whole people and not for the benefit of special interests. If intrusted with power, it will make a record which will mean much for the prosperity of the masses, and in the continuation of the principles of free government. For the first sixty years of the last century it was responsible for the affairs of government, and for the last fifty years the Republican party has generally been in control. Any careful student of history can well point with pride to the wonderful progress of this Republic during that period of Democratic supremacy, and if intrusted with the reins of government again so as to fully restore its principles, there can be no question but that the interests of the whole people will be much better served than during Republican rule.

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The Tariff and Cost of Living

THE TARIFF AND COST OF LIVING

THE PRESIDENT AND THE TARIFF

Remarks of CHAMP CLARK, of Missouri, delivered in the House of Representatives on Saturday, May 21, 1910.—[Part of Congressional Record.]

Mr. Clark of Missouri said:

Mr. Chairman—The first section of the sundry civil bill; that is, the one appropriating \$250,000 per annum to create and support a tariff commission, should be entitled "A motion to postpone the verdict of the people on the Payne-Aldrich-Smoot tariff bill to a more convenient season—more convenient to the stand-pat leaders." [Applause on the Democratic side.] It is another effort, a desperate effort, to once more hoodwink the voters of the land. I believe that every member of the Committee on Ways and Means, Democratic or Republican, has either in public or in private, or in both, expressed an opinion against a tariff commission; for calling it a board does not change its character. It is a commission, and calling it a board is beating about the bush—whipping the devil about the stump. Opposition to a tariff commission was about the only thing on which all the members of the committee were in agreement. If any member has changed base, it devolves upon him to give the reason why. If this tariff commission is established, it will be only another startling illustration of how far the legislative branch of the Government has surrendered its constitutional rights to the executive branch, a process which has gone far in the last quarter of a century.

It is decidedly interesting to observe the swing of the pendulum in that regard in the last forty-odd years. In the days of Andrew Johnson the legislative branch encroached upon the prerogatives of the executive branch until the Executive was reduced to a nullity. In these latter days, through encroachments of the executive branch, the Congress has fallen from the high estate of a coordinate branch of the Government to the despicable position of an animated cash register for the executive branch. [Applause on the Democratic side.] It matters not whether the Executive operates with the big stick or with a smile which will not come off [laughter on the Democratic side], the power of the Congress constantly dwindles, while that of the Executive mounts to imperial, even autocratic, proportions. Some men are so constituted that so soon as they come into the presence of the President their courage oozes out, as did that of

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Bob Acres. Every new office we create adds to the growing power of the Executive, and yet we go on constantly augmenting the bread and butter brigade.

Day in and day out Members rise in their places and anxiously inquire if such and such a bill has been recommended or indorsed by the head of an executive department. If so, they seem to think it all right. If not so, it is all wrong. They forget that these heads of departments, who are excellent gentlemen no doubt, are the mere appointees of the President—head clerks—and hold office at his pleasure. Some of them could not be elected to House or Senate from any constituency in the land, while we hold our commissions directly from the people for a period of two years, are directly responsible to the people, and are not responsible to the Chief Executive or any of his subordinates. [Applause on the Democratic side.]

At the present rate of growth of executive power it will not be long till an American Cromwell will stalk into this Chamber at the head of his Ironsides, and, pointing to the mace, roar out the command which was heard in the English House of Commons some two hundred and sixty years ago, "Away with that bauble!" and thereby arrogate to himself all the functions of government. [Applause on the Democratic side.]

The wisest thing the fathers did was to separate the functions of government into the legislative, executive, and judicial; and, mark you, the legislative comes first. The creation of this Tariff Commission is an indirect effort to mix the legislative and the executive, and against that I protest. [Applause on the Democratic side].

The whole lawful power of the President as to initiating legislation is found in these words of section 3, Article II, of the Constitution:

He shall, from time to time, give to the Congress information of the state of the Union, and recommend to their consideration such measures as he may judge necessary and expedient.

Having done that, he has exhausted his constitutional power of initiative, and that means that his recommendations are to be made to the Congress as a whole, in the open, and not to individual Representatives and Senators in private. [Applause on the Democratic side.]

It is the prerogative of the Congress and not of the President to pass tariff bills. What he can not do himself he can not do by deputy.

Section 8, Article I, which enumerates the powers of the Congress, opens with these words:

The Congress shall have power to lay and collect taxes, duties, imposts, and excises.

That is the greatest of all the powers granted to the Congress, for the Supreme Court of the United States did not exaggerate when it declared that the power to tax is the power to destroy. Therefore it was eminently proper that the power to tax should stand first in the list.

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Section 7, Article I, of the Constitution begins with this sentence:

All bills for raising revenue shall originate in the House of Representatives; but the Senate may propose or concur with amendments as on other bills.

Why was the power to lay and collect taxes, duties, imposts, and excises granted in express terms to the Congress? Because the fathers had an acute recollection of Charles the First and his Ship Money, and how the English Parliament had time and again wrung from reluctant Kings rights and privileges by making them conditions precedent to voting supplies.

Why did they provide that all bills raising revenue should originate in the House rather than in the Senate? Clearly because Members of the House are elected for a period of two years only, while the Senators hold for six years, so that Representatives must appear at the bar of public opinion to render an account of their words and deeds thrice as often as do the Senators. It was supposed that their earlier and more frequent accounting would quicken the consciences of Representatives and render them more responsive to the public will.

The makers of the Constitution having devolved upon the Congress the power to lay and collect taxes, duties, imposts, and excises and having devolved upon the House alone the power of originating all bills for raising revenue, why should we shirk our duty by abdicating our function and by turning it over to the President and his precious commission?

The President may, if he chooses, recommend any sort of a tariff bill; the House may originate any kind it sees fit; the Congress may pass any character of bill it likes; the President may sign it, veto it, or let it become a law without his signature. That is the *modus operandi*, and the only *modus operandi* prescribed by the Constitution. By that and for that we should stand firm as a rock. The quicker the Congress raises the standard of revolt against encroachments upon its rights and prerogatives the better the country will be off. [Applause on the Democratic side.] We hear a vast deal of talk about the President's legislative programme and about "the President's policies." It is passing strange how situations change in this world. The fact that Andrew Johnson prated so volubly about "my policies" was one of the chief causes of this impeachment; but the expression "my policies" in the mouth of Theodore Roosevelt became the battle cry of a great and triumphant party. Ever since the 4th day of March, 1837, writers and orators have poked fun at Martin Van Buren for declaring in his inaugural address that he intended to walk in the footsteps of this illustrious predecessor, Andrew Jackson, of blessed memory. But the same men and their political successors who had hounded Van Buren for seventy-one years for making that remark yelled themselves black in the face for Judge Taft, though his principal argument for election was that he would carry out the policies of his illustrious predecessor. If the spirits of the mighty dead take any interest in things sublunary, Martin Van

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Buren and Andrew Johnson must extract a wondrous amount of pleasure from the situation of the present and recent past.

The paragraph appropriating the \$250,000 per annum for the tariff commission begins in this wise: "To enable the President to secure information." If there is a man in the country who needs information on the tariff question it is the present amiable occupant of the White House. [Applause on the Democratic side.] That is demonstrated by his numerous pronouncements that the present tariff bill is the best ever placed upon the statute books. That being his opinion, the conclusion is not strained or far-fetched that his tariff board would examine the tariff question as certain controversialists examine the Bible—to find texts to justify and bolster up their preconceived theories and opinions. I am unwilling to vote to spend \$250,000 per annum, or any part thereof, to prove that the Payne-Aldrich-Smoot tariff bill is the best ever passed when a majority of the American people believe it a bad bill and millions believe it the worst tariff bill ever placed upon our statute books. [Applause on the Democratic side.] Query: If it is the best tariff bill ever passed, as the President asserts, why does he want to spend a quarter of a million of dollars to pick up information looking to amending it? Either his verdict on the present tariff bill is erroneous or his desire for money to change it is absolutely unjustifiable.

Remember that the information secured by this tariff commission to be appointed by the President is to be for his sole and exclusive use in making his recommendations to Congress. "It is so nominated in the bond." Remember also that he can not "originate" a revenue bill; he can not pass it; the House only can "originate" it, and the Congress only can pass it. This being the case, I submit that if we are to send a roving commission out to the ends of the earth after facts, the facts should be submitted to the Congress rather than to the President, for the House may, and in the Sixty-second Congress most probably will, "originate" a revenue bill without any recommendation from the White House. [Applause on the Democratic side.]

Bless your souls, Democrats do not object to information. We want information correct and unbiased, but we insist that the information should be submitted to Congress, which alone has the power to lay and collect taxes, duties, imposts, and excises, and not locked up in the secret archives of the White House—put in cold storage, so to speak. Amend this section so that the board shall be elected by the Congress and shall report the information secured to the Congress, which alone can pass revenue bills, and I will support it. [Applause on the Democratic side.] In that way the investigation will not be entirely one-sided.

It may be that the President, in making his recommendations to the Congress, would graciously state some of the facts gleaned by his commission, such facts as he deemed proper for the Congress to know and which would not militate against the adoption of his measure, though there is nothing whatever in the language of the section to induce or compel him so to do. On the other hand, he might make his recommendations without stating any facts whatever, and then use the lash to pass them

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through, for one of the Washington papers recently declared that the President was contemplating applying the lash to certain recalcitrant Republicans. Should he choose to simply recommend tariff measures without stating the facts—all the facts—how can the Congress be benefited or enlightened in its labors by the facts gathered by this commission?

To show that this is a complete waste of public money, we have only to study the history of our tariff legislation. In 1882, when General Arthur was President, a tariff commission was appointed, a majority being protectionists. In due time that commission filed the following report:

The average reduction in rates, including that from the enlargement of the free list and the abolition of the duties on charges and commissions, at which the commission has aimed, is not less on the average than 20 per cent, and it is the opinion of the commission that the reduction will reach 25 per cent.

In the face of this report of the commission recommending a large reduction, the Congress proceeded promptly to pass a bill increasing duties generally, with an average increase of about 10 per cent. The commission proposed and the Congress disposed.

A year or two ago the House raised a special committee to investigate the subject of wood pulp and print paper. You, Mr. Chairman—Hon. James R. Mann of Illinois—were chairman of that committee, which was composed of as good men as there are in the House. A majority were Republicans. After a most exhaustive investigation your committee made a unanimous report, recommending certain reductions, which were conspicuous in the conference report on the tariff bill only by their absence. So outraged were you that you both spoke and voted against the adoption of the conference report. Had three more Republicans been as wise as you and had voted against that conference report the Republican party would not be today in the hole it is in.

Mr. Chairman, while they are reading insurgents out of the Republican party with such enthusiasm, I have often wondered why they did not turn you out. [Applause on the Democratic side.] I know why they did not; they can not spare you. [Applause.]

Why is this tariff-commission project being pushed with so much vigor and so much enthusiasm? Because of the widespread dissatisfaction with the Payne-Aldrich tariff bill, and the equally widespread belief that the Republicans have not redeemed their ante-election promises. This dissatisfaction and this belief are both clearly manifest in the Indiana Republican state platform recently adopted. By appropriating this \$250,000 for a tariff commission the Republicans practically say to the country: "In 1908 we promised to revise the tariff down. That was to get in. Having won, we revised the tariff up in 1909. We were a lot of ignoramuses then. Now we beg of you good people to give us a chance to inform ourselves, and when we are sufficiently informed we will, some time in the sweet by and by, revise the tariff down. [Applause.] 'It may be for years and it may be forever' but we will do it some time if you will

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only give us another lease of power." [Applause.] Of course you will not state your plea in precisely that blunt way, but the meaning will be the same.

I take it that the Washington Star is good Republican authority. In a long article in its issue of May 10, it states that this campaign is to be fought out on the promise that if this \$250,000 appropriation for a tariff commission is made there will be an extra session of Congress in March or October, 1911, to revise the tariff downward, provided the information to be secured by the commission is obtained in time; and if not, then the extra session of Congress is to be called in March, 1913. Can the people be fooled by such a transparent trick as that? If so, it will be a fine illustration of the cynical philosophy of the late lamented Phineas T. Barnum, that a sucker is born every minute and that the public really likes to be humbugged. [Laughter.]

I have no doubt that there will be an extra session of Congress—of a Democratic Congress—in March, 1913, called by a Democratic President. [Applause.] So that spending \$250,000 per annum to educate President Taft on the tariff question is wasteful and ridiculous excess. By the time he learns his tariff lesson he will be a private citizen [applause], in which station I wish him all the blessings this world can bestow. [Applause.]

One thing more as to this expensive tariff commission. What has become of the much-vaunted economies which this administration was going to bring about in jig time? Have they gone glimmering, along with Republican promises in the campaign of 1908 of tariff revision downward? Is the finding of new ways to squander the public money by the quarter-million dollars per annum the plan on which Republican economy is to be worked out? Notwithstanding all the high-sounding pronouncements about economy under this administration, the Washington Times, in an able editorial, recently declared that the appropriations for the fiscal year ending June 30, 1911, will exceed the appropriations for the fiscal year ending June 30, 1910, by something like \$20,000,000. Every Member should read that startling editorial carefully and prayerfully before he votes in favor of this \$250,000 appropriation for a tariff commission, which somebody has declared is intended as a life-preserver for the Republicans in the impending campaign, and which is really a tariff kindergarten for the President. [Laughter and applause on the Democratic side.]

REPLY TO MR. CHAIRMAN PAYNE.

During this debate we have witnessed a spectacle perhaps without parallel in the annals of Congress. First we heard the gentleman from New York [Mr. Payne], chairman of the Ways and Means Committee and Republican floor leader, make a vitriolic attack on the speech of the Hon. Jonathan Prentiss Dolliver, a Republican Senator from the State of Iowa, recently delivered in the city of Des Moines, both speeches being upon the subject of the tariff, a subject which will not down at any

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man's bidding, and which, like the poor, we have with us always. Nobody appointed me to defend Senator Dolliver. This much, however, I will say for him. I have for years regarded him as the greatest orator in the Republican party. Since the debate on the tariff bill in the Senate last year I have rated him as one of the ablest debaters among Republicans. I would travel far to hear a discussion on the stump between him and the gentleman from New York. [Applause.]

Mr. Scott—How far would the gentleman travel to witness a tariff debate between the Senator from Texas [Mr. Bailey] and the gentleman from Nebraska, Mr. Bryan? [Applause on the Republican side.]

Mr. Clark of Missouri—I would not travel 10 miles. I know as much about the tariff as both of those statesmen put together. [Applause on the Democratic side.]

Mr. Scott—I understand, then, that the willingness of the gentleman to travel so far to hear debate between the Senator from Iowa [Mr. Dolliver] and the gentleman from New York [Mr. Payne] is because he might obtain information on the tariff?

Mr. Clark of Missouri—No, indeed.

Mr. Keifer—I want to remind the Chair that the speaker ought not to say unpleasant things of a Senator of the United States.

Mr. Clark of Missouri—I am not. I will tell you why I would take that long trip to hear the gentleman from New York [Mr. Payne] and the Senator from Iowa [Mr. Dolliver] discuss the tariff. When they got through the country for a great distance round about would be so thoroughly saturated with oil that you would not dare to strike a match in the neighborhood, and it would not be oil out of the corporosity of the Senator from Iowa, either. [Laughter and applause on the Democratic side.]

The next day we heard the gentleman from Michigan [Mr. Fordney], and I always take off my hat to him. He is the Marshal Ney of the army of protection in the United States. [Laughter and applause on the Democratic side.] If I believed in a high tariff, I would strike hands with Brother Fordney. He is the only one of the whole crowd that has nerve enough to stand up and say what he believes, and that is, that where an article can be made in the United States its like shall not be imported in here at all. [Laughter.] A good many of the rest of you believe that, but you have not the gall to say it. [Applause and laughter on the Democratic side.]

The next day I heard the Republican gentleman from Michigan [Mr. Fordney] make a vicious assault on the Republican boss of Indiana, Senator Beveridge, by reason of a speech that he just made at Indianapolis. A debate on the tariff question on the stump between Brother Fordney and Senator Beveridge would double discount any vaudeville show ever pulled off [Laughter and applause.] That would be what Horace Greely used to call "very interesting reading."

Mr. Nye—How far would you go to hear that?

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Mr. Clark of Missouri—A good long distance. And I volunteer an opinion that when they got through with it you would be minus a Senator. [Applause on the Democratic side.] I have enough of the esprit du corps about me to stand by the House.

When I heard the Republican gentleman from New York assail the Republican Senator from Iowa, when I heard the Republican Member from Michigan assail the Republican Senator from Indiana, when I read, in the newspapers the other day where Mr. Speaker Cannon said that the insurgents did not deserve honorable death by shooting, but they ought to be hung [Laughter and applause on the Democratic side], when I heard the Republican Member from Massachusetts [Mr. Ames] make an attack on my worthy republican friend from New York [Mr. Payne], and when I heard the Republican gentleman from New York [Mr. Fish] assault the Speaker and his household troops, I recalled the words of the psalmist, "Behold how good and how pleasant it is for the brethren to dwell together in unity." There also came to my mind the question now ringing through the land, What is a Republican? [Loud applause and laughter on the Democratic side.]

Not long since, so the story runs, the Devil met an aged preacher and tried to convince him that he was God Almighty. The old man was skeptical. His Satanic Majesty said: "Name three things the hardest to do that you can think of, and I will convince you by doing them right before your face." That seemed fair, and the old man said: "Remove that big oak tree." Instantly the lightning struck it and split it into a thousand fragments. The preacher said: "Remove that mountain." Quick as a flash an earthquake came and the mountain was leveled with the plain. The Devil smiled sardonically and remarked: "That's good—two best out of three!" Then the preacher smiled in turn and said: "Now Mr. Devil, tell me, 'What is a Republican?'" and the Devil took to the woods and hasn't been seen since.

I am glad of it, as I want nothing to do with "Old Hornie." [Great laughter and applause on the Democratic side.]

Since Mr. Chairman Payne bore down so heavily on Senator Dolliver, who, under the rules of the House, can not be heard to reply in this forum, it is only fair to Dolliver to quote some of his tersest sentences, and here they are:

The new rates and classifications in the cotton schedule operate to increase duties very materially on most cotton cloths used for women's and children's summer wear, and on all mercerized cottons, figured curtain and upholstery goods, tapes, cords, etc. In fact, the Aldrich revision of this schedule was one of the most daringly iniquitous features of the new tariff.

The refusal of Aldrich to permit a proper revision of the wool and woolen schedule, with its excessive rates upon the necessities of life, the consumption value of which amounts to over \$700,000,000 per year, was without doubt the worst feature of Payne-Aldrich tariff legislation.

The silk schedule, which advanced rates on goods the value of which was \$106,742,646 and decreased on only \$7,947,568, was defended on the ground that all were "luxuries," and yet they are now commonly used by almost every girl and woman in the land in some form or other, for dresses, shirtwaists,

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undershirts, and hats, and for men's and boys' neckties and suit linings, and by most people are no longer considered luxuries.

There is the item of bituminous coal, amounting to \$932,344,733, of which we export seven times more than we import, and on which the remarkable reduction of 22 cents per ton was made—for the benefit only of the Atlantic seaboard manufacturers, who may thereby get their coal a little cheaper from Nova Scotia.

The production of agricultural implements is largely in the hands of a trust, and the trifling reduction of 5 per cent. on these products was merely for the purpose of attempting to fool the farming community.

They are not such big fools as they are assumed to be.

So far as the public is concerned, the tariff revision in fact carries rates as high, or higher, than the Dingley tariff law on most articles of general use in their finished condition. Most of the reductions were so trivial as to be ridiculous, and were either upon articles which we do not import to any extent (but, on the contrary, export in enormous quantities) or were for the purpose of further protecting the manufacturers especially, by reducing the duties on raw materials, while most of the rates on finished products were either kept at the Dingley tariff standard or were increased.

In making his speech in defense of his tariff bill Mr. Chairman Payne appeared to be performing a disagreeable task. He did not exhibit his usual enthusiasm or his old-time felicity of expression. He seemed to be in about as cheerful a frame of mind as a lawyer appointed by the court to defend without fee a man that he feels certain will be convicted and hanged. [Laughter and applause.] Clearly, it was to him a repulsive job, but it had to be gone through with some way. He appeared to think as did Macbeth when about to murder Duncan:

If it were done, when 'tis done, then 'twere well it were done quickly.

[Laughter.]

Mr. Chairman Payne was evidently in a very fretful state. He not only assailed Senator Dolliver, but he denounced the Chicago Tribune as a free-trade paper, a most preposterous performance, and gave the Saturday Evening Post a short-arm jolt which will not make it love him any better. The trouble with him is that the majority of the papers are against his bill, which he evidently considers a heinous crime. After denouncing everybody who objected to his bill as a liar and a slanderer, he did the very sensible thing of reading extracts from my speeches and writings. It would add considerably to his stock of general information if he would read them all. Mr. Chairman Payne seems to be afflicted with a new disease, "intermittent forgetfulness." He remembered with great vividness the soup houses of 1893 and 1894, but when it came to the soup houses of 1907, a very recent occurrence, and the soup houses of 1873, his memory failed him utterly. It does not need any psychologist or phrenologist to account for this state of mind on his part, the reason being that the soup houses of 1873 and 1907 were under Republican administrations and under tariff laws passed by the Repub-

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lican party, while the soup houses of 1893, through the outgrowth of a panic caused by a Republican tariff bill, sprang up while a Democratic President was in office. The gentleman complains of what he calls slanders about the McKinley bill and the Dingley bill, but human ingenuity and malice combined never invented a more stupendous slander than the one so often repeated that the panic of 1893 was produced by the Wilson tariff bill, which was not enacted into law until August, 1894.

The gentleman from New York said:

Like all Republican protective tariffs, the present law furnishes a sufficient amount to run the Government without resorting to bonds at a high rate of interest in time of peace.

If that be true, how did it happen that in February, 1893, Mr. Secretary of the Treasury, Charles Foster, a Republican appointed by President Benjamin Harrison, went before a committee of Congress and asked for the authority to issue a large quantity of bonds? How did it happen that for the last two years of the life of the Dingley bill there was a large deficiency in the revenues? How did it happen that, in the fall of 1907, the Secretary of the Treasury issued a batch of 3 per cent. certificates, there being no difference between a certificate and a bond except in name? All these things were done in a time of profound peace, and yet when the gentleman from New York made that glaring misstatement of facts of history there was applause on the Republican side. Such statements as that of the gentleman from New York may deceive somebody somewhere who does not know the history of our country, but it will not deceive anybody here, and the applause of the Republicans was in the nature of whistling in a graveyard to keep their courage up. The gentleman declared that they put up the tariff on hosiery and as a consequence the price of hosiery has gone down. Then he declared that they put up the tariff on wines, and as a consequence the price of wines had gone up. He seems to have been playing both ends against the middle, for it must be apparent to any sane man that, if putting up the tariff on hosiery made the price of hosiery go down, then by the same token, putting up the tariff on wine would have made the price of wine go down. Consistency, thou art a jewel!

That statement of Mr. Chairman Payne about Republican tariff bills always producing abundant revenues is of a piece with the monstrous fable in the Republican platform of 1904 that "a Democratic tariff is always followed by business adversity."

No matter what the papers say, no difference how the people complain, or how prices soar, Mr. Chairman Payne continues to assert that his bill is the best of all the tariff bills ever enacted since the pirates of Tarifa gave the word tariff to the lexicons of the world, just as every crow thinks her crow the blackest. [Laughter.]

The gentleman from New York introduced the subject of sugar to illustrate the good effects of his tariff bill. I thank him for doing that. There is no one schedule in that bill that is more outrageous than the Schedule E, the sugar schedule. He as-

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sumes great credit for himself and his Republican yoke-fellows because they reduced the tariff on the refined sugar from \$1.95 a hundred to \$1.90. In the first place, the reduction of 5 cents a hundred is so small that every man with common sense knows that the consumer will never be benefited by it in any degree whatsoever. The duty on raw sugar is \$1.68½ a hundred. Under the Dingley law the differential between the duty on raw sugar and refined was 26½ cents a hundred pounds. Under the Payne-Aldrich-Smoot bill there is a differential of 21½ cents a hundred pounds. Refined sugar is sugar which tests 96 degrees by the polariscope, which is an accurate scientific instrument for ascertaining the quantity of saccharine matter. The gentleman from New York says: "96-degree sugar is only 96 pounds of pure sugar to the hundred and they can not recover all the pure sugar; they lose something besides the 4 pounds." From that sentence it seems that he thinks that they lose 4 pounds because it is 96-degree sugar. They do not lose anything because it is 96-degree sugar, for they sell the 100 pounds as pure sugar. So that he is clearly wrong about that loss of 4 pounds. The truth about it is this: 100 pounds of raw sugar make 93 pounds of refined sugar, a loss of 7 pounds. Theoretically the refiners pay \$1.68½ a hundred tariff on raw sugar, which is not a loss of 14 cents a hundred as he states, but only 11.795 cents per hundred which, when subtracted from 21½ cents, the differential, leaves 9.705 cents profit on the hundred pounds. To this must be added the value of 7 pounds of by-products, which would give the true differential on 100 pounds of refined sugar, which would be in the neighborhood of 12 cents. This is the theory. In practice the sugar trust manages, in one way or another, to beat the producers of raw sugar out of a large part of the tariff of \$1.68½, to which they are entitled under the law.

But this is not the worst part of the sugar gouge. The great gouge in the sugar business is in the color test, stated in the law as "16 Dutch standard." The color of sugar has absolutely nothing to do with the quantity of saccharine matter in it, and yet this Payne bill, as did the Dingley bill, provides the color test. That is, if the sugar is above 16 Dutch standard in whiteness, it must be taxed as refined sugar. That is, instead of coming in at a tariff duty of \$1.68½ per 100 pounds, it must pay the duty of \$1.90 a hundred. Everybody that knows anything about it knows that raw sugar, which we used to call brown sugar, some of which was almost white, is just as good, if not better, for every purpose except table use as refined sugar. So that, if it were not for this color test in the Payne bill, which is a gross outrage on the consumers, at least 70 per cent. of all sugar used in the United States would be raw, or brown sugar. It would be used, in fact it would be preferred, by housewives for making jams, preserves, cakes, pies, and all sorts of sweetmeats. Now remember that the difference between the duty on refined sugar and raw sugar is 21½ cents a hundred pounds. We consume in this country annually about 3,600,000 long tons of sugar, a long ton being 2,240 pounds. That makes 8,064,000,000 pounds of sugar. Of hundred-

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weights it makes 80,640,000; 70 per cent. of that is 56,448,000 hundredweights, which multiplied by 21½ cents, the differential between the tariff on raw sugar and the tariff on refined sugar, amounts to the enormous sum of \$12,136,320 per annum. That is a very low estimate of the amount of money that the people of the United States are gouged out of every year by the trick of the Dutch standard color test, which I repeat, has absolutely nothing on earth to do with the saccharine quality of the sugar.

The question naturally arises in the mind of every man as to why this color test is put into the sugar schedule. It is put there for the purpose of forcing everybody to use refined sugar instead of raw sugar, to give the Sugar Trust the rake-off of 21½ cents a hundredweight on all the sugar used. In this connection it should be remembered that this color test, which costs the American people about \$12,000,000 every year, does not benefit the producer of raw sugar to any extent whatsoever—not to the extent of a nickel. To demonstrate how complete is the swindle it is only necessary to state that some producers of raw sugar produce an article so white that it is above this 16 Dutch standard in color, and in order not to be compelled to pay on raw sugar the higher duty on refined sugar they actually put molasses or some other coloring matter into it to reduce it below the 16 Dutch standard in color. The tenderness of the makers of the Payne tariff bill for the Sugar Trust is an astounding fact when we consider the history of the Sugar Trust in its dealings with the United States Government, and I repeat that, while this color test costs the consumers about twelve millions a year, it does not profit the producers of raw sugar one cent. [Applause on the Democratic side.]

Nor is the whole of this gouge as to the differential. The 21½ cents differential given the refiner is based on the assumption that all raw sugar imported pays a duty of \$1.68½ per hundredweight, which is not the truth by any manner of means. In 1907 out of 3,980,000,000 pounds of duitable sugar imported 3,165,000,000 pounds paid \$1.65 per hundredweight or less, leaving but 815,000,000 pounds to pay the full rate of \$1.68½ per hundredweight. It is still further to be noted that more than 2,900,000,000 pounds came in from the Philippines or Cuba with a concession of 20 per cent. Hence more than three-fourths of the import came in at \$1.32 per hundredweight, instead of \$1.68½, which more than doubles the profits to the refiners which I have worked out before. But added to all this is the 1,000,000,000 pounds of sugar from Hawaii which pays no duty whatever, but enures to the advantage of the Sugar Trust by increasing its differential on refined sugar. To this must be added the further rake-off on 300,000 tons of free sugar from the Philippines permitted under the new law.

The gentleman from New York seems to argue that the lower the tariff on an article the higher will be the price to the consumer, and vice versa. That, of course, is utterly preposterous and is fully answered by asking the simple question: If the tariff does not put up the price of an article, what do the proponents of the tariff want with it? To prove his absurd theory

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he cites the fact that, though the tariff on lumber was reduced from \$2 a thousand to \$1.25 a thousand, the price of lumber has gone up. It is true that before the last of us got out of Washington in August, 1909, the lumber trust marked up the price of lumber \$1 a thousand, and if the Department of Justice had done its duty it would by this time have filled the jails so full of lumber trust magnates that their arms and legs would stick out at the windows and the doors. [Applause on the Democratic side.] It seems to be a pleasant occupation to convict farmers and members of labor unions for violating the antitrust law, but that law appears to be absolutely a dead letter when it is violated by big criminals. [Applause on the Democratic side.]

In one breath the gentleman from New York glorifies his bill because it shuts out importations. In the next he glorifies it because it has increased importations. If he does not look out he will be read out of the party, if not prosecuted for lese majeste, for rejoicing about the increase of importations; that is, if the American Economist and the gentleman from Michigan [Mr. Fordney] voice the true Republicanism. The gentleman from New York must take one horn of the dilemma or the other. He can not take both. He can not perform the impossible feat of riding at the same time two horses going in opposite directions. Greater men than he have come to grief by essaying that caper, and he was not built for equestrian stunts, anyway. He must either take the position that a tariff bill is good just in proportion as it shuts out importations, or that it is good precisely in proportion as it permits importations. It is true that in the months of August, September, October, and November, 1909, the importations exceeded the importations for the same months in 1908, but that was because the importers were unwise enough to believe that the Republicans would really reduce the tariff. Consequently they held back their importations in order to secure the lower rates which they expected, but at last they were compelled to bring in their goods, whether the rates were lowered or not, which produced an increased importation in the months named. It is also true that the importations in February and March, 1910, were increased, and that was because the importers were fearful that the Aldrich maximum tariff, would go into effect, more or less, on the 31st day of March. So they rushed in their importations.

Every right-thinking American citizen would rather use American-made goods and articles of every kind than to use foreign-made goods and articles of the same kind, provided they can purchase the American articles at a fair price, allowing a reasonable profit to the producers thereof, but they are unwilling to pay exorbitant prices for American goods. The reasons I have stated above fully account for the increase of importations under the Payne bill. Here is a curious fact upon which the gentleman from New York might turn his luminous mind and of which he may be able to give some kind of an explanation.

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MR. PAYNE ON STOCKINGS.

To read the gentleman's reasons for the raise on stockings calls for tears and then for smiles. Hear him:

What did we find? In the first place, turning to our book on import duties on stockings, we found that of certain sizes two-thirds of all the stockings worn by all women and children in the country were made in Germany.

If this were true, a sufficient answer would be to say that our women and children are entitled to wear the stockings of their choice, whether made in Germany, Africa, or the United States.

But with all respect to the gentleman from New York, the statement is not true. The book on import duties referred to by him says nothing whatever about sizes; does not say a word about women's and children's stockings; does not say that two-thirds of all the stockings worn by all of our women and children came from Germany. The book he referred to is as silent as the grave on these questions. In that book we find this heading, "Stockings, Hose, and Half Hose," and there is not a word about sizes, and not a word limiting these articles to women's and children's stockings. This book tabulates the importations of all stockings, hose, and half hose for a number of years, scheduling them according to law by values per dozen pairs.

Now, let us examine the proposition that two-thirds of all the stockings worn by all the women and children of the country were made in Germany, irrespective of where the information came from.

We have about 90,000,000 people in this country, and the women and children in all probability number four-fifths of that number, or about 72,000,000. A moderate estimate would give an average of four pairs a year for each woman and child, or 288,000,000 pairs of stockings consumed in the United States. The gentleman from Michigan lamented that he could not go into the stocking question, and therefore may have some figures bearing on this footing.

Now, what did we import in 1907 of stockings, hose, and half hose? Here is the table as taken from the Book of Imports referred to by the gentleman.

TABLE OF IMPORTS FOR 1907.

The table gives dozens of pairs which I have converted into pairs—

	Pairs.
Valued at not more than \$1.00 per dozen.....	29,391,324
Valued at not more than \$1.50 per dozen.....	13,868,316
Valued at not more than \$2.00 per dozen.....	15,963,312
Valued at not more than \$3.00 per dozen.....	1,577,196
Valued at not more than \$5.00 per dozen.....	342,936
Valued at more than \$5.00 per dozen.....	76,548
Total imports.....	61,219,632

Our total import would not have given one pair of socks or stockings to each of our men, women, and children, nor would it have given one pair of stockings each to all our 72,000,000 women and children.

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All our population consumes more than 360,000,000 pairs of hose and stockings per annum, and all our women and children consume more than 288,000,000. Admitting that our imports of 61,000,000 pairs came from Germany—which is not true—it follows that from 220,000,000 to 300,000,000 pairs are made at home. In other words, from three-fourths to five-sixths of all the hose and stockings worn by all our people, or by all our women and children, are made by American manufacturers. Looked at from any angle you please, that two-thirds of all the stockings worn by the women and children of our country is either a joker or a joke.

Now, what was the real reason for the raise on stockings? It will be hard to make the American people believe that it was because "30,000 or 40,000 young women were walking up and down the streets working only half time," as the distinguished gentleman from New York put it. Not a bit of it. Look at the table and you will see that 57,000,000 pairs of cheap stockings were imported—or about one-fourth the consumption—a fact that made it possible for the poorer people to buy three pairs of stockings for a half dollar. Nearly the whole import was of the cheaper grade—the very grades raised by the present law. Why were they raised? To give the young women work? No. The reason was—and the table shows it—that on all stockings valued at more than \$2 per dozen the Dingley rates were prohibitive, and the object of the raise was to make this prohibition good on all stockings. This is the whole stocking question in a nutshell. To give American manufacturers the monopoly on the stocking trade, and not to help young women, was the real reason. The raise was made to help factory owners and not their employees, and in a short time stockings at two pairs for a quarter, or three pairs for a half dollar—the popular stockings of the world—will be a matter of history and not of trade.

The gentleman from New York further says that he only raised these cheaper rates 1.8 cents per pair and that he "would be ashamed to look an honest working woman in the face if he had not stood for that increase." This sounds well as an excuse, but is very misleading. The Book of Imports gave the unit value for the 29,000,000 pairs of the cheapest hose or stockings at 96 cents per dozen pairs, or 8 cents a pair. The Dingley tariff on these 29,000,000 pairs was 50 cents a dozen pairs and 15 per cent., or 4.78 cents per pair, or 67.11 per cent. ad valorem. The raise of 1.8 cents of the Payne-Aldrich-Smoot bill will make these same stockings cost 8 cents plus 4.78 cents plus 1.8 cents or 14.58 cents per pair, or 89.75 per cent. The gentleman from New York boasts that while raising the tariff on hosiery he also raised the tariff on whisky and wines. Oh! yes. You raised whisky and other spirits from 70.69 per cent. to 89.15 per cent., while you raised the cheapest stockings from 67.11 per cent. to 89.75 per cent., and the next two grades of the cheaper stockings to a still higher per cent.

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WOOLEN GOODS.

According to the dulcet song of Mr. Chairman Payne the cost of clothing has been reduced by his bill. An eminent writer in a great magazine discourses on the prices of woollen goods as follows:

This summer the wearers of men's ready-made clothing will pay throughout the United States an aggregate of \$120,000,000 more than ever before. Directly after schedule "K" of the Payne-Aldrich bill was settled last August, the woollen manufacturers sent out to the manufacturers of clothing notice of a 30 per cent. advance in prices of cloth. The manufacturers of clothing say they can not afford to pay that advance. They pass it on to the consumer, who is compelled to. It has been distributed through every city and village in the United States. By a marking up of prices the \$10 suit has become \$12.50, the \$15 suit \$18, and the \$20 suit \$25. The man that has to have it will still find a \$10 suit. But most of it will be shoddy.

During the tariff debate Congress received a communication from the Cincinnati Clothiers' Association urging a reduction in the tariff on woollen and worsted goods, which was not granted. The Cincinnati association said: "Not in fifty years has the cloth handled in our trade been of so inferior a quality for the price as now. The masses, consisting of laborers, mechanics, and farmers, the real users of ready-made clothing, are receiving practically no value for their money. The qualities and colorings are so poor that in many instances the colorings fade and cockle, and in the manufacture of garments give positively no satisfaction to the wearer."

Not only the suit of clothes, but everything else that the workingman uses, has gone up in price. The denim overalls that he formerly purchased for 50 cents are now 75 cents, and his cotton shirt has advanced from 50 cents to 75 cents and \$1. He is still offered a 50-cent shirt, but it is made of a poor flimsy fabric in which he really can not afford to invest if he has the price of better quality.

ESTIMATES.

In the estimate used by me in the article referred to in his speech by the gentleman from New York, I gave the duties which would probably be collected under the Payne-Aldrich-Smoot bill as \$334,758,344. The duties actually collected in 1907 under the Dingley bill were \$329,109,342. This would make the increase over the Dingley duties \$5,649,002, or 1.71 per cent. increase, or in round numbers nearly 2 per cent. The distinguished gentleman attempted to ridicule these figures and adduce figures showing, if the newspaper report of his speech is correct, that the present law on an ad valorem basis had reduced rates 7.7 per cent. But let us go back to estimates for a minute.

The Finance Committee issued at least four books of comparative revenues of the House bill, the Senate bill, the conference report, and the Dingley bill. Print No. 2 of this series of books or estimates gave the estimated revenue under the proposed bill at \$339,003,721, or an increase over the Dingley revenues for 1907 of \$9,894,378, or 3.06 per cent. If the Finance Committee, backed by all the mathematical talent of the customs department, made the raise 3.06 per cent., my estimate of 1.71 per cent. is the more conservative and accurate of the two.

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But in Print No. 4 of this series of estimates, after weeks of time had elapsed, a final and revised estimate is presented which gave the estimated duties under the present law at \$332,750,688, or an increase over the Dingley law of \$3,683,247, or 1.10 per cent. There you have it. The admitted estimate of the Republican party, the one upon which they stood and went before the country upon a printed volume called "Estimated Revenues," placed the increase of the new law over the old law at 1.10 per cent.; my calculation placed it at 1.71 per cent., while print No. 2 of the "Estimated Revenues" placed it at 3.06 per cent. And as the gentleman from New York admits, the actual low rate as presented by the custom figures for the first eight months of the present fiscal year owes its reduction in large part to the increased prices of the imported articles.

The actual valuation of all imports for the eight months ending February, 1910, as given by the Department of Commerce and labor, were \$513,351,000, of which something more than one-half were subject to specific rates, and very nearly one-half to either a flat ad valorem rate or a rate compounded of the specific and ad valorem. It is, of course, impossible to show with any degree of accuracy how much the unit value on the imported articles has been increased by high prices. It is certain that the unit value of automobiles imported jumped in 1910 to \$1,900 apiece, while in 1909 it was \$1,800, an increase of nearly 6 per cent.; the unit value of other articles has increased much more than this, going as high in some cases as 30 per cent. Assuming a 15 per cent. increase of unit value on all the imported articles affected by an ad valorem or a compound rate and making a corresponding decrease of duties, it will be found that the actual increase for the eight months ending February, 1910, over the corresponding eight months ending February, 1909, is approximately 1.81 per cent., and if the comparison be made with the nine months ending February, 1908, the increase will exceed 2 per cent. So much for the estimate of 1.71 per cent. increase.

Mr. Scott—Will the gentleman permit a question?

Mr. Clark of Missouri—Certainly.

Mr. Scott—I should like to know if the gentleman argues that because a greater sum is collected under the operation of the Payne law than was collected during a similar time under the operation of the Dingley law, the conclusion to be reached, therefore, is that the average rate in the Payne law is higher than in the Dingley law?

Mr. Clark of Missouri—I would not have taken that as a basis, I will say very frankly, if the Republican arithmeticians of the House and Senate had not taken it in that way.

Mr. Scott—Is it not quite likely that a reduction of duty might result in an increase in the revenues?

Mr. Clark of Missouri—That is entirely true.

Mr. Scott—As long as that is true, then the argument I understand the gentleman seeks to make falls to the ground

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Mr. Clark of Missouri—I am making it on the same identical basis that the calculations of the gentleman from New York were made.

Mr. Scott—But the gentleman ought not to give the calculations of the gentleman from New York—

Mr. Payne—Oh, I did not make it on any such authority.

Mr. Clark of Missouri—I know the gentleman did not make it at all. Neither did I. Your calculations were made for you by your 22 experts and mine were made for me by one expert.

Mr. Payne—I made it on actual results—what was imported under the old law and what was imported under this.

Mr. Clark of Missouri—I am taking the figures of these Republican experts that you have.

Mr. Payne—Oh, the gentleman must remember that these figures were made before there were any imports under this law and before they had figured any imports under this law.

Mr. Clark of Missouri—That last table was made several weeks after the bill was passed.

Mr. Payne—They had no returns under the law then.

Mr. Clark of Missouri—I know, but the gentleman is bound by his own arithmeticians.

Mr. Payne—Oh, fiddlesticks!

Mr. Clark of Missouri—They are your own witnesses, and you come in here and hop onto me about making improper arithmetical calculations, and I thought I would give you a dose of your own medicine. [Laughter and applause on the Democratic side.]

Mr. Payne—And please remember the 25 per cent. additional.

Mr. Clark of Missouri—I am glad the gentleman said that. I know, and every Member of this House knows, that at this very minute there is a row brewing between the United States and Canada on the subject of wood pulp and print paper.

Now, I would like to read from a good Republican witness, when I can find one who is reliable, and I think the gentleman from Illinois [Mr. Mann] is reliable. He was interviewed about that the other day, and here is what he said:

In discussing the action of the Treasury Department, Mr. Mann said today:

“In view of the Canadian situation and the action of Quebec and several other provinces forbidding exportation of pulp wood cut on public lands, we can adopt one of these different policies.”

Now, I want the gentleman from New York [Mr. Payne] to listen; he may get a dose of that maximum yet.

First, pass an act of Congress taking off the duty on paper coming from any province—

Now, is the gentleman willing to do that?

Mr. Payne—Take off the duty on paper?

Mr. Clark of Missouri—Print paper and wood pulp.

Mr. Payne—No, I am not. [Applause on the Democratic side.]

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Mr. Clark of Missouri—That is exactly what I wanted you to say, and I knew you would say, if I got you mad enough.

Mr. Mann says:

Pass an act of Congress taking off the duty on paper coming from any province which permits the free exportation of pulp wood, wood pulp, and paper.

Second, negotiate a reciprocity treaty with Canada to the same end.

Are you willing to do that?

Mr. Payne—I am perfectly willing for the administration, the Executive, whose duty it is, to negotiate a reciprocity treaty with Canada.

Mr. Clark of Missouri—Did you put the matter up to him in the extraordinary sessions you have had with him?

Mr. Payne—I have told the President the same I am telling you—

Mr. Clark of Missouri—Now I will ask you another—

Mr. Payne—Exactly the same thing; there is no difference between the President and myself on the subject.

Mr. Clark of Missouri—No; the trouble is you hoodooed him about this bill to start with. [Applause on the Democratic side.]

Mr. Mann continued:

Third, continue the present status and ruin one-half of the paper manufacturers and increase the price of print paper to a very great extent, how much no one can tell.

Are you in favor of that?

Mr. Payne—No such result will ever follow. We have got plenty of wood suitable for pulp for many years in this country, and we can only ruin the paper mills by taking off the duty and throwing it open to the competition of the world, and no interested newspaper that buys paper can suggest anything to the contrary.

Mr. Clark of Missouri—Now, I want to ask you this question: Do you think you know more about wood pulp and print paper than Mr. Mann does? [Laughter and applause.]

Mr. Payne—Now, the gentleman has asked me a question that takes into consideration the element of modesty or otherwise, and I shall have to decline that question, but I think I know more about the last statement than Mr. Mann does, because the only embargo put upon pulp wood is in the Province of Quebec on the crown lands. There is none anywhere else, and there is no higher rate of duty on paper coming into the country than the minimum, the very minimum of \$3.75 a ton. There is no higher rate on any paper coming from anywhere else in the world except from the Province of Quebec, and if the gentleman will read the official record which has been published since that statement of Mr. Mann he will find I am entirely correct. [Applause on the Republican side.]

Mr. Clark of Missouri—Well, that opens up a field for another debate between Republicans—the gentleman from New York [Mr. Payne] and the gentleman from Illinois [Mr. Mann]. [Ap-

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plause on the Democratic side.] Now, let us see what you were boasting about the other day.

The tariff on wool in the Payne bill is precisely what it was in the Dingley bill, except on carpet wools, of which we produce none. There are consumed in the United States about 500,000,000 pounds of wool annually, of which we produce 300,000,000 pounds and import 200,000,000, in round numbers. Comparing the first eight months of the fiscal year 1910 with the fiscal year 1908 the importations of wool, first class, jumped from 20,000,000 pounds to 67,000,000; second class, from 10,000,000 to 25,000,000; third class, from 50,000,000 to 92,000,000. Applying the Dingley rates to these the increased duty for the first eight months of 1910 on first-class wool is about \$5,280,000; on second-class wool, \$1,800,000; on third-class wool, about \$2,520,000—in all, \$9,600,000, or more than the entire increase of the entire revenue of the fiscal year 1909 over that of the fiscal year 1908. The customs in the fiscal year 1908 yielded \$286,113,130, and in the fiscal year 1909, \$294,377,000. The boasted revenue producer under which we now operate appears to be old Dingley law operating almost exclusively upon wool for its main reliance for increase.

Now, as the tariff is the same on No. 1 wool and No. 2 wool in the Dingley bill and the Payne bill, surely the gentleman from New York will not have the effrontery to claim that the Payne bill is to be credited with the increased importation of wool. This increase may be accounted for no doubt by the two reasons set forth heretofore; that is, the hope on the part of manufacturers of wool that the tariff on wool would be reduced in the first instance and their fear that it would be increased by a maximum in the second instance. And, while on this subject of the quantity of the imports and exports, it is a matter of great interest to note that our exports of gold to London aggregated thirty-three and a half millions in April and three millions during the same month to South America, and it is universally conceded that the exportation of gold is not a favorable sign of the condition of affairs.

Mr. Payne—Against what country?

Mr. Clark of Missouri—Against any country, except England and her possessions.

Mr. Payne—Against what country exporting wool?

Mr. Clark of Missouri—Half the countries in the world; South America, for instance; Australia, which comes in under the English rule, and Turkey and Russia.

Now, here I want to read you an authority that you will not dispute. This is an argumentum ad hominem. You would not dispute the authority of the National City Bank of New York when it makes a statement. [Applause on the Democratic side.]

Mr. Payne—I would just as soon dispute it as anybody else. You said the statement was true, and I do not know what the statement is. I would not dispute a statement just because somebody made it or would not affirm it because somebody made it.

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Mr. Clark of Missouri—I will read it to you, and get the information out of you afterwards.

Mr. Payne—I have not the slightest connection with the National City Bank, any more than has the gentleman from Missouri.

Mr. Clark of Missouri—I really wish you owned it. They send out a circular every month. And, by the way, I read two circulars every month from the city of New York, one issued by this City National Bank, and the other is the circular letter of Henry Clews, and I get a vast amount of information out of the Henry Clews' letter, too. I do not know whether he is a Republican or Democrat, and I do not care a straw. He is the father-in-law of the gentleman from New York [Mr. Parsons] and maybe that is where Mr. Parsons gets some of his information. [Laughter.] Here is an extract from this National City Bank circular for May:

The course of receipts and expenditures has an all-important bearing upon the time when the Government will issue bonds. There has been during April a falling off in customs, of no great consequence, it is true, but sufficient to indicate a reaction from the rising receipts preceding the end of March. In all probability the principal reason for the recent increase in customs is to be found in the fact that imports were stimulated by the uncertainties involved in the adjustment of our trade relations with foreign countries. The maximum feature of our new tariff act was to have become effective automatically March 31 last unless the President before that day had declared by proclamation that no undue discrimination existed against the United States on the part of any given country. While in most instances adjustments were made early, negotiations with several important countries, notably, Germany, France, and Canada, were delayed until within a few weeks, and in one case a few days, of the time fixed by law for applying the maximum rates. These delays and consequent uncertainties probably had the effect of stimulating importations to avoid later on the possibility of encountering higher tariffs defined by the maximum rates. A decline in customs is therefore reasonably to be expected at this time.

And, by the way, that suggests a thing I had forgotten. The gentleman from New York [Mr. Payne] stood up here the other day and with great pomposity exclaimed that this tariff bill did what every Republican tariff bill had done—furnished abundant revenues to run the Government. Now, I want to repeat a question which I asked a while ago. If that is true, how did it happen that Secretary Charles Foster, appointed by Benjamin Harrison, went before the Finance Committee in February, 1893, and asked for the authorization of \$50,000,000 of bonds to make up for deficiencies?

Mr. Payne—That sounds like one of the old debates with our old friend from Ohio, General Grosvenor.

Mr. Bartlett of Georgia—He got so he quit denying it.

Mr. Payne—I do not know why the gentleman from Missouri used to run from it, then.

Mr. Clark of Missouri—I never ran from it. But General Grosvenor knew more than most of you, anyway.

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Now, the truth about it is that the only time this country has ever been out of debt since the First Congress under the Constitution met was in the glorious days of Andrew Jackson [loud applause on the Democratic side], and one year they were clear out of debt except \$7,000 of bonds of which they never could find the owners. I guess they had been destroyed, and the surplus was divided out among the States. That statement of the gentleman is a piece of that monstrous fable that was put in the Republican national platform of 1904, that a Democratic tariff is always followed by days of adversity. During the life of the Walker tariff Charles Dickens, of blessed memory, one of the closest observers of human affairs that ever lived, came over here, and he wrote a letter, afterwards incorporated into a book, discoursing on the wonderful prosperity of this country in that era of a Democratic tariff bill, and he said that the country was so prosperous that a flaming sword suspended from the skies would not create any more surprise than a beggar upon the streets. [Applause on the Democratic side.]

That one sentence is a complete answer to every Republican speech that has ever been made on Democrats bringing adversity upon the country. [Applause on the Democratic side.] Under this Payne tariff bill you can not walk from here to the Treasury building any day, especially after dark, without being solicited by divers and sundry beggars to give them enough money to pay for a place to sleep that night. [Applause on the Democratic side.]

The Dingley and Payne tariff bills have forced another sort of exportation, which grieves every lover of our country, and that is the exportation of good American citizens to the British Northwest. Last year 86,000 Americans, chiefly from the Mississippi Valley, expatriated themselves, largely because they can purchase all products, including American farm implements and other articles manufactured in America, more cheaply in the British possessions than they can purchase them at home. These emigrants from the United States are among our best citizens and this departure is a great and serious loss to the Republic, for they are going at the rate of nearly 100,000 per annum. No man can figure out the money value of a good, law-abiding citizen.

Mr. Scott—Does not the gentleman think that the fact that they can buy farm lands cheap there has something to do with it?

Mr. Clark of Missouri—Of course that has something to do with it; but this outrageous tariff bill has more to do with it. The important thing to remember, however, is that all the estimates, whether made by myself or by the four efforts of the Finance Committee of the Senate, all showed an increase of duties upon dutiable merchandise as compared with 1907 and not a decrease. But this is not all. No one can make an accurate estimate of the workings of the present law until a full year shall have passed—a year absolutely disconnected from the operation of the Dingley law—and with import prices normal, or relatively normal. The first eight months of the present fiscal year were affected by both tariff laws; during last July the fear of a change upward—a fear which was abundantly justi-

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fed—led importers to rush in great stocks of goods, notably spirits. Then the fear of the maximum and minimum clause of that law led in October and November to other large importations of spirits, and throughout the whole period to larger importations of other articles, notably diamonds and wool. The import, value of diamonds cut, but not set, in 1908 was \$8,159,000, and in 1910 for a corresponding period of eight months, \$18,468,000. These diamonds were imported from the United Kingdom, Belgium, France, Germany, Netherlands, and other countries. Seventeen million dollars came from Belgium, France, and the Netherlands, three countries likely to be affected by the maximum and minimum clause. The imports of first-class wool jumped in eight months in 1908 from \$3,500,000 to \$10,280,000 in 1910; second-class wool jumped from \$2,881,000 to \$5,787,000, while third-class wool jumped from \$7,463,000 to \$10,771,000. The quantity of raw wool imported in eight months of the fiscal year 1910 was 148,000,000 pounds, while in 1908 it was 71,000,000 pounds, and in 1909, 102,000,000 pounds. The fear of the maximum and minimum clause increased the wool import from about 50,000,000 pounds to more than 75,000,000. These wools came from the United Kingdom, France, Germany, Russia, and Europe, South America, the Chinese Empire, Turkey and Asia, and other countries, over 80,000,000 pounds more from other parts of the world than from the United Kingdom, the only country not affected by the maximum and minimum clause of the law. Very little more wool was imported from England or the United Kingdom in 1910 than in 1909, but the increases from all the other countries was enormous. First-class wools from Australia jumped more than 7,000,000 pounds.

THE ACTUAL WORKINGS OF THE PRESENT LAW.

The gentleman from New York is reported in the Washington Star of last Thursday as giving figures to show that on an ad valorem basis the new law had reduced rates 7.7 per cent.

The following figures will show the absurdity of this statement:

Actual dutiable imports for eight months.

Year.	Value.	Duty.	Ad valorem rates. Per cent.
1908.....	\$470,851,000	\$201,716,000	42.84
1909.....	432,865,000	188,294,000	43.49
1910.....	513,351,000	221,112,000	43.07

This shows the decrease for the first eight months of the fiscal year 1910 over 1909 to have been 0.42 per cent., and an increase for the same period over 1908 of 0.23 per cent. Those values and duties are taken from the February Report of Commerce and Finance from the Department of Commerce and Labor, while the percentages are a mere matter of arithmetical calculation.

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THAT 2 PER CENT. RAISE.

The gentleman from New York indulged in some criticism of my estimates of the increase of the Payne-Aldrich-Smoot bill over the Dingley bill.

I said that the Payne-Aldrich-Smoot bill was higher in rates than the Dingley law was in 1907—the highest revenue year of the Dingley law.

I said that, and I was right in saying it.

My statement was as follows:

Actual revenues in 1907, the highest ever known.....	\$329,109,342
My estimate for the Payne-Aldrich-Smoot bill.....	\$334,758,344
Or an increase of.....	\$5,649,002
Or an increase of.....per cent..	1.71

Now for the figures:

From a statement of the United States Treasury issued at the close of business May 12, 1910, the actual receipts from customs under the present law to that date were \$290,782,692.

In other words you have already collected under this law—and the year not out—a sum greater than was ever collected in any year of our history except the years 1906, 1907, and 1909, and before the present fiscal year shall have expired, at the present rate of collections per day, including Sundays, you will have collected \$335,872,272, or \$6,762,928 more than was collected for net revenue in 1907. My estimate raised the highest Dingley revenue by \$5,649,002, while the actual raise will be \$6,762,928, or 2.05 per cent. My estimate was 1.71 per cent. raise, or in round numbers 2 per cent. When the gentleman from New York tackled these figures he tackled a buzz saw.

The Dingley law was high, but the Payne-Aldrich-Smoot bill is higher, as is evidenced from the following tabulation of receipts from customs taken from the Statistical Abstract of the United States. These figures are the gross receipts, and are subject to minor reductions growing out of the operation of law. It will be seen that the receipts in this column are placed at \$332,233,363, while the net receipts were but \$329,109,342, which figures, the final and corrected ones, were used by me and by the Finance Committee of the Senate of the United States in all the estimates submitted during the tariff debate.

CUSTOMS RECEIPTS FROM THE STATISTICAL ABSTRACT.

Year.	Customs.	Year.	Customs.
1800.....	\$9,080,933	1866.....	\$179,046,652
1810.....	8,583,309	1867.....	176,417,811
1820.....	15,005,612	1868.....	164,464,600
1830.....	21,922,391	1869.....	180,048,427
1840.....	13,499,502	1870.....	194,538,374
1850.....	39,868,686	1871.....	206,270,408
1851.....	49,017,568	1872.....	216,370,287
1852.....	47,339,327	1873.....	188,089,523
1853.....	58,931,866	1874.....	163,103,834
1854.....	64,224,190	1875.....	157,167,722
1855.....	53,025,794	1876.....	148,071,985
1856.....	64,022,864	1877.....	130,956,493
1857.....	63,875,905	1878.....	130,170,680
1858.....	41,789,621	1879.....	137,250,048
1859.....	49,565,824	1880.....	186,522,065
1860.....	53,187,512	1881.....	198,159,676
1861.....	39,582,126	1882.....	220,410,730
1862.....	49,056,398	1883.....	214,706,497
1863.....	69,059,642	1884.....	195,067,490
1864.....	102,316,153	1885.....	181,471,939
1865.....	84,928,261	1886.....	192,905,023

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Year.	Customs.	Year.	Customs.
1887.....	\$217,286,893	1900.....	\$233,164,871
1888.....	219,091,174	1901.....	238,585,456
1889.....	223,832,742	1902.....	254,444,708
1890.....	229,668,585	1903.....	284,479,582
1891.....	219,522,205	1904.....	261,274,565
1892.....	177,452,964	1905.....	261,798,857
1893.....	203,355,017	1906.....	300,251,878
1894.....	131,818,531	1907.....	332,233,363
1895.....	152,158,617	1908.....	286,113,130
1896.....	160,021,752	1909.....	300,711,933
1897.....	176,554,127	1910.....	*290,782,622
1898.....	149,575,062	1910.....	†335,872,270
1899.....	206,128,482		

*To May 12, 1910.

†Actual and estimated for 49 remaining days of the year.

Now, Mr. Chairman, a good many more things I would like to say along these lines, but time presses. I am to be followed in this debate by my friend from Chicago [Mr. Boutell], the Prince Rupert of Republican orators in the House, and I do not want to crowd him off too late in the evening.

THE PRESIDENT AND THE TARIFF.

I will now drop the gentleman from New York [Mr. Payne] and go after bigger game, to wit, the President of the United States. He is not only the chief traveler, but is also the principal spokesman of his party. He deserves to be treated with fairness, candor, and respect, but I have a perfect right to discuss his utterances as I would those of any other public man. When he signed the Payne-Aldrich-Smoot tariff bill he was under no sort of compulsion to make any statement whatsoever, but he elected to make a statement, and in that statement, among other things, he said:

The bill is not a perfect bill or a complete compliance with the promises made, strictly interpreted, but a fulfillment free from every criticism in respect to a subject-matter involving many schedules and thousands of articles could not be expected.

I wish to call the attention of all concerned to the fact that the President said, on the 5th of August, 1909, that "the bill is not a perfect bill or a complete compliance with the promises made, strictly interpreted." I submit that that declaration of the President is a flat contradiction of the assertion by the gentleman from New York that his bill is a perfect compliance with the promises made by Republican leaders prior to the election of 1908. [Applause on the Democratic side.]

In September, 1909, the President went on an extensive speech-making tour, beginning with an address in Boston, in which he eulogized Senator Aldrich to the skies. That was the first serious wound which the President inflicted upon his own popularity, for, right or wrong, and I think right, the American people hold Senator Aldrich largely responsible for the enormities of the Payne-Aldrich tariff bill. On the 17th of September, 1909, the President spoke at Winona, Minn., the home of the Hon. James A. Tawney, chairman of the great Committee on Appropriations, the only Republican Member from Minnesota who voted for the conference report on the tariff bill. In that speech the President said:

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On the whole, however, I am bound to say that I think the Payne tariff bill is the best tariff bill that the Republican party ever passed.

When the American people read that declaration the next morning and remembered the utterance which I have quoted from the President's statement issued on the 5th of August, they wondered what change had come o'er the spirit of his dream. [Applause on the Democratic side.] They could not reconcile the two statements. They knew that the tariff bill had not changed since August 5, 1909, and they marveled as to now a bill which the President declared on that day to be neither a perfect bill nor a complete compliance with the promises made, strictly interpreted, could, on the 17th day of September, be the best tariff bill that the Republican party ever passed. All the perfumes of "Araby the Blest" can not sweeten the Payne-Aldrich tariff bill to please the dainty nostrils of the people. [Applause on the Democratic side.] They believe it the worst tariff bill ever passed by the American Congress. That speech was the serious wound number two which the President inflicted on his own popularity.

The strangest feature of that speech is that he permitted himself to use the preposterous table of figures which the gentleman from New York incorporated in his speech on the conference report. In his Winona speech the President says:

Critics of the bill utterly ignore the very tremendous cuts that have been made in the iron schedule, which heretofore has been subject to criticism in all tariff bills.

If he will read the newspapers or place his ear to the ground and listen to the voice of the American people he will discover, to his sorrow, that the steel and iron schedule is still a subject of criticism. He continues:

From iron ore, which was cut 75 per cent., to all the other items as low as 20 per cent., with an average of something like 40 to 50 per cent., that schedule has been reduced so that the danger of increasing prices through a monopoly of the business is very much lessened, and that was the chief purpose of revising the tariff downward under Republican protection principles.

Surely, the great uprising of the American people in 1908 in favor of a revision of the tariff was not simply against the danger of increasing prices, but was a protest against the then existing prices [applause on the Democratic side], and was a crusade for lower prices of manufactured articles, all of which are sold in foreign countries cheaper than they are sold to our people at home. The President, as well as the gentleman from New York, was unfortunate in taking the reductions in the iron and steel schedule as a sample of the reductions of which they boast. The truth is that the reductions in that schedule have not reduced the price of manufactured articles to the consumer one farthing.

The fight as to the reduction of the tariff on iron ore was really a battle between the Steel trust and the Atlantic sea-

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board rolling mills—merely that and nothing more. It is true that there were many reductions, on paper, in the iron and steel schedule. For instance, the tariff on steel rails was cut in two, being \$7.84 a ton under the Dingley bill and \$3.92 under the Payne bill. That looks on paper like a large reduction, but the fact remains that steel rails are sold to-day at \$28 a ton to the American consumer under the Payne bill just as they sold for \$28 a ton under the Dingley bill. Of course, they are sold abroad cheaper than they are at home, but that does not benefit the American buyers of steel rails one cent. Consequently those who ride on the railroads and ship freight over them pay as much as under the Dingley bill, for they are the men who pay for the steel rails at last. The same is true of most of the reductions, on paper, in the steel and iron schedules. So, in the language of little Peterkin to Old Caspar, touching the famous victory of Marlborough and Prince Eugene at Blenheim—

What good came of it at last?

If the Steel trust can afford to sell steel rails below \$28 a ton to foreigners, it ought to be compelled to sell to Americans at the same reduced price. Surely we are not levying a tariff tribute on the American people for the benefit of foreign nations. If there is a corporation betwixt the two seas that does not need to be pampered by an unjust tax on our own citizens most assuredly it is the Steel trust. It is stated on so high an authority on steel products as Andrew Carnegie that when the Steel trust was organized almost one-half of its stock was water, represented by the common stock, but so enormous have been the profits that the common stock has become of such value that only recently a quarterly dividend of $1\frac{1}{4}$ per cent. was declared on it, which is 6 per cent. per annum. And the public press informs us that the workmen in the mills of that trust are compelled to work twelve hours a day seven days in the week.

What I have said about steel rails is applicable to almost all articles of steel and iron.

Still speaking of the iron and steel schedule, the President says:

The severe critics of the bill passed this reduction in the metal schedule with a sneer, and say the cut did not hurt the iron interests of the country. Well, of course, it did not hurt them. It was not expected to hurt them.

It seems to me that a fair construction of that quotation means that the President intended to convey the impression that somewhere within the broad confines of this Republic there is somebody big enough fool, or great enough knave, to desire to hurt the iron interests of the country. I deny it. No American citizen outside of a lunatic asylum, or of a home for idiots, can be found, worthy of American citizenship, who desires to see any legitimate interest of the country whatsoever hurt, either by law or in any other way; but no citizen with good sense desires to see a law enacted which will enable the steel trust, or any other manufacturing concern, to injure him by extortion or

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imposition. [Applause on the Democratic side.] What the people wanted in the revision was a reduction of prices of manufactured articles to a just basis. That is precisely what they did not get and that is what the present row is about. A reduction in the rates of the Dingley bill which was not sufficient to drive the manufacturers to lower their prices to a fair basis is in practice no reduction at all, but is the merest mockery. This is true of the reductions in the iron and steel schedule, and is also true of many of the so-called reductions in the Payne-Aldrich tariff bill.

In his Winona speech the President said:

With respect to the wool schedule, I agree that it is too high and that it ought to have been reduced, and that it probably represents considerably more than the difference between the cost of production abroad and the cost of production here.

We say that the rates in the woolen goods schedule are entirely too high. The President says the same thing. On that one question he and I are agreed. He is a Republican President. The House is Republican by 43 majority and the Senate is Republican by 26 majority.

I have a fair proposition to make to the President and to my Republican friends which will promote harmony and which will bring untold blessings to the consumers of the land. Let the President send a message to Congress, clear, short, and vigorous, which shows that he means business, proposing substantial reductions in the woolen-goods schedule; let Mr. Chairman Payne report that bill from his committee and put it on its passage and, without having consulted a single Democrat in the House, I will give bond for the proposition that every Democrat will line up and vote for it. If he would recommend it, it would go through the House and Senate with a whoop, and the people would rise up and call him blessed. It is contended that the reason that no change of the tariff in any manner whatsoever, however meritorious, can be offered is the fear that, if the tariff question is opened up at all, we wicked Democrats will let slip the dogs of war and open up the whole tariff question—to the disarrangement of all business in the land. I am so much interested in seeing the American people have cheaper woolen clothes that, without having consulted a single Democrat, I am certain that every one of them will agree that, if the President will send in a message recommending the bill which I have indicated, and Mr. Chairman Payne will report it and put it on its passage, we will not offer an amendment of any sort to it. [Applause on the Democratic side.] The whole transaction could be consummated in less than a week and a shout of rejoicing would ascend from the Atlantic to the Pacific and from the Great Lakes to the seething waters of the sunlit Gulf. It matters not that the President would receive the lion's share of the glory.

I haven't time to discuss the President's speeches further, and you haven't the patience to listen any longer. It is a great pity for him that he was influenced in his opinions on the tariff question by Senator Aldrich and by Mr. Chairman Payne. They

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were his evil genuses on that occasion. [Applause on the Democratic side.] It would have been a grand thing for him if he had vetoed the Payne-Aldrich tariff bill. It would have added much to his usefulness now and more to his fame in the years which are to come. One of my old college professors was forever saying to his students:

Carpe diem!—seize the day!—

And it is to be regretted that the President did not seize the day. That masterful man, Charles Stewart Parnell, once said:

Opportunity is a horse, bridled and saddled, which stops at each man's threshold once in a lifetime. Be ready, mount, and he carries you on to success and honor. Pause but an instant, he is gone, and the clatter of his iron hoofs echoing down the corridors of time will forever remind you of what you have lost.

The golden opportunity of writing his name among the country's greatest benefactors came to President Taft on the 5th day of August, 1909. He let it go by unimproved, and it will never return to him as long as grass grows or water runs. [Applause on the Democratic side.]

Mr. Chairman Payne says that he and his cohorts will meet us in November. Glory be! glory be! I never looked forward to any day with such joy as I do to the first Tuesday after the first Monday of November except to my wedding day and the days on which my children were born. [Applause on the Democratic side.] My Democratic brethren, at last, after hard trials and great tribulations, thank God we stand here shoulder to shoulder, heart to heart, solid as a stone wall, inspired by the hopes of coming victory. [Applause on the Democratic side.] Democrats are getting together everywhere, while the Republican party presents to the astonished gaze of men the appearance of a dissolving view. Oh, yes, my Republican friends; you will meet us in November, because you can not help yourselves. And when you do meet us in November you will receive the bloodiest licking you have had since 1892. [Applause on the Democratic side.] "Up, guards, and at them!" [Applause and cheers on the Democratic side.]

TARIFF

Speech of Hon. LINCOLN DIXON, of Indiana. [Part of Congressional Record.]

Mr. Dixon of Indiana said:

Mr. Chairman—To the universal demand of the people for relief from the iniquities of the Dingley Act the political parties in the last campaign made response, and the people felt assured of some relief from excessive burdens and oppressive taxes. There was no question of the position of the Democratic party.

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a promise of tariff revision downward by the friends of the people and in the interest of the people. Unfortunately for the people the duty of revising the tariff was intrusted to the Republicans, and, faithful to their established custom of forgetting the pledges made to the people before an election, they returned to their seats of power, and the friends of the tariff and the partners of the trusts again revised the tariff in the interests of its beneficiaries. [Applause on the Democratic side.] The people were sincere in their demand for revision downward, and the Republicans were sincere in their determination that it should be a revision upward. The people had grown tired of the oppressive rates of the Dingley Act, as it had steadily drawn the money from one class of the people and caused it to flow into the pockets of a favored class and had built up monopolies, multiplied trusts, and plundered the people. From this deplorable condition the people asked for relief, and the promised response is the Payne-Aldrich Act. So severe is the criticism and condemnation by the people of this act that the President is continually explaining that "nothing was especially said in the platform that the revision was to be a downward revision," yet he confessed that the people regarded it as a promise of downward revision. Why did the people regard it as a promise of downward revision? Because the candidate of the Republican party, Mr. Taft, iterated and reiterated the statement that the revision should be a "substantial revision downward."

On September 24, 1908, at Milwaukee, he said:

It is my judgment that a revision of the tariff in accordance with the pledge of the Republican platform will be, on the whole, a substantial revision downward, though there probably will be a few exceptions in this regard. As the temporary leader of the party, I do not hesitate to say, with all the emphasis of which I am capable, that if the party is given the mandate of power in November it will perform its promises in good faith.

[Applause.]

And at Des Moines the following day he repeated the statement, in substance:

It is my judgment that a revision of the tariff in accordance with the pledge of the Republican party will be, on the whole, a substantial revision downward, though there probably will be a few exceptions in this regard.

The people accepted the word of Mr. Taft and, as the presidential candidate of his party, recognized his authority to voice its sentiments and purposes. The result of that pledge is the Payne-Aldrich Act, a worse measure than it amended and revised. How heartlessly, yes, cruelly, has the pledge been broken and the promised lighter burdens been made still heavier; the cost of the necessaries of life raised still higher, until the necessities of yesterday have become the luxuries of to-day. The people denounce this willful betrayal of plighted faith.

The President now claims that the campaign pledge for "substantial revision downward" is evidenced in the Payne-Aldrich Act, and to convince the public of the faithfulness of his party

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he vehemently declares it to be the best tariff measure ever enacted. The people do not agree with him, yet they admire his audacity. He bases his claim on a substantial revision downward on the alleged fact that of the 2,024 items in the Dingley Act only 220 were increased, 1,150 were unchanged, and 654 were reduced. These figures constitute his argument, and upon them asks an approval of the act.

In 1907 the articles imported yielded duties amounting to \$329,109,342. Applying the rates of the Payne-Aldrich bill to the identical goods imported in 1907, which is a simple arithmetical calculation, the Payne-Aldrich bill, had it been a law then would have yielded \$334,758,344; that is to say, the new law applied schedule for schedule, paragraph for paragraph, and item for item to the articles imported in 1907 would have yielded 1.71 per cent. more revenue than the old law. Is this a substantial revision downward of the tariff?

Stating the account in aggregates of duties actually collected under the Dingley law and the duties which would have been returned had the Aldrich-Payne law been in operation in 1907 we have the following:

Comparative revenues.

Schedule.	Dingley duties	Aldrich- Payne duties.	Percentage of increase or decrease.
A. Chemicals	\$11,186,886	\$11,816,214	*5.63
B. Earthenware, etc.....	15,349,939	15,290,932	†.32
C. Metals, etc.....	21,821,184	20,370,396	†6.65
D. Wood, etc.....	3,705,022	3,128,553	†15.53
E. Sugar, etc.....	60,338,523	60,333,866	†.004
F. Tobacco, etc.....	26,125,037	26,125,027	(‡)
G. Agricultural products.....	19,181,888	20,454,646	*6.63
H. Spirits, etc.....	16,318,220	20,705,369	*26.88
I. Cotton, etc.....	14,291,026	15,835,112	*10.80
J. Flax, etc.....	49,900,580	49,776,276	†.24
K. Wool, etc.....	36,554,816	36,426,214	†.35
L. Silk, etc.....	20,313,706	23,458,747	*15.48
M. Pulp, paper, etc.....	4,136,629	4,550,492	*10.02
N. Sundries	29,896,500	26,484,490	†11.41
Total.....	\$329,109,342	\$334,758,344	.....

*Increase. †Decrease. ‡No change.
Increase over Dingley duties, \$5,649,002, or 1.71 per cent. increase.

Looking at the column of percentages in this table, it will be found that in six schedules the duties were raised, in seven they were lowered, and in one no change was made. The Republicans may truthfully say, "We reduced more schedules than we raised," but this is no basis for the claim of a substantial reduction. In other words, it is not true that because you reduced more schedules than you raised you have reduced the tariff.

The Dingley law had 2,024 paragraphs and items. In the so-called revision 1,150 of these were not changed. To fairly judge what is meant by these 1,150 unchanged paragraphs and items, it may be well to enumerate some of them, show the value imported in 1907, and the ad valorem rates paid.

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Unchanged items of the Dingley tariff.

Item.	Value of Imports, 1907.	Duties.	Ad valorem rate Per cent.
Unwashed wool on skin.....	\$305,162	\$144,930	47.46
Unwashed wool.....	22,249,572	9,904,985	44.55
Yarns, 30 cents per pound.....	21	31	143.02
Yarns more than 30 cents.....	133,916	116,843	87.25
Blankets, 1909.....	25,927	20,883	80.55
Carpets, 1909.....	3,748,556	2,312,796	61.70
Cloth, 1909.....	4,777,447	4,585,899	95.99
Women's dress goods.....	7,019,284	7,281,501	103.74
Flannels.....	99,219	103,594	104.41
Knit goods.....	17,308	16,763	96.86
Wearing apparel.....	1,463,300	1,200,524	82.04

If there is one schedule more than another that deserves and will receive the condemnation of the American people it is this schedule of woolen manufacturers. Its rates are exorbitant and unwarranted, and its burdens fall upon all, but most heavily upon the people who are least able to pay. Our climate requires and our health demands comfortable and warm clothing, and the tariff duty in this schedule practically forbids a large number of people from securing these needed articles. Wool clothing and woolen blankets should not become luxuries. Nature demands that their use should be general and not restricted to the wealthy alone. I fail to comprehend how anyone can justify a tariff tax of over 100 per cent. upon these prime necessities of life, while articles of luxury that can be purchased only by the wealthy are taxed at less than 20 per cent. If I were adjusting tariff rates I would put the lowest duty upon the necessities of life, and upon those articles that must be purchased by the poor at a low rate, leaving the higher rates to be paid for the luxuries of life that are to be purchased by the wealthy. The people of the country will have to pay the exorbitant rates provided for woolen clothing or be compelled to use those composed of woolen stuff mixed with cotton or no wool at all.

The people are compelled by law to pay at least from 80 per cent. to 165 per cent. tribute to the woolen manufacturers upon every blanket they buy. The poor working girl who draws around her shoulders a shawl to protect her from the wintry winds as she goes to her work must pay a dollar for this shawl and another dollar to the overflowing treasury of the woolen manufacturers. This is a crime against humanity, an outrage upon womanhood, and a disgrace to our national honor. We may excuse the thief who steals to obtain bread for his family, but is it not worse to take the hard earnings of labor and give them by law to those who have never earned them?

THE CHEMICAL SCHEDULE.

In this schedule 81 items were reduced and 22 items increased. By the decreases the duties are decreased \$143,957; on the other hand the increases add to the duties \$772,311.

Under the Dingley law there were 15 items of acids paying a duty in 1907 of \$87,704. Under the new law there are 17 items, 8 of which are reduced, 8 unchanged, and 1 increased. The estimated duties as compiled by the Finance Committee of the

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Senate for the acids will amount to \$206,980. This is a reduction with a vengeance. Oxalic acid which has been free was put on the dutiable list at 2 cents a pound, thus increasing the acid duties by \$145,925 on one item. Had oxalic acid remained on the free list, the 15 acids would have yielded \$61,056 as against \$87,704 under the Dingley law, or a reduction of \$16,648 on a total imported value of \$598,689. By taxing oxalic acid, the 17 acid items are increased \$119,276 on a valuation of \$598,689, or about 20 per cent.

Republicans, in order to overcome the wave of resentment which has greeted the present law, set up another plea in extenuation. They say that of the 654 decreases made in the new law that nearly all of them were on necessaries of life, while the 220 increases were on luxuries. In the acid items acetic, acetic anhydrous, boracic, chromic, citric, lactic, oxalic, salicylic, sulphuric, tannic, gallic, tartaric, formic, pyrogallic, and others are called necessities, yet no claim can be made that they are necessities in the sense that consumers generally use and need them. Twenty-five cents a year would cover the consumer's demands for these articles. Manufacturers need most of them, and that explains the reduction. The things demanded by manufacturers are by Republican lexicographers defined as necessities, and the manufacturers must have every attention at the hands of the Republican tariff reducers.

Borax was reduced from 5 to 2 cents a pound, while camphor, at 6 cents a pound, was unchanged; \$48,000 worth of borax was reduced, while \$373,000 worth of camphor was not changed; \$1,575 worth of chloroform, imported, was reduced, while \$5,657,000 worth of coal-tar colors was unchanged; \$445,931 worth of gelatins and \$639,366 worth of glue were unchanged; \$880,917 worth of bleaching powder and \$2,266,482 worth of glycerin were unchanged; \$77,984 worth of licorice was reduced for the tobacco trust; also \$9,342 worth of cotton-seed oil and \$3,243 worth of poppy-seed oil were reduced; \$11 worth of croton oil and \$5,712 worth of linseed oil were also reduced, while \$2,254,000 worth of castor oil, cod-liver oil, fusel-oil, hemp-seed oil, and fish oil were unchanged.

The net result of all the so-called reductions of Schedule A, or the chemical schedule, is that it has been increased 5.63 per cent.

SCHEDULE B.—EARTHENWARE AND GLASS.

The Dingley law scheduled 170 items; the present law schedules 187 items; of the 170 items 46 are reduced and 12 are increased, leaving 112 unchanged, or 124 unchanged or increased. The net reduction of the entire schedule was thirty-two one-hundredths of 1 per cent. In a schedule covering more than fifteen millions of dollars the net reduction over the Dingley law was but \$59,007. If the 17 new items be considered the schedule will be increased by many thousand dollars. Of the items two-thirds are classed as necessities and one-third as luxuries. There are 8 items of marble classed as necessities and 8 items

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of onyx classed as luxuries. It will be regarded as an insult by those who live in marble halls to put this item, which separates them from the common people, on a list with plebeian necessities of life.

Rough marble, however, the only item that was imported in any quantity, was not reduced, while onyx, the luxury, was reduced from \$1.50 per cubic foot to 65 cents, the same as marble.

Mosaic cubes were classed as necessities and reduced. In 1909 blankets paid from 88 per cent. to 105 per cent., while onyx paid 43.51 per cent. Spectacles valued at 40 cents a dozen pairs paid 96 per cent., while manufacturers of agate, which is classed as a necessary, is taxed at 50 per cent. All china ware, and there are 10 items, is classed as a luxury and taxed from 48 per cent. to 60 per cent. Two items of common earthenware, the only kind the Republicans think the common people should use, are classed as necessities and heavily taxed.

SCHEDULE C.

This schedule in 1907 produced a revenue of \$21,811,184, which was reduced to \$20,370,396, or about 6.65 per cent. A very slight analysis will convince any fair man that many reductions were made to favor the manufacturing class, and not out of any regard for the ultimate consumer.

Iron ore was reduced, but it should have been put on the free list.

Railroad iron and steel was reduced from \$7.84 to \$3.92 per ton, a handsome reduction, if only railroad rails were imported, but the rates are still prohibitive. Structural iron, punched or advanced, a necessary adjunct to ultimate consumers in cities, was juggled around so as to look like a reduced item, when in fact it was increased.

We imported in 1907 \$4,798,630 worth of automobiles and parts thereof at a 45 per cent. rate. This was unchanged. Seven hundred and thirty-one thousand dollars' worth of watch movements of the cheaper grade were increased 16 per cent. in favor of the watch trust. Eight million nine hundred and eleven thousand dollars' worth of iron and steel manufactures, which paid \$4,009,950 duties, or 45 per cent., were unchanged. Any iron or steel product that the common people use is either held at the old rate or raised.

The iron and steel schedule, while apparently a genuine reduction, is a sham and pretense so far as the reductions favor the real consumer. They will help the great combinations in manufacturing enterprises, but bring no relief to the millions who buy the finished products.

To show how skilfully the manipulators of the present tariff operated the "items reduced by numbers" scheme so as to make a showing of reduction, the following table is presented, showing 47 items, 46 of which were reduced and 1 increased. The actual duties collected in 1907 are given in the first column of figures, while the second column are the figures prepared by the Senate Committee on Finance as the duties collectible under the

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present law, and the third column shows the total reduction of revenue, which, on 46 items, was \$51,145. The increase on a single item of steel ingots was \$71,321. Forty-six insignificant changes downward more than offset by a single change upward. This is reduction downward by items, but revision upward by results.

Decreases.

Paragraph.	Duty.	Payne law.	Items.	Reduction.
Boiler iron.....	\$4,752	\$3,848	5	\$904
Hoop iron.....	2,097	1,415	3	682
Hoop iron, flared.....	60	40	1	20
Hoop iron, coated.....	9,009	3,202	2	5,797
Hoop iron, cut.....	3,584	2,150	1	1,434
Sheet iron, black.....	11,086	8,036	4	3,050
Hoop iron, galvanized.....	1,314	992	3	322
Sheet iron, galvanized.....	3,045	2,346	4	699
Sheet iron, pickled.....	198	152	3	46
Sheet iron, smoothed.....	1,792	1,396	3	396
Steel ingots.....	436,471	398,676	17	37,795
Total.....			46	51,145

Increase.

Paragraph.	Duty.	Payne law.	Items.	Increase.
Steel ingots.....	\$166,178	\$247,499	1	\$71,321

SCHEDULE D.

The net reduction on this schedule was a little more than 15 per cent. It is a small schedule. The entire duties collected were but \$3,705,024. Eighteen items were decreased, 3 increased, and 14 unchanged. The principal reduction was on the 12 items of lumber, either rough or dressed. Here the reduction should have been greater. The entire value of imported lumber in 1907 was \$15,037,832, which paid duties amounting to \$1,808,692, or about one-half of all that was produced by the entire schedule. Why not make lumber free?

During the entire war, when we were seeking everything on the earth, and in the skies, and in the waters under the earth, out of which taxation could be wrung, it never entered into the conception of Congress to tax breadstuffs—never. During the most pressing exigencies of the contest in which we were engaged neither breadstuffs nor lumber ever became the subject of one penny of taxation.

The gentleman from Ohio may talk on this question as he pleases; but I say that whenever the western frontiersman undertakes to make for himself a home, to till the soil, to carry on the business of life, he needs lumber for his cabin, he needs lumber for his fence, he needs lumber for his wagon or cart, he needs lumber for his plow, he needs lumber for almost every purpose in his daily life. (Hon. James G. Blaine, House of Representatives, June 10, 1868.)

Under the Dingley law the duty was \$2 per thousand feet on rough lumber, the House reduced this to \$1, the Senate raised it to \$1.50, and the conference committee agreed at \$1.25. I voted to place it on the free list and still think the vote was right. Our importation of lumber, if any, will come from Canada and Mexico and under the maximum and minimum tariff rates there will be an additional 25 per cent. added. If the lumber is

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worth \$10 per thousand, the tariff will be \$3.75, nearly double the rate under the Dingley law. Democratic tariff laws have placed lumber on the free list.

SCHEDULE E.—SUGAR.

This schedule numbers 38 items, two of which were reduced, viz, refined sugar and saccharine. The reduction on refined sugar was \$2,160 in a total tax of \$60,000,000. The reduction on saccharine was \$443. In this way the sugar schedule was reduced four one-thousandths of 1 per cent. The people asked for relief and the Republican party gave the Sugar trust the continued right to further plunder the people.

The Dingley duty on refined sugar was 1.95 cents per pound, which was reduced by the Payne-Aldrich bill to 1.90 cents per pound. Is this a substantial reduction? The old rate prohibited the importation of refined sugar, and the new rate does the same. The object of both rates was to give American refiners—the Sugar trust being the principal recipient, as it refines over half the sugar of the United States—the entire trade in refined sugars.

Raw sugar is imported largely, and the duties on raw sugar was unchanged in the new law. The total import of raw sugar with full duties and with concessions was 1,357,000 tons, dutiable at from 95 cents to \$1.75½ per hundredweight, and 630,950 tons free. We can not eat raw sugar. The refiners paid the Government in 1907 \$54,310,082 taxes on 3,930,128,265 pounds of raw sugar. The refiners are entitled to recover that in price, but no more. The duty on refined sugar, however, permits them to recover not only what they paid the Government on raw sugar, but as foreign refined sugars are practically barred, and, in fact, not imported to any reasonable extent, to add another 2 cents to the price to the consumer. That they have added 2 cents, or nearly so, is proven by the facts.

The English and Americans are the greatest sugar users on earth, and our people pay far more for their sweets than do the English. In January of this year the wholesale price of standard granulated sugar, as advertised in the New York commercial papers, was from \$5.05 to \$5.20 per hundredweight, while the same papers gave the English price of granulated sugar on the same days at from \$3.23 to \$3.73 per hundredweight. We pay from 1.44 to 1.82 cents per pound more than do the English, all made possible by the tariff of \$1.90 per hundredweight on refined sugar and all going to swell the profits of the Sugar trust. The average increase per pound is 1.65 cents, or \$33 per ton of excess American price over the English price, or \$33 per ton tariff profit. We consumed 2,993,979 tons in 1907, which, at \$33 per ton excess American over English, amounts to \$98,801,307 as the excess paid by American consumers over English consumers had the English consumption been equal to ours. In short, we pay the sugar refiners of the United States annually about \$100,000,000 as tariff profits. The tariff on raw sugar—the sugar that is imported—was not changed, yielding in 1907 over \$60,000,000 revenue, while the tariff on refined sugar, which is not imported, was reduced

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four-thousandths of 1 per cent. The only effect of the tariff on refined sugar is to permit the American sugar refiners to charge the home consumers of the entire product refined an average excess price of \$33 a ton on refined sugar.

The reduction in the rate on refined sugars is so small that it is of but little benefit to the consumer. The result of this reduction is that a consumer who purchases 100 pounds during a year receives the total benefit of said reduction to the amount of 5 cents only. The average consumption of sugar is about 80 pounds per capita per year. The ordinary consumer buys his sugar by the 25 cents and 50 cents' worth at a time, and this reduction gives him a reduction of a quarter, or a half cent, and the result is the merchant would retain this small margin and the consumer get no benefit at all. With sugar on the free list the benefit would be felt and enjoyed by the people at large.

SCHEDULE F.—TOBACCO.

Of the items of this schedule, not one was changed. The revenue in 1907 was \$26,125,037 on a value imported of \$29,959,081, or 87.20 per cent. All tobacco is really a luxury and should pay a heavy tax.

SCHEDULE G—AGRICULTURAL PRODUCTS AND PROVISIONS.

This schedule is the mainstay of Republicans who claim that the Payne-Aldrich law is a genuine reduction of the tariff. They say in thunder tones: "Look at our handiwork. We have decreased the duties on cabbages, green and dried pease, fish in tin packages, raisins, bacons and hams, fresh beef, veal, mutton, pork, lard, tallow, dressed poultry, salt, wool grease, common starch, and dextrine." Now, if any of these things were imported to any large extent, these changes would be material, but as we are exporters of these items and not importers the changes are more for effect and sound than for advantage to consumers. The value of all imports under this schedule in 1907 was \$63,804,200, of which a value, including all the imported articles named as reduced, of \$1,427,066 were affected by the reduction. We do not eat foreign beef, mutton, or pork, but American beef, mutton, and pork, put up by the beef trust, under Republican protection, and guaranteed a sale at high prices and trust profits.

But this schedule was not reduced in its totality, but increased nearly 7 per cent.

The great body of this schedule was unchanged; the changes downward were on articles not imported to any great extent, while the upward changes were on articles largely imported and whose price will be enhanced by the tariff and become an additional burden to every consumer.

SCHEDULE H.—SPIRITS AND OTHER BEVERAGES.

This schedule numbers 33 items, 4 of which were reduced and 23 raised. The revenue under the old law was \$16,318,220, which will be raised according to the estimate of the Senate Committee on Finance to \$20,518,165. The entire schedule may be classed

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as a luxury, and a proper one for raising large revenues. The tax on raw wool in 1909 was 49.12 per cent., or nearly as much as the rate on wine. Blankets paid 80.55 per cent.; carpets, 61.70 per cent.; cloths, 95.99 per cent.; dress goods, 103.74 per cent.; flannels, 104.41 per cent.; knit fabrics, 96.86 per cent.; plushes, 101.61 per cent.; wearing apparel, 85.11 per cent. The Republican tariff on wines will be raised about 11 per cent., making the ad valorem rate about 61 per cent. instead of 54.94 per cent. Tax the people's wearing apparel high, but let the wines of the rich come in at a much lower rate.

SCHEDULE I.—COTTON MANUFACTURES.

This schedule numbers 261 items, 99 of which are really one item, cotton thread and carded yarn, but not the spool thread of everyday use. This thread uncolored runs from 1 to 140 by numbers, and colored from 1 to 270. All of this carded yarn, 99 items, is raw material for the manufacturer and was reduced in part. The manufacturers imported \$3,246,135 worth in 1909, paying duties \$1,056,218, or 32.54 per cent., which was cut down. Think of it, the tariff on cotton goods reduced. It sounds well and may lead the unwary to believe there was a substantial reduction in cotton goods; but do not shout too soon.

The cotton schedule has been reclassified to such an extent that no comparisons can be made by items. Merchants, however, have certified that the changes made are increases, and the Senate estimates raise the duties of 1907 from \$14,291,026 to \$15,023,722, or from 44 per cent. to 47 per cent. So that there can be no doubt but that the schedule has been raised materially. The real raise is from \$14,290,289 to approximately \$15,800,000, or an increase of 10.80 per cent. over the Dingley law. On stockings alone—cheap stockings, the kind that cost less than \$2 a dozen—the increased duties amount to \$1,160,691, or a raise of more than 31 per cent.

The increased duties on stockings has raised a storm of protest from all parts of the country, and no justification can be made for the same. In 1906 the importations of hosiery were, in the main, of four grades:

	Per dozen.
1. 2,500,000 dozen pairs, valued at.....	\$0.936
2. 1,062,000 dozen pairs, valued at.....	1.39
3. 965,000 dozen pairs, valued at.....	1.93
4. 107,541 dozen pairs, valued at.....	2.68

The duties upon these importations ranged from 67.11 per cent. to 59.53 per cent., the cheaper the article the higher the duty. The Payne bill increases these duties, the cheaper bearing the largest increase. This places an unnecessary burden and hardship upon every family. The persons using the cheaper hosiery pay more than those using the higher and better grades.

The result must be that unless we pay much more for these goods, the quality must be much poorer. To buy their supplies for a family is necessarily a heavy drain upon the household, and the consumer is entirely lost sight of in the great effort to satisfy the insatiate greed of the special interests. The dif-

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ference of 1 cent a pair for hose or stockings for each of our 90,000,000 of people amounts to \$900,000. Estimate the enormous amount that must be paid by the people, based upon the outrageous increase in the prices and the quantities necessarily consumed by the American people. It is a shame and a disgrace, and such conduct merits the condemnation and execration of the American people. The person using the higher grades will pay a tax of 59.53 per cent. on the better grades; the poorer person will pay a tax of 87.95 per cent. on the inferior grades which he uses. This is done in the name of labor, but, in truth, to swell the fortunes of the manufacturers.

SCHEDULE J.—FLAX, HEMP, AND JUTE, AND MANUFACTURES THEREOF.

There are 254 items in this schedule, 158 of which are threads and twines of varying degrees of fineness used by manufacturers as raw material, and all reduced. One hundred and fifty-eight different kinds of yarns reduced gives somewhat of an appearance of a real reduction. It is all on the outside, however, and not important save to manufacturers. The total value of these 158 reduced items in 1909 was about \$273,862, and the duties \$115,276, or 42.09 per cent. On 3 items of cotton stockings the raise was more than a million dollars, while on flax and hemp yarns the reduction on 158 items will be less than \$38,000. This schedule produced \$49,900,580 in 1907; it was increased \$187,132 and decreased \$311,416 by the new law, a net decrease on 254 items, of \$124,304, or twenty-four one-hundredths of 1 per cent.

Bagging for cotton still pays 31 per cent.; linen collars and cuffs, 48.91 per cent.; linen handkerchiefs, from 48 per cent. to 60 per cent.; lace curtains, 59.98 per cent.; waterproof cloth, 44.82 per cent.; woven fabrics, 50 to 55 per cent.

SCHEDULE L.—SILK AND SILK GOODS.

This schedule is classed in its entirety as a luxury and was raised 15.48 per cent.

SCHEDULE M.—PULP, PAPERS, AND BOOKS.

This schedule was raised 10.02 per cent. There were a few decreases, but for the most part the schedule was unchanged or increased. A committee was appointed and investigated the subject of wood pulp and print paper. Thorough investigation was made, extensive hearings held, and a reduction of the duties from \$6 to \$2 was recommended. This committee acted as a tariff commission, with this subject alone to deal with. The report and recommendations were discarded and disregarded, and the rate fixed at \$3.75 per ton, yet this is still tariff reduction by items.

SCHEDULE N.—MISCELLANEOUS.

This schedule was decreased 11.41 per cent.

These reductions were not what the people had the right to expect. Manufacturers of boots and shoes demanded free leather,

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and offered to exchange the duties on boots and shoes in order to get it. Boots and shoes and leather and harness should have gone on the free list. Plows, rakes, drills, harrows, mowing machines, reapers and harvesters, and all agricultural implements should have gone on the free list. If \$470,578 worth of old brass came in free in 1909, books should have also come free instead of paying 25 per cent.

In 1909 we exported toys to the value of \$1,098,187. In 1909 we imported toys to the value of \$4,869,097. We sold our toys abroad in competition with the manufacturers of the world. We added 35 per cent. to the price of every toy and every doll purchased for the child, and this goes to swell the treasury of the manufacturer. Even the pleasures and playthings of children must be burdened to gratify the insatiate greed of the special interests.

Such is the tariff which the President tells us is a substantial downward revision of the Dingley law. Against the enactment of that law all Democrats were opposed then, and against that law all Democrats are fighting now. It was a law constructed for the special interests and trusts.

They have taxed almost every article of necessity used by the people. They have laid their grasping clutch upon everything we use and need from the cradle to the grave. The toys of the baby; the hats, caps, and clothing of children; the jackknife of the boy; the implements of labor; the carpenter's tools, the farmer's implements, the merchants goods, the woman's shawls and clothing; the furniture for the home; the kitchen utensils; the dining-room and table ware, including knives and forks, glassware and crockery, table-cloths and toothpicks, carpets for the floor, gloves and hosiery; in fact, all the implements of labor and the necessities of the home.

But they have placed on the free list dried acorns, ashes, stuffed birds not suitable for millinery ornaments, also dried blood, bones, cuttle-fish bones, dragon's blood, fishskins, fossils, horsehair, hoofs, ice, joss sticks, old junk, leeches, seaweeds, nux vomica, orange peel, mother-of-pearl, rags, Bologna sausage, skeletons, teeth, and turtles.

The Republicans claim great credit in a campaign document issued by them, and print in large type the statement that they have reduced the tariff on beef 25 per cent.; pork, 25 per cent.; bacon and hams, 20 per cent.; lard, 25 per cent.; corn meal, 5 per cent.; and agricultural implements, 25 per cent.; and these are part of the argument and proofs in the claim of tariff reduction by items.

These reductions are shams and are of no benefit to the consumers of the country. They are false pretenses and are an insult to the intelligence of the people. We export all these articles in immense quantities and either import none or practically none.

We export large quantities of meat products. The annual exportation for the last four years has been between \$150,000,000 and \$209,000,000.

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With such quantities exported, who can reasonably claim that such products will be imported for use in this country to any considerable extent and that the tariff rates affect American consumers? In 1907 we imported \$395 worth of lard and exported \$57,497,980. The tariff rate was reduced from 2 cents per pound to 1½ cents per pound, a difference of \$20.06 upon the importation, and this is done to show "reduction downward by items." Who will say to the American people that this reduction helps an American consumer? Who will say that the tariff duty is any value to the American farmer?

The tariff on corn meal was reduced 5 per cent., and this is headlined in large type in Republican campaign Spike A. In 1907 we imported 80½ bushels of corn meal and collected \$16.05 revenue. [Laughter.] Under the present law we would collect \$15.41, a reduction of 64 cents—and this is substantial reduction downward by items. But this tariff duty is absurd; importations are too trivial. We export corn and corn meal, and no Member here ever tasted corn bread in America made from imported corn meal.

We exported corn meal as follows: In 1905 the value exported was \$1,113,295; in 1906, \$1,623,395; in 1907, \$2,313,410; in 1908, \$2,053,447; in 1909, \$1,549,010.

We exported corn as follows:

	Value.
1905.....	\$47,446,921
1906.....	62,061,856
1907.....	44,261,816
1908.....	33,942,197
1909.....	25,194,466

In view of these facts how absurd and false, how ridiculous and desperate the claim that a reduction of the tariff rate of 5 per cent. on corn meal is of the slightest or possible benefit to the American farmer or consumer.

The duty on agricultural implements is reduced 25 per cent. from the Dingley rate of 20 per cent. to 15 per cent. We export large quantities of agricultural implements.

The manufacturers of agricultural implements have attained the position of being able to supply our home market and sell abroad over \$25,500,000 worth of goods annually. The total of all manufactured agricultural implements in this country in 1905 was \$112,007,528, and nearly one-fourth of the total supply sold abroad.

They compete in the markets of the world with foreign manufacturers in the sale of one-fourth of their goods yet are not willing to compete with the same parties at home. The trust controls these goods and has gradually reduced the number of these factories, from 1,943 in 1880 to 648 in 1905. Agricultural implements made in this country are and have been for years sold abroad cheaper than at home. If these goods were sold to American farmers at the same price the farmers of Canada, Russia, and of Europe paid for them, many millions of dollars would have remained in the pockets of our farmers. [Applause on the Democratic side.] We export the products of our farms—wheat, corn, and meat—and the tariff upon them is for deception

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only. We raise more than we can use, and the surplus is sold abroad, and the price of all is fixed by competition in the free markets of the world.

The foreigner uses the agricultural implements made in America to cultivate his crops and purchased at cheaper prices, and sells his products in the same market as the American farmer.

But the Republicans say that the duties have been decreased upon articles having a consumption value of \$4,951,831,175, and to make it sound pleasing as well as convincing add forty-nine millions and say five billion of dollars. This may tickle the ears, but can not convince the judgment, as it is almost criminally deceptive. The few items of meat product constitute about one-tenth of this total sum, yet not a single reduction helps the ultimate consumer. Add the item of refined sugar, with the consumption value of \$300,965,953, and you have about one-sixth of the total five billion of consumption value, and if you will add the item of bituminous coal, of which we export many times more tons than we import, you will have about one-fourth of this stupendous sum of five billions of consumption value marked off at once as of no value in support of their deceptive argument. An analysis of the whole amount will show the desperate efforts to deceive the people of this country.

They say we have reduced the rate 20 per cent. to 50 per cent. on nails, spikes, and tacks.

On nails and spikes cut, the reduction was one-fifth of a cent per pound. In 1907 we imported \$1,792 worth and exported of the same goods \$371,675, and the consumption value was \$2,314,566.

The net reduction was \$122.33 on the importations of 1907 under the Payne law.

The reduction on nails, horseshoes, bob and wrought-iron nails, was $2\frac{1}{4}$ cents per pound to $1\frac{1}{2}$ cents per pound. Imported in 1907 nails of this class of the value of \$83 worth, and the consumption value was \$2,345,845. The reduction was \$7.13 under the Payne law.

Wire nails were reduced in tariff duties one-tenth cent per pound. We imported in 1907 wire nails of the value of \$3,288, and exported \$2,098,923 worth, and the consumption value was \$22,204,716. The reduction was \$53.48 under the revision.

On horse, mule, and ox shoes the reduction was one-fourth of a cent per pound. In 1907 we imported \$34 worth of these shoes, and the total consumption value was \$6,282,152. The reduction was \$2.11.

On tacks, brads, or sprigs, cut, the duty was reduced five-eighths cent per pound. In 1907 we imported \$142 worth, exported \$611, 991, and their consumption value was \$2,887,785. The reduction was \$10.01 under the new law.

The immense exportation and small importation shows that no duty was necessary in order to compete with foreign competition. Home manufacturers were safely guarded from foreign competition and could raise their prices as they wished and force their sales upon American consumers. Wire nails were reduced one-tenth per cent per pound. This cut of 10 cents on

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a keg of 100 pounds will not help the ultimate consumer, as such a small change will be absorbed by the retailer, just as the reduction in refined sugar. The consumer must buy 100 pounds of sugar to realize 5 cents on the reduced duty; 50 pounds of wire nails to secure 5 cents on the reduction.

The absurd proposition that the consumption value of the articles of necessity upon which the duty was decreased was proof of the immense benefit to the people of the new tariff law is illustrated in the list below. I give the names of the articles, the amount of the reductions upon the same importations of 1907, and the consumption value thereof:

Articles.	Reductions.	Consumption values.
Cream of tartar.....	\$26.70	\$2,892,563
Copperas	1.87	28,185
Sulphuric ether.....	779.26	2,244,337
Linseed oil.....	709.14	27,379,152
Varnishes	8,938.98	42,566,816
Putty	27.69	728,582
Vanillin	60.00	165,069
Screws	12.24	1,577,719
Hooks and eyes, metallic.....	936.95	1,204,185
Lead sheets, pipes, shot, and glaziers' wire...	451.48	8,707,646
Gunpowder	5,546.00	25,733,076
Blasting caps, cartridges, and percussion caps.	4,746.39	20,049,061
Band or belting or sole leather.....	9,260.87	77,178,431
Leather cut into shoe uppers.....	148.21	27,678,779
Agricultural implements.....	1,182.18	84,432,164
Sugar, refined.....	2,159.18	300,965,953
Bituminous coal.....	.....	932,344,733
Meat products.....	.....	468,834,117
Nails, tacks, and horseshoes.....	195.06	36,035,064
Total.....	\$35,180.20	\$2,060,745,632

The total reduction shown in above statement amounts to \$35,180.20, and the consumption value was over 43 per cent. of their boasted \$5,000,000,000.

We exported many times more than was imported of gunpowder, agricultural implements, sugar (refined), bituminous coal, meat products, nails, tacks, and horseshoes, and these reductions will not benefit the ultimate consumer.

American labor is the cheapest in the world when measured by a true standard, the productiveness of labor. Our laborers are intelligent, skilful, and industrious. The wages here are larger because the work is much more efficient and the amount performed is so large.

The real price of labor is the amount of the necessaries of life that labor can buy with those wages. Wages are not measured in dollars, but in the purchasing power of the wage. The laborer does not work for the sole sake of employment, but to supply the needs and comforts of his home. What the laborer wants is the highest returns for this labor. His prosperity is measured by what is left after the necessary supplies for his home are purchased. If his wages are increased, but the necessities of life are increased in price more rapidly than his wages are, then he is poorer, though in fact his wages may be larger. In the last ten years wages have increased 22 per cent.; the cost of the necessities of life has increased 60 per cent., and the Payne bill promises no relief as to the cost of these necessities.

Protection is demanded in the name of labor, but labor itself is unprotected. We forbid foreign goods, but we welcome the

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foreign laborer. The foreign laborer competes with our laborers in every field of industry and is employed in this country in the protected industries more extensively than in the unprotected. The manufacturer is protected, the laborer is unprotected, but he must compete in the open and free market and is compelled to buy all the necessities of life in a highly protected market.

A workman who made a dollar a day in 1897 must to-day receive \$1.60 to buy the same articles of necessity that he purchased in 1897 for the former price. If he received \$2 per day in 1897, to-day his wages must be \$3.20 to put him on an equal plane when he buys the supplies for his family. If he received \$3 a day at the former date he must now get \$4.80 to equalize the difference in the cost of living, and if he was a skilled laborer and receives \$4 a day, he must now receive \$6.40. Every laboring man will answer that he is not now receiving his due portion of the alleged Republican prosperity.

The total imports from foreign countries in 1905 were but 3.9 per cent. of the total consumption of similar articles in the United States in said year.

The metals and manufactures of metal amounted in imports to but 1.1 per cent. of the total of that class of articles consumed; the wool and manufacturers of wool to but 6½ per cent. We collect the duty upon the 3.9 per cent. of the amount of total consumption, and the money goes into the Public Treasury; the 96.1 per cent. is increased in value and the money goes into the treasury of the special interests, without one dollar of public revenue being raised therefrom.

The interests which have secured the high protective rates of the present law pretend that this great amount of protection is necessary to compensate them for the higher wages they pay their workmen as compared to the wages paid by foreign manufacturers. This is a fraudulent pretense, unsupported by facts. This bill grants a great deal more protection than the alleged difference in the cost of production at home and abroad. As a matter of fact, the labor cost in many of these protected industries is cheaper at home than abroad, and in most of them the per cent of tariff duty is greatly in excess of the total labor cost paid in the manufacturing of the protected products.

The Statistical Abstract, published by the Government, shows that the value of the finished product of all the manufacturing industries of the United States for 1905, the latest date for which the Government has compiled the statistics, is \$14,802,147,087. The amount paid in wages in said year in the production of said manufactured articles was \$2,611,540,532, which gives the total labor cost for all of the said articles as 17 per cent., while the tariff rates are from 30 per cent. to 100 per cent. on said articles. In other words, the tariff rates cover the entire labor cost. It not only covers whatever alleged difference exists between the labor cost in this country and in foreign countries, but it also covers the entire labor cost and then gives a profit many times the cost of the labor.

The manufacturers of iron and steel produced in 1905, \$941,071,093 worth of finished products and paid in wages for their

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manufacture \$143,809,576, or 15 per cent. of the value of the finished product. And these articles are given by the Payne bill protection more than twice the entire labor cost. This is done for the alleged purpose of equalizing wages at home and abroad; in other words, they are given a protection as a bonus, in addition to full payment of the entire labor cost of production.

The cotton manufacturers turned out in 1905, \$442,451,218 worth of manufactured goods, and paid in wages \$94,377,695, or 21 per cent. of the value of the finished product. The Payne bill gives manufacturers protection of 50.27 per cent., or 29.73 per cent. above the labor cost. These rates are increased above the rates of the Dingley bill. No possible justification can be given for this increase or the extravagant protection afforded this industry under the Payne bill.

The manufacturers of wool produced in 1905 goods to the value of \$380,934,003, and paid in wages \$70,797,524, or 18 per cent. The protection afforded this industry under the Payne bill is 40 per cent above the entire cost of labor in the manufacture thereof.

The manufacturers of silk produced in 1905, \$133,288,072 worth of that article and the wages paid were \$26,767,943, or 20 per cent. The protection afforded by the Payne bill is 30 per cent. above the entire cost of labor. Are these reasonable profits promised by the Republican platform after equalizing the cost of labor at home and abroad?

The Republicans claim that our great increase of wealth and our national advancement has been caused by our high protection laws. It is like all of their other claims—false—and can not be proven by the facts.

Under the low-tariff law of 1846 the census reports show greater per cent. of gains in value of all farm products than in the last ten years.

In the production of corn, the great basic product of agriculture in the Middle West from 1850 to 1860, under a Democratic tariff, there was an increase of 41.7 per cent. in the United States. From 1880 to 1890, under a Republican tariff, there was an increase of 21 per cent. Under Democratic tariff, railroad mileage from 1850 to 1860 increased from 10,982 miles to 30,626, an increase of nearly 300 per cent. From 1890 to 1900 the increase was from 166,703 miles to 194,262, or an increase of about 16½ per cent.

The value of farms and farm property increased from 1850 to 1860 from \$3,967,343,580 to \$7,980,493,060, an increase of over 101 per cent. From 1880 to 1890 the increase was from \$12,180,501,538 to \$16,082,267,689, a little over 30 per cent. From 1890 to 1900 the increase was but a little over 20 per cent.

The value of farm animals increased between 1850 and 1860 over 100 per cent. Between 1880 and 1890 the increase was but 55 per cent.; between 1890 and 1900 there was a decrease in value of \$190,642,894.

Our exports increased from 1850 to 1860, 163 per cent. From 1880 to 1890 there was an increase of 2½ per cent. From 1890

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to 1900 there was an increase of a little over 60 per cent.; from 1900 to 1907, about 34 per cent.

In wealth we increased from 1850 to 1860, 125 per cent.; from 1880 to 1890 the increase was 46 per cent.; from 1890 to 1900 the increase was 37 per cent. The capital employed in manufacturing industries increased 89.4 per cent. from 1850 to 1860; from 1890 to 1900 the increase was 50.7 per cent. From 1850 to 1860, under low tariff, rural wealth increased over 100 per cent.; from 1890 to 1900, under high tariff, rural wealth increased but a little over 20 per cent. On the other hand, urban wealth doubled in every decade, except from 1880 to 1890 and from 1890 to 1900, when the increase was only 50 per cent. The average per capita wealth of the farmer remained the same from 1860 to 1900, yet that of the urbanite increased over sixfold. Of the \$78,000,000,000 increase of national wealth from 1860 to 1900 but a little over one-fifth went to the farmers who represent one-half of the population; yet of the \$9,000,000,000 increase of wealth during the low-tariff decade of 1850 to 1860, over 44 per cent. went to the farmers.

The Dingley tariff, as a protective measure—in many cases by restricting, in other cases by excluding foreign competition—made it possible for the trusts to exact higher prices for their products. Since the enactment of the Dingley Act there has been a wonderful development and extension of the principle of combination, so as to create large corporations practically controlling certain lines of industry.

At first protection advanced as one of its arguments that domestic competition could be safely relied upon to reduce the price of commodities and prevent an increase above a reasonable profit. In the industrial world to-day great combinations and trusts, taking into their possession competing concerns, have eliminated competition.

The tariff is responsible for the trusts, and to-day nourishes and protects them. The world never before has seen such highly thriving combinations as we have to-day. The home market monopoly was created by reason of the outrageously high schedules of the Dingley Act. The protective tariff, by excluding foreign competition, restricts the same to the country protected. The financial success of a trust depends upon the amount of the tariff schedule on the article controlled by the trust. Trusts have multiplied by the hundred and began to be organized upon the passage of the Dingley Act. We practically had no trusts under the lower tariffs. To-day there are nearly 500 trusts of industrial combinations, with a capital of \$10,000,000,000.

The protected trusts have increased prices from 50 per cent. to 250 per cent.

The tariff exactions in this country are estimated at \$6,020,000,000. It is equal to the gross earnings of all the railroads. The railroad rebates and over-charges and the insurance stealings are not in the same class as the tariff exactions. The largest and most successful trust in the world is the steel trust; its exaction by reason of the tariff is from fifty to one hundred millions a year. The administration claims great credit for suits

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against trusts, but in what instance have the people been benefited or the price of an article reduced? The only remedy is through the reduction of the tariff.

Our farm property in 1850 represented one-half of our total wealth, in 1870 it represented but one-third, and to-day it is not equal to one-fifth.

We have immense wealth; the last showing was in the census report of 1904 and amounted to \$107,104,211,917, yet 70 per cent. of it was owned by 200,000 people, and the other 30 per cent. was owned by the remaining 85,517,230 people of the country. It is said that when the directors of the United States Steel trust meet one-twelfth of the total wealth of the country is represented around the directors' table. Five thousand men in this country actually own one-sixth of our entire national wealth, leaving the balance to be divided among the remaining 89,995,000 people.

The tariff has contributed more than all other things combined to produce this unequal distribution of wealth, stimulating, supporting, and producing trusts. These advantages are given by law. The law gave the right and opportunity to organize the American Steel Corporation with a capital of more than a billion dollars. It gave the same opportunity to the Standard Oil Company, the cotton-seed oil trust, to the International Harvester Company, and to hundreds of others.

The wrongs of this tariff law are known by the people, its burdens are oppressive, it discriminates in favor of wealth and against the poor, and its speedy revision is the duty of the hour. Who will write it in the interests of the people? The Republican party? Its leaders claim that it needs no revision; that it is the best tariff law ever enacted. Yes; it is the best tariff law for the manufacturer, the monopolies, and the trusts, but the most infamous in its outrages upon the people, the ultimate consumers. Republican pledges are worthless, and Republican promises are made to deceive, and the Republican party never has and never will enact a law against the wishes of the special interests. [Applause on the Democratic side.] The hope of a relief for the wrongs and oppressions that now afflict us is in Democratic victory. Our party, ever loyal to the rights of all, has ever fought against the policy of the pillage of the many to enrich the few. "Equal rights to all and special privileges to none" has ever been the banner under which Democracy has battled. The battlements of Republicanism and special interests will be unable to withstand the assaults of Democracy and an outraged and deceived people. The faint breeze of protest was plainly felt in the great Missouri election, it had grown to the dimensions of a whirlwind at the election in Massachusetts, and now in New York it has become a cyclone and swept Republican strongholds from their moorings. [Applause on the Democratic side.] The people's voice of condemnation will be heard in November, and by their votes they will hurl from power the Republican party for its faithlessness to the rights of the people and its betrayal of plighted faith. [Applause on the Democratic side.] They will place in power the Democratic party; the party

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of progress, the party of economical administration of the Government's affairs, a party of fidelity to the Constitution, and a party that believes in the eternal principles of justice. [Loud applause.]

THE TARIFF BILL

Speech of Hon. HENRY D. CLAYTON, of Alabama, in the House of Representatives, Friday, April 2, 1909. [Part of Congressional Record.]

Mr. Clayton said:

Mr. Chairman—Two facts have concurred to bring the present measure before the House. The Federal Treasury will be confronted with a large deficit at the end of the current fiscal year, and the Republican party promised the American people in the last campaign that there should be a revision of the tariff. The urgency for this legislation is accentuated by the fact that the business interests of the country have been, and are now, in a disturbed condition.

In the last presidential contest both of the great political parties declared that the tariff should be revised. The Democratic party took the unequivocal position that the revision should be downward, should be in the interest of the consumer, in the interest of that often forgotten member of American society, the taxpayer. The Republican party was forced to abandon its long maintained position of "standing pat," and to admit that the tariff should be revised. The able and genial gentleman who now occupies the White House said that he would call this extraordinary session, if he were elected, to revise the tariff, and that probably the revision would be downward.

The masses of the people, the men and women who toil and save and who have to calculate to bring their expenses within their meager incomes, believed that the revision should be downward, and demanded that they should be considered when the tariff bill should be framed. The burden of taxation, under Republican tariff laws, has always fallen most heavily upon such people. The Republican party persuaded many of these men and women that something would be done in their behalf—in the behalf of the people other than those who have been the beneficiaries of the abuse of the federal power of taxation.

So, Mr. Chairman, on account of this persuasion and the large campaign funds contributed by the special interests and the powerful influence wielded by them, to you and your associates in this Republican House was confided the authority to originate a tax measure. You, Mr. Chairman, and all of us recognize that this is a great responsibility. The demand upon the Public Treasury for some \$600,000,000 per annum with financial provisions that will fall short of this sum to the extent of a hundred

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millions of dollars or more, presents a problem not easy of solution if Republican policies and practices are to be maintained.

If we are to retain a tariff prohibitive in many schedules and a large free list instead of a revenue tariff, with the necessaries of life as far as practicable on the free list, the problem is one that you can not solve in favor of a full Treasury. Your policy will continue the deficit, particularly in view of the Republican practice of extravagance, unless the revenue derived from tariff taxation and from internal-revenue taxes, which latter you do not propose to increase, be supplemented by some other form of taxation. The aid of no other form of taxation is invoked in the pending measure, except an inheritance tax, which, at the most, would only yield a few millions of dollars, greatly disproportionate to the deficit. The Republican party does not propose—on the contrary, it has set its face firmly against—an income tax, which, perhaps, is the most just form of federal taxation that can be devised, for it is not a tax upon the want of the men, women, and children of the country, but is a tax upon the affluence of those who would feel the burden of taxation in the smallest degree.

More than has heretofore been the case, wealth, and not want, should bear a just part of the burden of government. This is as sound in morals as the teachings in the Sermon on the Mount, and ought to be, as far as practicable, of the spirit of every human statutory enactment on the subject. Doubtless some day an income tax will be devised which will be free from any rightful or sound constitutional objection and which will be sustained by the highest court in our land. However, the Republican party has not the statesmanship and courage to enact such a law, though after a while you will come to it, and then, perhaps, as you did in regard to railroad rate regulation, claim to be the original discoverers. You need not doubt that you and the country will yet realize that an income tax is inevitable, just as the consolidation of the great transportation companies of the country made railroad rate regulation unavoidable.

It took the Republican party ten years to come to the Democratic position on that question. Within the next few years that party will surely come, be forced to come, to the Democratic position on the income tax. Such a tax stood the test of judicial scrutiny for more than a hundred years; and it took a divided court, with a majority of one, and it is sometimes said by those who are not charitable that this one associate justice was converted over night to a view against the validity of the income-tax law, to declare it invalid. But we need not now discuss that. A law can and will be framed to meet every substantial objection to the one that was overturned; and the Supreme Court of the United States will yet uphold such a law, as that distinguished tribunal had repeatedly done in those better days of the Republic—yet not the best days, for they are to come, when the very rich of our own country will acquiesce in the general opinion of the constitutionality and justice of such a tax, just as the very rich now agree to the justice of such a tax in England, our mother country.

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Mr. Chairman, the campaign promises of the dominant party have not been met in the pending measure. This fact has been demonstrated by many speeches made in this Chamber and by the well-nigh universal condemnation of this bill by the public press of the country. It is beyond dispute that this measure is unsatisfactory to a majority of the Representatives here, regardless of party, and to a great majority of the people who sent us here. [Applause on the Democratic side.] The bill, instead of reducing the average rate of the Dingley law, raises that rate more than 1 per cent.

After having read this bill I think I may characterize it as a bundle of false pretenses, a scheme of covert favoritism, and a measure that bears evidence of sectionalism. On that side of the Chamber scarcely a Member has spoken who has not condemned one or more provisions of this bill. On this side I do not recall a single Member who has not found serious objection to many of its provisions.

So much, Mr. Chairman, for a general view of the subject and the situation—a situation that has been brought about by the dominant party, clothed with continuing authority to make and execute the laws of our country during the last twelve years. To the false teachings, the vicious legislation, and the extravagant administration of the Republican party is undoubtedly attributable the unhappy condition that now confronts the Treasury and the business interests of the whole country. [Applause on the Democratic side.]

Mr. Weisse—Will the gentleman permit a question?

Mr. Clayton—Certainly.

Mr. Weisse—May I ask the gentleman if the Treasury deficit would not be greater than what it is admitted to be, if we should deduct from the receipts the item of profit on account of the coinage of the silver seigniorage and the item of cash derived from the sale of railroad bonds?

Mr. Clayton—Yes; undoubtedly. The Statistical Abstract for 1907 shows the profits on the coinage of silver to be as follows:

1898.....	\$4,756,470
1899.....	6,164,246
1900.....	9,992,374
1901.....	12,731,257
1902.....	10,979,507
1903.....	8,354,740
1904.....	6,373,396
1905.....	4,419,594
1906.....	2,918,344
1907.....	9,095,044
Total.....	\$75,684,972

The above amount has been turned into the account along with the revenues of the Government.

The Treasury has received since 1898 cash from the sale of the following bonds, which is not carried by the Treasury as a cash item, as I understand it:

Kansas Pacific Railroad Company.....	\$6,303,000.00
Union Pacific Railroad Company.....	58,448,224.00
Central Pacific Railroad Company.....	11,798,314.00
Union Pacific Railroad Company (receivers).....	821,898.00
Central Pacific Railroad Company (sales).....	3,338,016.00
Union Pacific Railroad Company (receivers).....	133,942.89
Central Pacific Railroad Company (indebtedness).....	4,576,247.10
Total.....	\$85,419,641.99

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If the bonds were still held by the Treasury, it would cause an increased deficit to this amount.

If these two items were deducted from the Treasury receipts, which receipts are normally supplied by tariff and other taxes, the apparent deficit of at least \$100,000,000 would be increased to the extent of more than \$160,000,000 additional.

Mr. Chairman, returning to the line of thought that I shall pursue, let me say—and let it be denied if it can be denied—that the deplorable condition of the finances of the Government has been brought about by the legislation, the policies, and the extravagance of the Republican party. The panic that we are now passing through—I hope it will end before long, notwithstanding the continued curse of Republican domination—is chargeable to that party, and it alone must bear the responsibility.

The recuperative energies of the country are great, and let us hope that the public finances and business generally may soon emerge from the present lamentable condition, though it can not be hoped that this tariff bill will contribute to that end. By way of parenthesis, permit me to say here that my amiable and amusing friend from the State of Washington [Mr. Cushman] endeavored to divert attention from Republican failures and from this Republican panic by harking back to the panic of 1893, a panic that had its beginning under a Republican administration and that arrived full fledged under the McKinley tariff law, before the Wilson Democratic tariff law ever went into operation. [Applause on the Democratic side.]

It is perfidy for the great party now in control to offer the pending bill as a compliance with its promises. The Republican leaders in this House have, to some extent, at least, recognized this fact, and for weeks have been trying to administer to recalcitrant Members on that side soothing sirup in the shape of agreements as to amendments to be offered by the Ways and Means Committee and agreements as to separate votes in the House on different items. Those in charge of this bill have been forced to this course in order to get the Members of the party responsible for this bill to support it.

The public press, no longer ago than this morning, tells us that a distinguished gentleman found serious objection to this measure because it reduces the duty on barley—in its solid form, I will say to his credit, rather than its liquid form, it being used largely in the manufacture of beer [laughter]—and I am told that your machine has, to use a vulgarism, “piked off” that distinguished gentleman by promising to raise the proposed duty on barley from 15 cents up to 25 cents per bushel, instead of 30 cents, as it is under the Dingley law. Let me say another thing. The press tells us that you, Mr. Chairman, and your party do not expect to put this measure through by the votes of Republicans who believe that it is a good measure, but that you expect by these promises of amendments and separate votes, to which I have referred, to get them to agree to vote if favorably from the Committee of the Whole to the House, where disagreeing Members hope to see it amended in some particulars; and for

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all their disappointments here they are led to trust that their wishes may be met in the Senate on different items in the bill.

In addition, it is surmised that the Speaker has further inducing gifts to bestow in the matter of committee assignments. Wise as he is, with a full knowledge of the ambition of Representatives and the probable overweening desire for committee preferment, it may be easy for him, if he sees fit so to do, to tempt Members with an alluring picture—that of a tree laden with many plums which will fall, when he shakes the tree, into the inverted hats of the boys that the benevolent gentleman has invited to be good. How many of you unwilling Republicans, insurgents and others, the political machine of this House may persuade to support this legislative monstrosity—monstrous because of its many doubtful and mysterious provisions—this tariff hideosity—hideous because it covertly takes care of the Standard Oil and other organized parasites—I do not know; but I hope to God, and I say it reverently, that the “knock-out drops,” a supply of which the political doctor in the Speaker’s chair may still keep, have lost their influence on this side of the Chamber. [Applause on the Democratic side.]

If the Democrats will stand firm against this iniquity, which you on that side have by your speeches condemned, we on this side will go to the country in the next campaign, not with a song of sorrow on account of Democratic division but with a note of triumph, and win in the Congressional election. And then the voice of the people will be obeyed in this Chamber. [Applause on the Democratic side.] This proposed statutory legerdemain, known as the “Payne bill,” will disgust the country with a Republican House, and I fancy that when the Sixty-second Congress shall be assembled the present Speaker of this House, whom I esteem personally, but whose politics and rules I hate, will indulge in a soliloquy somewhat after that of the deposed cardinal:

Farewell, a long farewell, to all my greatness, for I have lost my left-handed grip on the Speaker’s gavel.

WAGES AND PRICES OF COMMODITIES

Speeches of Hon. WILLIAM J. STONE, of Missouri, in the Senate of the United States, Thursday, April 21, and Monday, April 25, 1910. [Part of Congressional Record.]

Mr. Stone said:

Mr. President—On yesterday the Senator from Georgia [Mr. Clay] remarked that he wondered why the resolution ordering this investigation was ever adopted. Considered from the standpoint of merit, there was good reason to wonder why it was adopted, but when considered from the standpoint of the purpose had by those who proposed it the ground for wonder-

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ment disappears. It has been said by some Senators during this debate that they believed the purpose of the promoters of this investigation was purely patriotic. As I have heretofore declared, I think the purpose was purely political. Last summer we enacted a new tariff law, imposing the highest average rates of duty ever imposed by any previous American tariff law, and that was done in the face of ante-election pledges made by the Republican party in its national platform and in the letters and speeches of its candidate for the Presidency; and it was done also over the protest not only of Democrats in both Houses of Congress, but likewise of numerous Republicans. The new law was denounced throughout the country as not being responsive to the demands of the people or the promises of the party enacting it. It was predicted that the enactment of such a law would further encourage and furnish additional opportunities for industrial combinations and result in a large increase in the cost of living. That prediction has been verified. Prices of nearly all commodities ordinarily used by the people at large have increased, and the cost even plain living has become a serious question. A general belief is evidenced throughout the country that the rise in prices is in some large measure due to this new tariff law. We have had some recent and striking evidences as to the extent and pronounced character of this public impression. Three special congressional elections of particular significance have been held within the last sixty days or thereabouts, one in Missouri, one in Massachusetts, and one in New York.

In each of these elections the paramount question put into the party platforms of both parties, and which was debated before the people to the practical exclusion of all other questions, was the tariff question. The new law was made the basis of the contention in the three districts indicated, and its effect on industrial conditions and on consumers was thoroughly exploited. In the sixth district of Missouri a protest against the new law was registered in most emphatic form, the normal Democratic majority being practically doubled. In the fourteenth district of Massachusetts, which in 1908 gave a Republican majority of over 14,000, a few weeks ago, at the special election to fill a vacancy, a Democrat was returned by a majority of over 5,000. The thirty-second district of New York, which in 1908 gave a Republican majority of over 10,000, returned a Democrat at the special election held the present month by a majority of over 5,000. These special elections gave opportunity for an expression of public opinion on the Payne-Aldrich tariff law, and the condemnation of the law was terrific. These elections are object lessons which gave a tolerably clear indication of the general judgment of the country. But even before these special elections there was abundant evidence to disclose a widespread dissatisfaction. It looked as if the "Grand Old Party" was about to be routed foot, horse, and dragoon, and so it became necessary that something should be done to stem the tide. Leading Senators on the other side saw the necessity of doing something to allay this hostile sentiment

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and to check its progress. I have no doubt, and I have never had any, that the purpose of this investigation was to gather data not so much for correct information on the economic phases of the subject, as to gather data that would tend to show that the public sentiment and clamor were ill founded. Not only so, but it was intended by this proceeding to make a case against the so-called insurgent Republicans, to knock them out, uproot insubordination, and rally the party forces again around the old party flag.

There were some odd things done at the beginning of this business. It will be remembered that the Senator from West Virginia [Mr. Elkins] offered a resolution somewhat similar to the one finally adopted and under which this investigating committee was authorized. His fertile brain first conceived this plan, but unhappily for him, he was at that time, for some reason, under a cloud of suspicion as to his party loyalty. For some reason he did not hold a place of the highest confidence among the great leaders of his party. They seemed to doubt whether he was entirely orthodox or as zealous as they thought he should be in his advocacy of the protective tariff. And so when he offered his resolution for an investigation into the cause of high prices, the resolution was promptly referred to the Committee to Audit and Control the Contingent Expenses of the Senate. Then the big chiefs put their heads together. After that the resolution went to sleep and lay dormant in the committee room. That august committee is presided over by our amiable and distinguished friend—I say that for he is the friend of every Senator and every Senator is his friend—the Senator from New Jersey [Mr. Kean]. I said it is the committee over which he presides, but, as a matter of fact, he is the whole committee. [Laughter.] I have been told by Senators, whose names appear in the Congressional Directory as nominal members of that committee, that the committee has not been called in session nor had a meeting for a time so remote that the oldest member of this body is unable to recall when it was. [Laughter.]

Mr. Clapp—Mr. President, will the Senator from Missouri pardon an interruption?

The Vice-President—Does the Senator from Missouri yield to the Senator from Minnesota?

Mr. Stone—I do.

Mr. Clapp—I think the Senator from Missouri does an injustice to the chairman of the committee. It is generally understood that that is the one committee in the Senate that is always in session during the waking hours the chairman of the committee. [Laughter.]

Mr. Stone—I have not spoken in the spirit of levity or criticism, but of congratulation. The Senator from New Jersey is the only Member of the Senate deemed worthy of being organized into a standing committee of one. I suppose he has a secretary and under-secretaries and a retinue of clerks, and I understand that from time to time, as suits his pleasure and he thinks the public needs require, he directs his secretary or some of his multitudinous supernumeraries to send him a call for a

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committee meeting. Upon receipt of that notice, issued in due and solemn form, the Senator from New Jersey holds a meeting all by himself in his committee room, or in some quiet corner of this Chamber—wherever, indeed, it suits his convenience—and passes upon bills referred to him, reporting or postponing them as he deems wise and best. This resolution of the Senator from West Virginia was kept in a state of incubation in the committee room for over a month. But the Senator from West Virginia was not willing that this child of his love and hope should perish utterly in that way; he did not want to have it absolutely “lost in the shuffle.” He persistently pressed upon the Senator from New Jersey the duty and obligation of reporting it. He did that here in the open Senate time and again, and did it elsewhere and in other ways.

But he was unable to accelerate the slow and stately movement of the Senator from New Jersey. Still his vehement insistence, oft repeated, in which he complained of discourtesy to him and frequently showed symptoms of angry impatience, began finally to challenge general attention. It became evident that something had to be done with the resolution. The delay was not because the leaders objected to the resolution, for they had a movement of that kind in their own minds, but they did not want the Senator from West Virginia to direct the investigation. They wanted one to take the lead about whose tariff orthodoxy there was no shadow of question. And so at about this juncture the Senator from Massachusetts [Mr. Lodge] rose in the Senate and delivered a notable address, in which he took Democrats and insurgents to task, and undertook to demonstrate that the tariff had nothing to do with the increase of prices. He made a powerful effort to prove that the tariff was blameless, and charged that the rise in prices was due to other causes. Chief among the causes he declared the increase in money volume was most to blame. He spoke of the discoveries of gold throughout the world, enormous discoveries made in the last decade or so, and said that because these great gold accretions, supplemented by other forms of money, had been added to the Nation's currency and poured into the Nation's business, thus vastly increasing the aggregate money supply and the per capita circulation, prices of all kinds of products had been inflated. To this and other causes, for which the tariff is not responsible, he attributed the rise in prices; but he held the tariff to be as innocent as an unborn babe.

After that great speech of the Senator from Massachusetts he came to the front with a resolution, drafted on the line of his oratorical effort, proposing to raise a special Senate committee to make an investigation into the cause of high prices and the cost of living. This resolution was much on the same line as that previously proposed by the Senator from West Virginia. He had his resolution referred to the Committee on Finance, of which he is a distinguished and influential member, and on which the Senator from West Virginia, much to his chagrin, had been denied membership. Some thirty-six hours after this reference the resolution was favorably reported. Under the

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rules, and on suggestion, the resolution was then sent to the committee composed of the Senator from New Jersey. [Laughter.] Promptly, with some slight modifications, made at a committee meeting held by the Senator from New Jersey, the resolution was reported in the Senate with a recommendation that it pass. Naturally the Senator from West Virginia was displeased—in fact, somewhat incensed—at what he denounced as a discrimination and discourtesy. He understood the game, of course, and clearly understood the purpose was to keep him out of the chairmanship. He realized that he was in a bad hole. But the Senator from West Virginia is a wise man, and when he finds himself in a bad hole he begins scratching to get out on the best terms possible. After due diplomatic negotiations a compromise was effected, and it was finally agreed that the Senator from West Virginia should be offered the chairmanship of the committee to be raised under resolution reported by the committee from New Jersey, upon condition that he would decline it. [Laughter.]

Accordingly the chairmanship was ostentatiously proffered to that Senator, and by him modestly declined. Thereupon the adroit Senator from Massachusetts, who had so diplomatically engineered this delightful scheme, was offered the chairmanship, and, with a modesty almost as refreshing as that displayed by the Senator from West Virginia, accepted it. The committee being organized, and after properly oiling the machinery, the committee began to move. Of course the committee will gather statistics. They will pile statistics upon statistics, like Ossa on Pelion, to prove that the distinguished head of the committee, the Senator from Massachusetts, was right in the conclusions he announced in the splendid speech with which he paved the way for his investigation. It is now proposed to send out 100 or more men, selected under influences well understood, to look up and gather data to be brought back and submitted by them in tabulated form to the committee, and then the committee will bring in this data, flourishing it as official data, and give to it the weight of their sanction and approval. We were told in the beginning that the committee itself would make this investigation, but now it is proposed to spend a large sum to employ an army of outsiders to make the investigation or at least a large and important part of the investigation, for the committee. The function of the committee will be merely to accept, approve, report, and applaud the work of the agents. It is an exceedingly smooth game being worked under our very eyes.

Mr. President, a day or two following the speech of the Senator from Massachusetts [Mr. Lodge], to which I have several times adverted, I took occasion to make some remarks with respect to his contention that an increase in money volume had resulted in higher prices. I recalled the fact that in the memorable campaign of 1896, when the Democratic party was advocating the quantitative theory of money, the Republican party assailed that position on the ground that prices were not primarily materially influenced by the mere volume of money. At that time the per capita, based on the total alleged volume of money, was little more than one-half what it is to-day, and the

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actual available circulation was even less than that. The Democratic contention was to the effect that the prevailing low prices of that period were in large measure due to the scarcity of money, and that if the volume of money should be increased sufficiently to accommodate the business needs of the country the value of property and wages would advance. That contention was strenuously opposed at that time by the Republican party. I am not now speaking of the silver question or the coinage question, but I am referring to the abstract economic proposition that values rise and fall in some corresponding degree with the rise and fall of the money volume. That is the essence of the quantitative theory, and that theory was tabooed by the Republican party twelve years ago. At this point I wish to submit as a part of my remarks extracts from speeches made by Mr. McKinley; Governor Dingley, the putative author of the tariff law bearing his name; Congressman Dalzell; and Senator Nelson, together with an editorial clipped from the New York Tribune.

The matter referred to is as follows:

William McKinley, in a speech at Canton, Ohio, October 23, 1896, said:

"How will free silver increase the demand for labor? How will it increase the demand for wheat? Will it increase the wages of labor in this country, open new markets for the American farmer, or new avenues of work for the laboring men? If you started all the mints of this country working to their fullest capacity and extent, you could not increase the demand for labor, corn, or any American product, and you would not increase wages.

"The cry is that we have not enough money. Now, everybody knows that is not true. We never had such prosperous times as in 1892, and we have just as much money now as we had then. It is not a lack of money that is at fault."

Representative Nelson Dingley, in a speech in the House, June 11, 1896, said:

"Those persons who think they can raise prices by coining or issuing more money, regardless of the demand for use, without changing the value of each dollar, misunderstand the nature and uses of money. * * * Abundant money used, which is only another expression for business activity, is promotive of prosperity. But however large may be the volume of money unused—indeed, we never had so large a volume of money outstanding and so large a proportion unused as we have had the past three years—it has not the slightest effect in raising prices (so long as the dollar is not depreciated) or promoting prosperity."

Hon. John Dalzell, in the House of Representatives, February 14, 1896, said:

"It has been suggested that it is a poor rule that will not work both ways, and I borrow the suggestion: 'Silver was demonetized; wages have risen, corn has risen, so have pork and leather and many other things; therefore the demonetization of silver is the cause of the rise in prices.' * * *

"* * * To my mind the decrease in the cost of the necessaries of life and the increase in the wages of labor indicate not depression, but prosperity. They indicate to my mind that condition of things which tends to increase savings-bank deposits, to build workingmen's houses, to bring American men and women up to the standard of American civilization. The

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fact is that there is not the remotest parallelism between the movement of circulation and prices. * * * Aside from that altogether there is not a single staple article that has fallen in price where the decline can not be traced to causes wholly apart from any money question, where it can not be traced to material changes in the cost of production and distribution."

Senator Nelson, of Minnesota, in a speech in the Senate January 24, 1896, said:

But it is argued by the advocates of unlimited coinage that silver is primary money and that values are measured and prices fixed by the amount of primary money in circulation, and that prices rise or fall as the volume of such money rises or falls. It is further said that silver, for want of free coinage, has ceased to be primary money, and that this has resulted in the destruction of one-half, more or less, of our total stock of primary money and a proportionate lowering of prices and values; and, finally, that it is because there is an insufficiency of currency in circulation, especially silver currency, that values and prices are low and cheap and business embarrassed and depressed. The fallacy of all this argument, though supported by scholastic dissertations and quotations from publicists, becomes apparent from a brief review and a brief consideration of our own conscious experience as a nation. Our own history, if read aright, affords us ample means of disapproval. * * * Values and prices are primarily fixed and controlled by the law of supply and demand, now and at all times. The abundance or scarcity of money may affect them to some extent. * * * It is a grave question, in my mind, whether the great and abnormal reaction of the last three years was not in part superinduced and brought about by the forced and artificial money inflation of the three preceding years. But, be this as it may, it is certain that a mere abundance of currency does not always, nor as a general rule, bring in its wake an enhancement of prices. This can be established from our own commercial and statistical history in a manner that can not be gainsaid.

The Senator then quotes a table showing the amount of money in circulation and the per capita circulation for a number of years—that is, from 1872 to 1895, inclusive. According to this table the per capita circulation in 1881 was \$21.71, and increased, with some fluctuations, until it reached \$24.44 in 1892, and then declined somewhat, until the per capita circulation is stated to be \$22.72 in 1895. After giving this table, the Senator from Minnesota proceeded as follows:

This table shows that during the period of 1872 to 1878, when silver was demonetized, when there was scarcely any gold or silver in circulation, and when the per capita circulation never exceeded \$18.19, and was down to \$15.58, the prices of wheat and cotton were high, far higher than they have ever been since. This table also shows that as our circulation has increased and as our gold and silver money has increased prices have, in the main, been low, as in the year 1894, when our aggregate gold and silver circulation was the highest and when our per capita circulation was within 11 cents of the greatest amount it has ever attained—that of 1892. How much sophistry and how much ingenious and farfetched reasoning the figures in this table dispel! They show conclusively that prices have not been lowered through a want of currency or through a want of either gold or silver.

The following is an extract from an editorial in the New York Tribune, Whitelaw Reid, editor, October 19, 1896:

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Students of prices have long ago demonstrated beyond possibility of reasonable dispute that between supplies of currency and its purchasing power no such correspondence could be discovered as would support the quantitative theory. The most glaring contradictions were frequent, and at first there was a disposition to explain them with the easy answer that other conditions had not remained unchanged. Presently it was seen that other conditions never are and never can be unchanged, and that the theory which has reference only to an impossible state of things has no sort of value and no place in sane economic reasoning. But further comparison of facts brought into great prominence the preponderance of various forms of credit in all commercial transactions, and the sudden and startling changes in the efficiency of such substitutes for money affecting the total buying power at various times far more than the total amount of money in circulation. Then it was perceived that more currency in circulation often had a tendency, if not always, to diminish the efficiency and supply of credit substitutes, and vice versa, because confidence was apt to be disturbed and impaired by anything looking like inflation, and could be strengthened by events, limiting the supply of current money. The result has been to dismiss the quantitative theory to the limbo of exploded economic nonsense, and in dragging it out and presenting it, grossly distorted and exaggerated, as if it were the whole gospel about money, Mr. Bryan has fixed his place in monetary discussion rather more completely than by any other performance.

Mr President, I present this matter as illustrative of the position of the Republican party upon this question at that time. The Senator from Massachusetts, in his recent speech, took a different view, and now gives a tardy adhesion to the old Democratic position and makes a belated confession that his party was in error. Republicans used to contend that the protective tariff enabled the employers of labor to pay high wages, and in order to do that they admitted that the level of prices in this country was necessarily higher than in other countries. Instead of denying that, they took credit for it and rather boasted because of it. They used to tell farmers and others who receive little or no direct benefit from the tariff that they received a large indirect benefit from it, by reason of the fact that the higher American wage gave employment to larger numbers of men who consumed their products and supplied an adequate and compensatory domestic market. They did not run away from the contention that the tariff increased the cost of living to consumers generally, but admitted and justified it. But now they shift position and take the ground that a protective tariff does not increase the cost of living, but that the rise in prices is due to an increase in the volume of money, an old Democratic position they formerly combated. Mr. President, as to the influence of tariff on prices I have but one additional observation to make: If a protective tariff does not increase prices, then what is the need of it? If the products of labor can be and are sold as cheaply under a protective tariff as under a revenue tariff, then of what benefit is protection? Especially, under such circumstances, how does protection protect the laborer?

Mr. President, I can not foretell what effect the report of this committee is going to have on public opinion. Of course the progenitors of this investigation except to use it effectively. It

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seems to me that the progressive Republican Senators are more concerned about this than Democratic Senators. The Democratic position on the tariff is well known, but the attitude of the "progressives" is somewhat nebulous. A number of Republicans in both Houses opposed the Payne-Aldrich bill, partly on the ground that it was not responsive to the party pledges or the public demand, and partly because they believed that it would result in higher prices and a material increase in the cost of living. I have collected some extracts from speeches made by several of these so-called insurgent Senators during the consideration of the tariff bill. I will read one of them—an extract from a speech made by the Senator from Wisconsin [Mr. La Follette] on June 9. He said:

We are about to pass a bill at this session that will impose additional burdens upon the consumers of the country. They asked for relief. This bill will increase the cost of living in every home in the land.

The remainder of these excerpts I will ask leave to print at this point as a part of my remarks, without reading:

Mr. Clay—Read it.

Mr. Stone—Oh, it will consume too much time. It will do as well to insert without reading, which I ask leave to do.

The Presiding Officer—In the absence of objection, permission is granted.

The matter referred to is as follows:

June 9, 1909:

Mr. La Follette.—Mr. President, all students of the tariff question must realize that this particular schedule relating to wool and woolens, essentially a necessary of life, should, above all others, be carefully reconstructed as to the manufactures of wool, and revised downward. But this schedule has not been reconstructed in accordance with the petitions of the American people nor the pledges of the Republican platform.

June 9, 1909:

Mr. La Follette.—The cost of living has increased year after year, without a corresponding increase in the earning power of the average man. They know it is wrong. They have talked it over at home and with their merchant, their groceryman, their butcher. They know that the foolish claim made in the course of this debate, that the increased cost of living is chargeable to the retail merchant, is a subterfuge to cover up the enormous profits of those who suppress domestic competition behind a tariff that excludes foreign competition.

June 10, 1909:

Mr. La Follette.—Mr. President, I am going to do as best I can my part and share to make a record of it, and to get it before the country, because I am looking forward to a time when we shall secure a real revision of the tariff—a revision in accordance with the public interest and public demand, a revision in keeping with the promises of the Republican party.

June 11, 1909:

Mr. Cummins.—I have been fighting this tariff campaign for a good many years. I expect to fight it for a good many years to come. I had hoped when we began this debate—and you will remember that I expressed the hope that the light of reason would so shine in upon these schedules that the demands of justice would be so imperative, that these duties would be so revised that I might vote for this bill, and that I might defend it when we come to the great forum of the people. But if you

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insist upon putting on a duty of this kind, indefensible according to its own supporters and unjust according to the most casual analysis, how can you expect any Republican who believes in the platform of his party, who understands something of its history and what it has tried to do for the people of the United States—how can you expect a Republican who regards his political faith and honor to vote for such a schedule or such a bill? How can you expect a Republican, born in the faith and nurtured in the principles of the party, to go before the people and defend the work that you are now proposing to the Senate? I marvel at your blindness. I marvel that you are willing to commit the Republican party to such a schedule; for, while granting the righteousness of the principle involved in it, it is so radical a misapplication of the policy to which we are all pledged that I can not conceive that the Senate will, upon reflection, agree to it.

June 11, 1909:

Mr. La Follette.—He [Mr. Aldrich] brings in a great bill here for the revision of the tariff, keeps everybody in the dark with respect to all the important facts upon which that revision should be made, and is silent when he should speak. But now, because there are men here representing their constituencies according to principle, this Senator, since they will not vote blindly, because they will not permit Rhode Island arbitrarily to dictate to them, throws about the feet of Senators who are here pressing forward in the line of what they conceive to be their duty, the network of his superior knowledge and of his fine chicane.

July 8, 1909:

Mr. La Follette.—Mr. President, this tariff revision did not come because the manufacturers wanted it, but because 90,000,000 people, bowed by a burden of excessive and increasing cost of living, demanded it and have pressed that demand upon the Congress of the United States, and upon the political parties of this country until they were compelled to heed it. This bill as a whole, Mr. President, as it stands now—I do not know what it may be when it comes from the conference committee; it may be that there are increases here which will be yielded in conference, but as it stands now it is not revision downward; it is most pronouncedly revision upward. It violates the understanding that the public of this country had as to what this revision would be; it violates the pledges made over and over again by the candidate for the Presidency, President Taft, while that campaign was on, and I say, Mr. President, on that basis alone, to say nothing of the so-called tax on corporations, which has been injected into the bill, it is not entitled to support.

July 8, 1909:

Mr. Cummins.—Mr. President, the duties imposed in the bill upon which we are about to vote are generally too high. I regret that they so far exceed the test established by the party to which I belong that it will become impossible for me to give them my approval by my vote.

July 8, 1909:

Mr. Beveridge.—Mr. President, when a protective-tariff rate is beyond the requirements of honest protection, it presents a moral instead of an economic question. The only peril to the protective-tariff system is that subtle but deadly peril of excess. To prevent that peril has been the thing for which Republican Senators have fought these three months past, and as we have fought we shall vote to-night.

August 2, 1909:

Mr. Bristow.—If this bill, as presented by the conference committee and recommended for passage, conformed to the pledges made by the Chicago convention and reiterated by the party leaders in the campaign, I would most cheerfully vote for it,

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but it does not conform to those large number of the most important more than the difference in the cost of abroad, and the most excessive rates have not been reduced, but on many important increased. If the pledges made by the Republican candidate for the Presidency had been would have been substantial reductions in these pledges have been ignored, and the protection has been violated; violated by the nation its greatest beneficiaries and who claim to be its friends, but who, in fact, because of their insatiable greed, are its most deadly enemies. Apparently the only thing that has been considered in formulating the cotton-textile schedule has been the greed of the cotton manufacturers of New England. This bill seems to be drawn wholly in the interest of the makers of cotton cloth. * * * *This is a New England bill. Where reductions have been made in the high duties, it has been at the expense of other sections of the country, not at New England's.* * * * I believe in party fealty and recognize that party organization is necessary; but no desire for party regularity can induce me to say that this is "an honest and thorough revision of the tariff," when I know that it is not. I hold that a political promise should be as binding as a personal obligation. We went before the people of this country and told them that if they entrusted us again with the administration of their national affairs we would "honestly and thoroughly revise the tariff." This bill not only fails to carry out that pledge, but openly violates it. It does not keep proper faith with the promises of our platform or the declarations of our candidate.

August 5, 1909:

Mr. Dolliver. * * * I undertook to show to the Senate that these increases in the cotton rates were real and substantial. I did it by the testimony of competent witnesses. * * * Again and again the chairman said he would make a statement. Weeks and months passed before the statement was made; and when it was made, such a jumble of facts, such a blundering expedition into court decisions which were never made, such a misconstruction of statistics, such a failure to comprehend the details involved, I undertake to say, was never exhibited on the floor of the Senate. The general statement now is that no substantial changes have been made. I refuse to become a party to that statement. I have but a few more years in this world. I sometimes have been willing to deceive myself for the sake of the comfort which comes from the society and the good will of others; but *I do not propose now to become a party to a petty swindle of the American people without telling them the truth and without appealing to their good will and their confidence in the integrity of my motives.*

Mr. President, from time to time during the session of Congress I have felt called upon to state my views on certain matters with which this measure deals. I have tried to defend the opinions which I have held in debate and to express my convictions with my recorded vote. For these things I have been called into judgment. I would not escape that judgment if I could. I am ready not only for the opinion of my own State, but for the opinion of the people everywhere. I have a special duty, however, to the constituency which gives me the right to sit here. I can not neglect that; I can not betray that. No pressure from any quarter can move my resolutions to stand by their interests and to guard what I believe to be the welfare of that people and their children; and if through fidelity to that conviction, if in following that sense of duty, I am to be read out, here or elsewhere, from the goodly fellowship of the old Republican party, I shall hope to find in the dignity and self-respect of private life at least a partial reimbursement for the anxieties

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Unit August 3, 1909:

Mr. Clapp—When this bill passed the Senate I voted against it. In my humble judgment, while the conferees have grudgingly granted some slight concessions, they have added to the evils of the bill to an extent that is so infinitely worse I can not in justice to a sense of duty vote for the conference report. When the tariff debate began, for a while I supposed that the issue involved in this revision was the mere issue of rates as related to the question of free trade or protection. But it soon became evident that the matter of protection bore no relation whatever to this discussion, and it was apparent that free trade was no factor in the discussion, because there is no free-trade sentiment in this country, in Congress or out of Congress. The fact that protection was not a factor in the motives of the forces that framed the bill is found in this: That the bill was not fairly framed to develop American industries nor extend the foreign markets for American products; that the broad principle of protection has been thrown to the wind and ruthlessly trampled under foot whenever it served a particular purpose to do so. * * *

* * * This demand was made, and when this debate started we heard the words "downward revision" and "upward revision." This demand for revision, then, was made because prices had in many cases reached an abnormal point through abnormal forces, and it came from the consumer, as above described, not as a protest against protection but as a protest against a price often maintained by reason of a tariff which in the economics of production had outgrown its legitimate purpose of protection. Men must ever rally around something as a standard. In a few days we began to hear the words "free trade" and "protection." But it often happens that rallying words only befog and becloud the situation. Back of these words, which seemed at first to mark an issue, but subsequently developed as mere rallying standards, there gradually began to develop a force never before accentuated in the legislative history of this country. As we watched from day to day we saw this commodity or that commodity slaughtered at the hands of the forces that were driving this bill through the Senate whenever it seemed to serve a particular purpose. We began to realize that protection had been abandoned, and in its place was the purpose to perpetuate, uphold, and intensify profit. The issue to-day, therefore, is not between free trade and protection, but the question is whether what was once a benign factor in American legislation shall now be used for the sole purpose of profit. You can trace the growth of that force in the genesis of this bill from the very start to the very finish of its formation and the process of its enactment.

April 22, 1909:

Mr. Nelson. * * * It seems to me, Mr. President, after all these years of protection, after all these years of a complete control and monopoly, as it were, of the home market, that some of these industries ought, by and by, to be satisfied with less protection. Why should these four industries—cotton manufactures, glass, woolen goods, and earthenware—be given an advantage over others?

Mr. Stone—Mr. President, I reproduce these declarations made by distinguished so-called insurgents so that they may not forget—"lest we forget." They were brave words and true, and I have no doubt those who uttered them will stand steadfastly by their guns.

Mr. President, I do not think I care now to consume more of the Senate's time. My purpose was to aid my colleagues here in focusing public attention upon this so-called investigation and to prepare the public mind for what is coming. It is easy to

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foretell the sex and even the color of the hair of this child about to be born. At a later date, and before this resolution is disposed of, I may add something to what I have said, but I will now conclude for the present.

Monday, April 25, 1910.

Mr. Stone—Mr. President, on Thursday I made some remarks on this resolution, and I rise now to supplement what I then said by some additional observations. I have not expected that the resolution would be defeated, nor did I expect that it would be withdrawn or abandoned, and I think now I ought to say to the Senate with perfect candor that my object in debating the resolution has been, and is, to give the country some advance warning as to its purpose. On more than one occasion I have expressed the opinion that the purpose of the resolution authorizing this so-called investigation was purely political. I adhere to that view.

The purpose of the promoters of this movement was to show that the Aldrich-Payne tariff law was not in any degree responsible for the prevailing high prices of commodities in general. This resolution for an investigation was the beginning of a political propaganda intended to be spread under official sanction. It was intended from the beginning that a report should be brought into the Senate with the sanction of at least a majority of this investigating committee, acquitting the new law of all responsibility for the recent rapid rise in prices. That recent increases in prices have occurred can not be denied, for that is a matter of too common and general knowledge to admit of denial. The cause of the enhancement in the cost of things men and women must buy to live in comfort will be in future political campaigns, as in past campaigns, the subject of conjecture and controversy. But those who made the new tariff law, and who pose as the especially anointed evangelists of the protective system, are painfully solicitous to convince a suspecting and somewhat impatiently suffering public that whatever else may be to blame the blessed tariff at least is innocent of offense. The people are restless, feverish, rebellious; and no wonder. The light is beginning to shine in dark places, and men are beginning to see more clearly and to get their bearings better than for a long time before. And that is no wonder. Nothing so convinces the obtuse and obstinate as experience. One of the greatest practical lessons in political economy is the pinch of hard times. The moment a fellow gets hurt he squirms. Whenever he feels a pain—at least, a prolonged and really acute pain—naturally he wants a doctor. We have some fine political diagnosticians here in the Senate among our Republican brethren who can assure their patients what the trouble is, and especially what it is not. These wise men saw the imperative need of doling dope to still the rising tide of public unrest. And so the progenitors of this resolution of investigation—or, more accurately speaking, those who *vi et armis* have taken charge of the investigation—conceived to be a smart thing to prescribe a sedative through the instrumentality of a committee report.

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Mr. President, I have said, and I reiterate the opinion, that this mock investigation was organized for the sole purpose of acquitting the tariff of responsibility for higher prices. Am I justified in that statement? I realize that I subject myself to just censure if I make this charge without good reason. I think I can sustain the indictment. But before entering upon that, I wish at this point, and as preliminary to what I am about to say, to make a quiet and gentle observation on the side. It has sometimes appeared to me that some of my colleagues over here are of little overpunctillious, too politic, and too much afraid of giving even the slightest color of offense to those whose course in given instances they criticise and condemn. A gentleman in debate, as on all occasions, should be polite, but really I believe the Chesterfieldian art can sometimes be a little overdone. It seems to me sometimes Senators temper their plain speaking with too many assurances of high consideration and of confidence in the entire integrity of motive and purpose on the part of those they criticise. For myself, I have no reason of any kind to hold me in special restraint; and therefore I shall not think it worth while to shower assurances upon Senators whom I believe to be engaged in a scheme and plot to fool the people that in their motives, purposes, and efforts I esteem them to be, like Cæsar's wife, above suspicion. I prefer to speak out without qualifications which smack too much apology. Of course, for the distinguished Senators on the other side who have been engineering this scheme, I have the highest personal regard, but when I discover them playing a game of politics under the guise of performing a useful public service, I mean to tell them so, without sugar coating, what I say with compliments so profuse as to give to my observations a Pickwickian coloring. I say this, Mr. President, not meaning, of course, to give offense, but because I think the time has come when we should have here a militant, not an apologetic, Democracy.

Mr. President, do I misjudge and wrongfully accuse when I say that behind this investigation lies the purpose of working out of it some political advantage and to secure Republican campaign material? On Thursday I called attention to the suspicious maneuvering which characterized this business in its earlier stages. I recalled to the minds of Senators the somewhat brusque and cavalier manner in which the original resolution proposed by the Senator from West Virginia [Mr. Elkins] was sidetracked. We had merry days while the drastic process of disposing of the Senator from West Virginia was in progress. His protests, his pleadings, his lamentations are still resounding in feeble echoes about the Chamber. When he roared he was superb; when he plead he was pathetic. Of course, being a wise man, when he saw what was coming he got out of the way as gracefully as could. With the offer of a chairmanship, which he had previously agreed to decline, he salved his bruised pride and forthwith smoothed his wrinkled front. [Laughter.] The Senator from Massachusetts made a speech intended to prove the tariff guiltless of all participation in the crime of high prices, and then offered his resolution of investiga-

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tion. Astute and far-seeking statesman that he is, and charming orator, also, he was selected to blaze the way and mark the line upon which the proposed investigation should proceed. From the moment he made that speech and offered that resolution his appointment to the chairmanship of the investigating committee was foreordained, and from that moment the star of hope declined on the horizon of the Senator from West Virginia. The Senator from Massachusetts espoused the new tariff, and his chief contention in defending it was to exonerate and exempt it from all responsibility for the evils the committee he proposed to organize was to investigate. Here we have the chairman of a committee who at the very outstart acquitted the tariff of all blame for higher prices and then proposed to raise a committee to discover upon whom or what the blame of increasing prices should be saddled, of which committee he was made the directing head. To an ordinary man like me that looks like stacking the cards.

Then again we have been favored with some testimony from the Senator from Maine [Mr. Hale]. This testimony was offered while the subject of this investigation was under consideration here some two weeks ago. It was read the other day by the junior Senator from North Carolina [Mr. Overman], but it will bear repeating. The Senator from Maine said:

Of course the Senator understands—

Speaking to the Senator from Massachusetts [Mr. Lodge]—

every Senator understands—that this matter of prices and the cost of articles of everyday consumption and the questions arising from that are what will meet us all, not simply here, but when, after adjournment, we go to our respective places and the country is agitated by congressional elections through its entire extent. I think, from what the chairman has said, that, subject to the limitations which can not be overcome, we may count on the committee furnishing us with valuable material, which we will all of us use in the days between now and November.

Mr. President, that looks very much as if the business of this committee was to gather campaign material. Gather it for whom? With the Senator from Massachusetts—so suave, so plausible, and withal so beguiling—at the helm, the question answers itself. The charge that this investigation is a political move is substantially confirmed by this declaration from the Senator from Maine.

Again, on Wednesday last, while the Senator from South Carolina [Mr. Smith] was debating the pending resolution he was interrupted by the Senator from Rhode Island [Mr. Aldrich], who declared that he favored this investigation, and proceeded with much emphasis to tell the Senator from South Carolina that the impression the latter seemed to have, and which prevailed throughout the country, that the cost of living was increased by the tariff was a misapprehension. And so the Senator from Rhode Island wants this investigation—for what? Why, manifestly to get a report that will disabuse the public mind of what he deems false impressions and thus stamp out misapprehension and mutiny.

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Mr. President, on what these three have said and done I rest the case. Why should I go further to find more? These constitute the great triumvirate who have ruled the Senate with masterful skill for lo these many years. When they speak—and they speak always with one voice—it is enough.

Mr. President, I pause a moment to say that I view with kindly interest the passing of these Senatorial triumvirs. A few months hence the elder two of this trio of remarkable men will bid adieu to this stately Capitol, which for a generation has been the theater of their great activities. Without preaching a premature funeral oration, I think I may properly observe that they will carry into that retirement the high personal respect and kindly regard of all their associates here, even of those who most condemn their political tenets and most abhor their political practices. What fate may hold in store for the scholarly junior member of this triumvirate remains to be seen. There are ominous mutterings in the old Bay State, and such strange things have happened there of late that it may be that he, too, will soon find comfort in the reflection that after all the post of honor is the private station, and that he will cry out to his departing comrades, as Ruth to Naomi: "Entreat me not to leave thee: where thou goest I will go." [Laughter.] If that untoward event should occur, oh! what would happen to our brethren on the other side! Would they be as a flock without a shepherd? Would the insurgent wolves, growing ever more and more atrocious, rush in rampant and devour at will? There are to be sure other New England Senators of the Brahmin caste, notably the senior Senator from New Hampshire, upon whom the mantle of leadership might fall, and so falling be most worthily worn. But here I reflect that when the Senator from Iowa [Mr. Dolliver] was asked the other day upon whom he thought the mantle of Republican leadership would fall, answered: "No one; that mantle will be sent to the Smithsonian Institution as a relic of discredited politics." [Laughter.] That was a heartless speech, Mr. President, and like frost it nipped in the bud the high hope I had for my great and good friend from New Hampshire. Heaven only knows what will happen to our friends, the gentle enemy, when the spring birds come again. Clearly there are evil days ahead for the G. O. P.

Mr. President, I think about all we hoped to accomplish by this somewhat protracted debate has perhaps now been accomplished. I presume none expect to defeat the resolution, but its introduction afforded a fresh opportunity to again call public attention to the proceeding and prepare the public mind to pass intelligent judgment upon the forthcoming report. Perhaps about all that can be done in that behalf has been accomplished, and so I venture to suggest to the Senator from North Carolina [Mr. Overman], who, having fired the first gun, has been leading the fight, that we end the contest at an early hour and let the resolution come to a vote. The Senator from Massachusetts might now again bestride his barbed steed and return to the field from which he prematurely fled this morning. Of course there is to be a waste of money. The pending resolution

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calls for \$65,000, and the Senator from Georgia [Mr. Clay], one of the most observant and conservative members of this body, predicts that the expense of this investigation will ultimately mount into hundreds of thousands. But, Mr. President, what matters a few paltry thousands, more or less, when a great political project like this is to be promoted? Are we to become skinflints at this critical emergency, when portentous clouds are overhanging, pregnant with dire threat of hurricane and disaster? The Three Guardsmen are still with us, their ears attuned to every cry of distress, and they must not be hampered or restrained in their bold purpose to answer signals and speed to the rescue. Moreover, Mr. President, I can not blame the members of this now unhappy committee for wishing to shirk as far as may be responsibility for what is to be done. I appreciate and sympathize with that delicacy of feeling which breeds in them the desire to shift this responsibility as far as possible upon irresponsible shoulders.

If an hundred or more special agents to be selected or suggested by the astute chairman of the committee and his conferees can be sent broadcast to gather and tabulate "statistics" for the committee, it seems to me it would tend materially to relieve the embarrassments of the situation. After these ready-made tables have been delivered, all the committee will have to do will be to report them as official data prepared by "experts," and use them as the basis of their profound deductions. Really, it is altogether a most refreshing and audacious scheme. For myself, I am now ready to see the procession move. It may be that our insurgent friends over there may desire to be further heard. If so, they should not be denied. They should not be denied, for they are more concerned in the outcome of this remarkable adventure than anybody. They are dangerous men, and their scalps are much desired as trophies by the big chiefs and medicine men of their tribe before they go. Nevertheless, the insurgents have been strangely silent throughout this contest. Because of that, and because I have such tender concern for their future, I have been all the more persistent in pressing this matter upon public attention. But it is impossible that we Democrats should stand much longer in the breach. We can not reenact the tragedy of Horatius at the bridge. We can not block the way with our dead bodies. We have done enough, and unless our insurgent friends throw their banners to the breeze and rush in with their trenchant blades, the white wings of the dove of peace will flutter here again. I am ready now for the procession to move.

THE PAYNE-ALDRICH TARIFF LAW

Speech of Hon. W. S. HAMMOND, of Minnesota, in the House of Representatives, Tuesday, March 22, 1910, [Part of Congressional Record.]

Mr. Hammond said:

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Mr. Chairman—After the very eloquent and powerful speech of my friend from Pennsylvania, I am led to read a few words from a prominent Republican daily in the State of Minnesota:

The opinions of a large majority of them—

Speaking of the Republicans in that State—

on the tariff question are unchanged by the failure of the Republican organization in Congress to carry out the pledges upon which they and the President were elected. They are unwilling to accept that revision of party promises as final until it shall be ratified in another congressional election.

And another prominent newspaper in that State, a Republican paper, declares that the tariff is no longer an economic, but rather a moral issue, asserting that the demand of the people was for a downward revision, and that they had been deceived.

In his speech in New York at the Lincoln birthday banquet the President of the United States answered charges similar to these, and pleaded two defenses—first, that there was no promise expressly made to revise the tariff downward. He said in his New York speech:

Nothing was expressly said in the platform that this revision was to be a downward revision—

although he admitted that by implication there was a promise that it would be generally downward. I desire to take a few moments' time here to read some of the documentary evidence bearing upon his first defense. First from the platform itself:

The Republican party declares unequivocally for the revision of the tariff by a special session of Congress, immediately following the inauguration of the next President, and commends the steps already taken to this end in the work assigned to the appropriate committees of Congress, which are now investigating the operation and effect of existing schedules. In all tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries.

In this statement there is a declaration that the tariff is to be revised, and that the true principle by which it should be revised is to make the rates equal to the difference in the cost of production here and in other countries and a reasonable profit for the American manufacturers. This part of the platform was interpreted during the campaign by the Republican candidate for President on several different occasions. First, at Cincinnati, on September 22, he said:

*If I am elected President, I promise the Nation that I will use every fiber of my being to carry out honestly and decently the tariff-revision promises of the Republican platform. * * **

This sounded well. It might mean that he would use the veto power, if necessary.

When he visited Winona last September he said:

I am quite willing to admit that allowing the woolen schedule to remain where it is is not in compliance with the terms of the platform as I interpret it, and as it is generally understood.

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And again, he said in the same speech:

Personally I was in favor of free lumber, because I did not think that if the tariff was taken off there would be much suffering among the lumber interests.

After his election as President did he use every fiber of his being to bring schedule K, the woolen schedule, into compliance with the terms of the platform? Did he change his mind about free lumber?

On September 24, at Milwaukee, he said:

It is my judgment that a revision of the tariff in accordance with the pledge of the Republican platform will be on the whole a substantial revision downward, though there probably will be a few exceptions in this regard. As the temporary leader of the party, I do not hesitate to say with all the emphasis of which I am capable that if the party is given the mandate of power in November it will perform its promises in good faith.

Note the words "substantial revision downward" and "a few exceptions in this regard;" that is, in a few instances rates will not be lowered, either left as they are or increased, but in only a "few instances." And yet the President, in his speech in New York, calls attention to the fact that out of a total of 2,024 items of the Dingley tariff law, 1,370 were unchanged or increased. This number, including two-thirds of the entire tariff law, constitutes the "few exceptions."

The President's statement that the tariff bill is the best tariff bill ever enacted is as wide of the mark as was his prophecy in reference to the "few exceptions" to the substantial revision downward.

At Des Moines, on September 25, he said:

It is my judgment that a revision of the tariff in accordance with the pledge of the Republican party will be on the whole a substantial revision downward, though there probably will be a few exceptions in this regard.

Perhaps Mr Taft did not realize when he made this utterance that in order to insure the substantial revision downward, with only a few exceptions, it was necessary to secure the assent of the organization in Congress to the programme. I would not doubt his absolute sincerity in making the statement were it not for the fact that he now claims that the party promises have been kept and that the Payne-Aldrich law is the best tariff law ever enacted. If the recent tariff legislation is better than any other legislation of that character heretofore enacted, no wonder the people have gotten tired of the policy of allowing certain classes of producers to levy tribute upon the Nation.

On October 3, at Fort Dodge, Kans., he said:

The normal operation of protection is to lower the cost of producing, and so to reduce prices to the public. As a consequence, after ten years' operation of a particular schedule, it ought to result that the cost of production in this country is made less, and therefore that the difference between the cost of production in this country and abroad is less, and therefore that the duty ought to be reduced.

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If I am elected, as I expect to be, I shall exercise all the legitimate influence that a President or head of the Republican party can exercise to see to it that the plighted faith of the party on the subject, in letter and in spirit, is observed.

Upon this evidence I am willing to submit to the people of the country the question, Was the Republican party pledged to revise the tariff downward? and with confidence await an affirmative answer.

If that party was not pledged to a downward revision, then it was because its platform and the declarations of its candidate were not intended to be taken seriously by the people who read and heard them. Possibly it was taken for granted that the average voter would take the same view of the matter as that taken by Henry Clews, with whom, it is reported, the President is to lunch to-day. Mr. Clews is opposed to the establishment of postal savings banks, and in an address in Tremont Temple, in Boston, on the evening of January 19 of this year he said:

But there is no good reason why the Government should go into the banking business, and the pledge in the Republican presidential platform that postal savings banks would be established should not be regarded as any more binding than such ante-election promises usually are. We all know they are generally ignored afterwards, and often made, like pie-crust, to be broken.

But the President claims that there has been a revision downward, and he cites in support of his claim the fact that in the tariff law before revision there were 2,024 items; that of these items 1,150 remained unchanged, 220 were increased, and 654 were decreased. Let us consider these figures for a moment. Eleven hundred and fifty items were not changed. Confessedly there was no revision downward so far as they are concerned. Two hundred and twenty of them were increased. No revision downward as to them. Six hundred and fifty-four items, about one-third of all, decreased. This record does not square with that statement of his to which I have referred, where he says that on the whole it will be a revision downward, although there may be a few exceptions. The few exceptions amount to 1,370 items that were not lowered, while the general revision he speaks of applies to only 654.

The tariff law prescribes the amount of tax to be paid upon various articles imported into this country. These articles upon which the taxes must be paid under the law are classified. There are 14 classes, designated by the first 14 letters of the alphabet. These classes are termed "schedules," and when one speaks of the 2,024 items of the tariff law he includes all the items in the 14 schedules. Now, when the President states that 654 items have been decreased, he means that in 654 instances the present rate is lower than the former rate; but in order to determine whether there has been a substantial revision downward it is essential that the amounts of these decreases should be ascertained. For instance: Suppose that the tax on a certain article is 100 per cent. and it is decreased 1 per cent., leaving it 99 per cent., that would count in the President's cal-

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ulation as a decrease, yet no one would claim that it is a substantial decrease.

Again, the tax upon an article might be 20 per cent.; it might be increased to 100 per cent. That would be but one item, and according to the method adopted by Mr. Taft in determining whether the revision is upward or downward, it would just offset the 1 per cent. decrease, and so it would appear one increase and one decrease—an even thing—and yet the decrease is a mere trifle, while the increase is very large.

Now, in a number of the 14 schedules there have been increases and decreases, but of so trifling a character that they do not substantially change the tariff tax. To illustrate: In Schedule I, cotton manufactures, there are 28 decreases and 47 increases; a total of 75 changes. Still, in his Winona speech, the President admitted there was no reduction in the cotton schedule, because the few decreases that were made were trifling.

Now, in 5 of the 14 schedules there was no substantial reduction; F, the tobacco schedule, which was unchanged; I, the cotton schedule; K, the woolen schedule; B, the crockery schedule—all admitted in the President's Winona speech not to have been reduced—and E, the sugar schedule. The rate on refined sugar having been reduced from 1.95 cents on a pound to 1.90 cents on a pound, too slight a reduction to be considered.

One of the schedules—H, spirits—was increased, and properly so, in my opinion.

This makes six schedules. Two of the schedules—G, agricultural products, which has more increases than decreases, and L, the silk schedule, which has a few more increases than decreases—no one will claim were reduced downward.

Therefore, out of the 14 schedules there are 8 at least which have not been subjected to downward revision.

Now, as to the wood schedule—D; President Taft admits in his Winona speech that he favored free lumber. I think he was right, and I am sorry that he could not do a little more for free lumber than simply to favor it. Well, free lumber was not obtained, and I am not inclined to admit a substantial reduction in the wood schedule.

Schedule M is the pulp and paper schedule. In the last Congress we appointed a committee. It was an excellent committee and it did a great deal of work and furnished us with a great amount of useful information concerning wood pulp and print paper. The hearings before the committee have been printed and make five good-sized volumes. It was a thorough investigation conducted by men the majority of whom were protectionists. It appears from their report that print paper may be manufactured in this country as cheaply as it can be manufactured in Canada.

The tariff tax was \$6 a ton; the committee recommends that it be reduced to \$2 a ton; and this, in view of the result of the investigation, was liberal. Now, the duty has been reduced from \$6 a ton, not to \$2 a ton, but to \$3.75 a ton. This is a decrease, and is so counted when the President figures, but it is still \$1.75 a ton more than it should be, according to the findings of the congressional committee after a most painstaking and

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thorough investigation. Therefore I do not believe that there has been any substantial downward revision in Schedule M.

I have referred now to 10 of the 14 schedules. In A, the chemical schedule, and in N, sundries, there have been some decreases and some increases.

In the chemical schedule, 22 increases and 81 decreases, and 129 items unchanged; in "sundries," 20 increases, 54 decreases, and 196 items unchanged. The items increased and the items decreased are not of great importance.

This leaves but 2 of the 14 schedules of the tariff law—Schedule C, metals, and Schedule J, flax, hemp, and jute. In the first of these there are 185 decreases and in the second 187 decreases, a total of 372—more than one-half of all the decreases in the Payne-Aldrich bill—and here we must look for the substantial downward revision, if it is to be found.

I have shown that in 12 of the 14 schedules there is no substantial revision downward; and now a few words in reference to the metal and flax schedules.

In the metal schedule, C, the rates on iron ore, pig iron, scrap iron, bar iron, steel rails, and other items have been lowered, but the rates on structural steel—employed now more than ever before in construction work—have been materially increased. While 185 rates in this schedule have been lowered, 136 rates have not been lowered, and 30 rates have been increased. Now, the general effect upon the schedule of the various changes may be determined by ascertaining the average rate of duty on all the articles in this schedule before the changes were made and the average rate on all articles in the schedule after the revision. This average rate in the former tariff law was 32.13 per cent. Now, after the revision, the average rate is 31.35 per cent., a downward revision of less than 1 per cent.

In the flax schedule, J, 191 changes were made; only 63 rates remained unchanged. The average rate of duty upon all articles in this schedule before the revision was a trifle less than 44 per cent. In the Payne-Aldrich bill the average rate is a trifle over 44 per cent.

I have directed your attention to all of the tariff schedules in which are included all the articles upon which tariff taxes are levied.

The only way I can account for the opinion of the defenders of the Payne-Aldrich law that it has accomplished a downward revision of the tariff is upon the theory that to them a molehill reduction looks as big as a mountain.

Apart from figures, rates, and schedules there is no question but that the great majority of the people of this country are thoroughly convinced that the recent tariff revision is not what it should have been. Of course people may be mistaken. It is easy to criticise. But the general belief prevailing from one end of this country to the other that instead of giving the people a downward revision those responsible for this legislation have presented them with a gold brick rests upon more than idle fancy and unwarranted criticism.

The people of the country wanted a substantial reduction of the tariff duties. They voted a political party into power upon

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the promise of that party to make such reduction. The promise has not been kept. The reduction has not been accomplished. The mandate of the people has been ignored. The work has not been done, and it remains the duty of legislators and Executive to obey the will of those whom they represent, and do the thing now that so far they have failed to do. There is just as much need and just as much demand for a downward revision of the Payne-Aldrich bill as there was, before the election for a downward revision of the Dingley bill. And this in spite of the fact that the President proclaims the present tariff law the best tariff law that has ever been enacted.

The President calls attention to the value of the law as a revenue measure and claims that because it provides an amount of revenue greater than that of some of the earlier tariff bills which were passed when the needs of the country were not so great, that it deserves the commendation of the people. I find from the Treasury statement, issued yesterday, that during this fiscal year, from July 1, 1909, to July 1, 1910—and this tariff bill was passed August 5—that our disbursements have exceeded our receipts in the sum of \$44,439,147.55; and, leaving out of account the disbursements for the Panama Canal construction, the ordinary disbursements of the Government during this fiscal year so far in excess of the receipts of the Government are \$22,008,348.13.

If you are to measure the value of a tariff law by the revenue that it produces, you must compare the amount of that revenue with the expenditures of the Government. A tariff bill for revenue must be adjusted so as to supply a sufficient amount of revenue, and it is a far cry to attribute virtue to a bill which confessedly produces over \$22,000,000 less than it should to meet the current expenses of the Nation.

During the last campaign many strong-lunged orators said that this revision could not be intrusted to any party other than the Republican party. They said that the tariff must be revised by its friends. I desire briefly to call attention to the manner in which the friends of the tariff go about its revision. Congress was called in extra session on the 15th day of March last year. On the 16th day of March the President's message was received and read, and on the next day the tariff bill was presented and referred to the Committee on Ways and Means. It was presented by the chairman of that committee [Mr. Payne], one of the friends of the tariff. He owed his position at the head of the committee to the favor of Speaker Cannon, another friend of the tariff.

The committee was composed of 19 members, 12 of whom were Republicans, and to the 12 was assigned the duty of preparing the tariff bill. The Democratic minority was excluded. During all the time the bill was fashioned, during all the time it was licked into form, it was in charge of the 12 Republican members of the Ways and Means Committee, and they kept absolute control of it from the time it was presented until the 5th day of April, when it was brought into the House under a rule.

The 12 gentlemen composing the majority of that committee were also friends of the tariff. They owed their positions upon

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the committee to the Speaker of the House. There were no insurgents or "near insurgents" among them. They were friends of the tariff, all right. The Speaker knows who are friends of the tariff.

Well, on the 5th day of April the bill came into this House under a rule. It could be considered only as provided by that rule, which was made by a committee of five Members, three of whom were Republicans and two of whom were Democrats. In the preparation of the rule the two Democrats were not consulted. It was made by a majority of that committee, the Speaker himself and two of his appointees. They were all friends of the tariff. Therefore the making of the bill and the making of the rule under which it was considered were in the hands of a few men dominated by the Speaker of the House and selected by him. Oh, it is fine—this revision of the tariff by its friends.

The rule which was presented provided that immediately upon its adoption all general debate should cease, and that the bill should be considered in the Committee of the Whole, and committee amendments be in order; that is, amendments proposed by the Committee on Ways and Means. There were a few other amendments in order also. The last paragraph of the rule read:

A separate vote may be had on the amendments relating to hides, lumber, oil, barley, barley malt, tea, coffee, or any of them, irrespective of their adoption or rejection in the Committee of the Whole, and the vote upon all other amendments in gross.

So, of the more than 2,000 items in the bill the House was permitted to vote upon seven amendments only; the ones named in the rule.

Mr. Keifer—Will the gentleman allow me to ask him a question.

Mr. Hammond—Yes.

Mr. Keifer—I want to know if that rule just read was not adopted by a majority vote of the House?

Mr. Hammond—Yes, sir. I am coming to that.

Mr. Keifer—And so all other rules reported from the committee are adopted by the House, are they not?

Mr. Hammond—Yes; all special rules reported by the committee must be adopted by the House in order to become effective. That rule came into this House, which was at the time made up of 389 members. There were two vacancies—

Mr. Johnson, of South Carolina—Before the gentleman passes from the question of the items that we were permitted to vote amendments upon, is it not true that for days and days it was understood here that they were trying to get a rule through that would allow just as few amendments as possible and that they had to allow amendments upon those particular items before they could get their rule through?

Mr. Hammond—That is the general understanding that prevailed in the House.

That rule came into this body, at that time consisting of 389 Members, there being two vacancies, one on account of death and one on account of resignation. Of the 389 Members, 171

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were Democrats and 218 were Republican. Of course 218 voting together can carry any measure in spite of the protest of 171. Of the 218 majority Members, 110 constitute a majority for all caucus action. Therefore whoever could control 110 majority Members could control the action of the House on the adoption of the rule and on the passage of the tariff bill, because by their vote the 110 could bind the majority in caucus, and the majority could control action of the House.

The 12 on the Ways and Means Committee and the 3 on the Rules Committee make 15. There are 60 committees in the House, each of which has a chairman, and each chairman is appointed by the Speaker of the House. So far 75 of the necessary 110 are under obligation to Speaker Cannon. A few commission appointments and a number of good committee places at the Speaker's disposal and the judicious use of his great power render it comparatively easy to establish an effective organization, with the Speaker at the head, that can control not only 110, but pretty nearly the whole 218. So we find the Speaker and his organization in control of the Ways and Means Committee that prepares and fashions a tariff bill, also of the Committee on Rules that prepares and fashions the rule directing the way it may be considered in the House, also of House itself that adopts the rule and puts through the bill. One is tempted to go on with the history of the tariff bill, to accompany it to the other end of the Capitol, but the proprieties forbid. Enough has been said to show the beauty of a tariff revision conducted *by its friends*.

Sir, from the facts I have stated, and the conditions I have shown, two conclusions may be drawn: First, the tariff has not been revised as Congress was directed to revise it; and inasmuch as the direction has not been revoked by any act of the people who gave it, it is still in force, and the duty rests upon Congress to comply with the command of the sovereign people of the United States and make a clean, honest revision downward. Second, that such a revision will not be made so long as the present organization controls the American Congress.

The tariff will never be revised to suit the great body of the consumers of this country so long as its revision is left to its friends, for its best friends are its greatest beneficiaries, and the greater the benefits they obtain from the tariff law the more determined they are to hold and keep those benefits without diminution or reduction. The tariff should be revised neither by its friends nor by its enemies, but by men uninfluenced by fear or favor, who will earnestly try to find the tax rate that is right and just, and when that is found will not be afraid to stand for it in spite of the trusts, monopolies, and greedy manufacturers, who are ever present when Congress considers a tariff bill, with their agents, advocates, and lobbyists, who work, threaten, and coax against the reduction of a tariff rate.

They are telling us now that a tariff commission should be established to make a careful examination into all questions affecting tariff rates and submit to Congress, when its investigations are over, recommendations for a revision of schedules. This means delay and postponement of a duty that should now

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be performed. One year to spend in agitation for a tariff commission, another year spent in legislation creating one, a number of years spent by the commission in investigating and ascertaining facts bearing upon tariff rates, more time for preparing recommendations to Congress, another party promise before an election that the tariff bill will be revised according to the recommendations of the commission, another extra session of Congress, perchance; and then, if the friends of the tariff still control both branches of Congress, the same old story.

I have referred to the work of the committee appointed in the last Congress to investigate Schedule M—wood pulp and print paper. Will a tariff commission furnish us a greater amount or more trustworthy evidence than was furnished by that committee? Will the recommendation of a commission be entitled to greater credit than was the recommendation of that committee? Is it likely that a Congress, organized as the present Congress is organized, will pay any more attention to the recommendation of a commission than it paid to the recommendation of that committee? The committee recommended \$2 a ton; Congress legislated \$3.75 a ton.

I do not question the good faith of all of those who advocate a tariff commission, but I am led to believe that many who talk tariff commission mean delay.

Let us proceed with a revision of the tariff and do the best we can to carry out the will of the people of the country. Then, if the tariff commission we have already established is not satisfactory, make another. The tariff commission can do its work just as well after the passage of a good tariff bill as it can after the passage of a Payne-Aldrich bill. [Applause.]

TARIFF

Speech of Hon. ROBERT L. HENRY, of Texas, in the House of Representatives. [Part of Congressional Record.]

Mr. Henry said:

Mr. Chairman: * * * *

THE TRUE DEMOCRATIC POSITION.

It is not inappropriate to here state what is deemed to be the true Democratic position in accordance with my views. Absolute free trade is impracticable with us, and only doctrinaires contend for such system. While this Government stands, custom-houses must remain at every port. Every country in the world levies some tariff, and any scheme to entirely abrogate the system is chimerical. And in this way we must continue to collect much of our revenue. In accordance with Democratic faith and our experience, there are certain cardinal principles that should govern our action, and I shall substantially restate them:

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First. The Government should never collect one penny more of revenue than necessary to administer its affairs with rigid economy.

Second. The lowest rate that will yield the greatest amount of revenue should be imposed.

Third. Luxuries should always bear the highest revenue duties.

Fourth. Experience has vindicated the wisdom of ad valorem duties as being the correct practice.

Fifth. Revenue duties should be laid so as to operate with equality throughout the Union, discriminating neither for nor against any class or section.

Sixth. Absolute necessities should go on the free list.

Seventh. There should be imposed a revenue duty upon practically all imports, with certain exceptions. These exceptions should be determined by the test:

Imports coming in competition with trust-controlled products should be placed on the free list, and articles of absolute necessity should be imported free of duty. [Applause on the Democratic side.]

Democracy recognizes that the strictest revenue tariff unavoidably carries with it some benefit as certainly as taxation implies some burden, however small the amount. And thus understanding the problem, we would have the weight and effect equitably distributed, so that those best able to assume the burdens shall carry them and those with the least ability shall not be unduly taxed. Protectionism in every form should be odious to all true Democrats. There is but one justification of tariffs and taxes—revenue. Anything beyond that is robbery under guise of law. [Applause on the Democratic side.]

OUR REFUGE FROM TRUSTS—ARTICLES COMPETING WITH TRUST-CONTROLLED PRODUCTS SHOULD GO ON THE FREE LIST.

Democrats contend that trusts thrive behind high tariff schedules. We predicted that the Dingley Act would be a prolific breeder of trusts, and our prophecies were justified by subsequent experience. Under its regime more monopolies were organized than ever in the world's history, and the Payne-Aldrich bill has effectively perpetuated and intensified conditions. [Applause.] Living expenses have inordinately increased and are now near the highest elevation in the history of the Republic. With unerring precision the people can trace these effects to the operation of high-tariff legislation, and there they will establish the responsibility. The proposed Democratic remedy is not unreasonable, unwise, or extreme. Corroborating this demand, permit me to quote a noted Republican authority. Senator Sherman admitted:

The primary object of a protective tariff is to secure the fullest competition by individuals and corporations in domestic productions. If such individuals or corporations combine to advance the price of the domestic product and to prevent the free result of open and fair competition, I would, without a moment's hesitation, reduce duties of foreign goods competing with them in order to break down the combination.

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Such was his conception of the mischief and remedy. For my part, I would use every reasonable and constitutional resource to eradicate from our midst the trust evil. I would brand as a felon every violator of our antitrust statutes and thrust behind penitentiary walls every such criminal. [Applause.]

DEMOLISH PROTECTIVE TARIFF WALL PROTECTING TRUST MASTERS AND
ERECT PENITENTIARY WALLS TO PROTECT THE CONSUMER.

The most efficient remedy is the destruction of high-tariff walls and the construction of penitentiary walls around the trust masters defying our statutes. Trust masters have become oblivious to criticism, and now flagrantly violate laws, debauch public officials, stoop to briberies when available, corrupt legislatures, and brazenly defy every right of the people, and scoff at the laws of God and man. They deserve to be outlawed and driven from our midst. Democracy proclaims to the country: "Batter down high-tariff walls and invite the competition of the world amongst the American consumers." And not till then will our people have relief from the merciless exactions of these commercial freebooters banded together to rob the helpless and needy everywhere. But we are met with the cry, "From what source must come the revenues if trust-controlled competing articles are placed on the free list? We answer: *"Amend the Constitution and tax the enormous incomes of our people to the extent of \$200,000,000. [Applause.] Give sway to laws of commerce and experience by lowering other duties to a revenue basis, which always insures an increasing abundance of revenues by stimulated imports."* [Applause.]

And, again, tax the trusts and their constituent members in every conceivable constitutional manner till they are driven into outer darkness. The Supreme Court said, "The power to tax is the power to destroy," and while I would never abuse that governmental function, it should be used as a scorpion's lash till every trust is prostrated in the dust at the people's feet with an expressed willingness to obey the statutes of the country. Permit me to illustrate. The Standard Oil trust was formed in 1882, and from that time till 1909 its net profits aggregated \$1,049,442-064, and yet its capital stock is only \$100,000,000. In 1907 its net profits were \$85,000,000. Its dividends have annually ranged from 40 to 50 per cent. Then take the steel trust, the giant oppressor of the universe. In 1908 its net earnings were \$156,624,273.18. The aggregate revenue from iron, steel iron ore, and pig iron in 1908 was \$9,663,348. A tax of 6 per cent. on this vast sum would more than compensate for the lost revenue by placing trust-controlled articles on the free list, competing with the products of trusts. Therefore, within constitutional warrant, I would burden such trusts with a carefully graduated excise tax so as to protect the smaller and innocent corporations. I would make this tax 6 per cent., 20 per cent., or 40 per cent., or whatever rate is necessary to drive these plunderers out of existence; and, then, automatically, foreign articles competing with them under the provisions of the same act could be placed back upon the dutiable list for the purpose of raising legitimate revenue.

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I would tax their stocks and bonds, their deposits, and every available resource in any constitutional method till they were forced to salutary respect of our antitrust statutes. This remedy freely applied, reenforced with the free list and certain prospect of the felon's cell in the penitentiary, will solve this problem. The American people will come to it, and with patriotic fever firing their heart and brain will rise in their might and destroy these mere creatures of law and pets of special tariff legislation. By this method of a special progressive excise tax, declared by the Supreme Court to be valid much can be accomplished toward obliterating the trust evil. It may be drawn so as to embrace the large trusts and their constituent corporations, companies, partnerships, and associations, and yet do no injustice to the smaller and legitimate concerns. Congress has frequently used the taxing power to substantially such effect, and by intensified action it will here prove a sovereign remedy.

THE PAYNE-ALDRICH SHAM THE ACME OF LEGISLATIVE ROBBERY.

Protectionism has now reached its extremest outposts. With this last measure when the Government gets one dollar of revenue it takes seven out of the pockets of the consumer. The people are aroused to the enormity of the situation. The fight against protective robbery is just begun and will go on till we return to the revenue system advocated by Democracy and real economy in government essential to the happiness and prosperity of our citizens.

TARIFF

Speech of Hon. JAMES S. HAVENS, of New York, in the House of Representatives, Friday, May 20, 1910. [Part of Congressional Record.]

Mr. Havens—Mr. Chairman, if the testimony of these gentlemen is right, debate is certainly somewhat warm between gentlemen on the other side of the House. [Laughter on the Democratic side.]

The rule by which, concededly, the men who framed this tariff were to be guided was the difference in labor cost at home and abroad. That was their pledge; it seemed fairly simple, the country approved it, and they went to work; or rather, they had been at work for some time; they had been gathering information, they had been studying the schedules which they were to revise. Their platform said so; it boasted of it.

And this necessarily leads us to the one fact that can not be too strongly emphasized in connection with this latest Republican revision. They promised haste. They promised "unequivocally" to revise the tariff at a special session of Congress, immediately after the inauguration of the President. They had already divided up the work here among committees, and were,

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as their platform states, investigating the operation and effect of these schedules. Can they remember now what forced them to that tardy promise to revise the tariff? Was it not because even then they knew that the people demanded lower duties in the interest of the consumer and not in the interest of the trusts? It is pretty certain that no such "unequivocal" declaration would have been put in the Republican platform of 1908 unless the Republicans who made that platform thought that a revision of the tariff was demanded by the voters; and when the "unequivocal" declaration is for an immediate revision at a special session of Congress we may be sure that the men who made that platform thought that the demand from the voters was pressing.

What were you in such a hurry about, my regular Republican friends, and why were you promising to hurry so? Was not your haste and your "unequivocal" declaration of haste caused by the voice of the country demanding that tariff duties be reduced? It is true, as you say, that your candidate for President stated in his speeches, interpreting the platform, that some duties might need to be raised in that revision. I wish now that he had not said it, for I think you have taken advantage of it, but let that go for the present. The point is that you promised an immediate revision, because the people demanded an immediate reduction of duties. You say that your understanding of your pledge was that you should raise duties as well as lower them in the revision which you were to make. For the sake of the argument, let that stand. Let us take your understanding of your pledge and test your work by that.

Pledged to a revision of the tariff, "unequivocally" pledged to a revision of the tariff, pledged to some kind of a revision of the tariff, what defense have the gentlemen who framed this tariff for their action in leaving the wool schedule unrevised? They say they have kept their pledges. They have not kept that pledge, and they have no defense to offer. We listen intently to those two members of the majority of the Ways and Means Committee. We heard them tell what they did and why they did it, but they did not undertake to say why they did not do this that they were pledged to do, what they admit that they were pledged to do—revise this Schedule K, the schedule on wool and woollens.

And let me tell them, if I may, that the country knows—they know up there in those Northern States, where they endure the rigors of those northern winters, where they need woollen garments, where they suffer for the want of them where pneumonia and tuberculosis rage—they know why this Schedule K was not revised, and they know that the excuse for not revising it is worse than the failure to revise it, for that excuse has shown the people of this country what many of them had long suspected, that the partnership between the trusts and the men who make Republican tariff laws has not yet been dissolved. In the President's speech, delivered at Winona, Minn., last September, we find the President saying that the wool schedule is too high, that it ought to have been reduced, and that—

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It probably represents considerably more than the difference between the cost of production abroad and at home.

Then he says:

The difficulty about the woolen schedule is that there were two contending factions early in the history of Republican tariffs, to wit, woolgrowers and the woolen manufacturers, and that finally, many years ago, they settled on a basis by which wool in the grease should have 11 cents a pound, and by which allowance should be made for the shrinkage of the washed wool in the differential upon woolen manufactures.

"They settled." What does he mean? Does he mean that the Committee on Ways and Means in its wisdom recommended and that this House, acting upon the report of that committee, in its deliberations passed an act out of its wisdom? Not at all. "They settled."

Then he says:

The percentage of duty was very heavy—quite beyond the difference in the cost of production, which was not then regarded as a necessary or proper limitation upon protective duties.

When it came to the question of reducing the duty at this hearing in this tariff bill on wool, Mr. Payne in the House and Mr. Aldrich in the Senate, although both favored reduction in the schedule, found that in the Republican party the interests of the woolgrowers of the far West and the interests of the woolen manufacturers in the East and in other States, reflected through their Representatives in Congress, was sufficiently strong to defeat any attempt to change the woolen tariff, and that had it been attempted it would have beaten the bill reported from either committee.

There is the confession that the interested parties, other than the consumers, have controlled the Republican party represented in this Congress to betray the interests of the consumers. [Applause on the Democratic side.]

I have already said that the country understands this situation. They know why you did not revise this schedule, and that is the reason why they are not going to support your party in the coming campaign and did not support it in my election. [Applause on the Democratic side.]

Mr. Bates—May I ask the gentleman a question?

The Chairman—Does the gentleman yield?

Mr. Havens—I do not. I must refuse to yield. I have only thirty minutes. Gentlemen on the other side have been debating these questions for twenty years, and now perhaps I may be pardoned if I do not yield when I have but thirty minutes.

If you think that the people of northern New York do not understand this question, gentlemen of the regular majority, you have a surprise in store for you. [Applause on the Democratic side.] It is a simple problem. There are the two schedules, there is the Republican pledge, and there is the Republican confession. Men may still vote the Republican ticket, but no man whose pocket is not lined with unrighteous gain from it will vote for the Republican party because of this schedule, while no man who is free to act will approve of this transaction. And there is more of it. The duties under this wool schedule are out of all proportion to the standard which the dominant party

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promised to adopt in revising it—are out of all proportion to the difference in the labor cost, or the cost of production, at home and abroad. It is not a slight thing, it is not a technical violation of their pledge, it is one of the most important schedules in the bill, it touches some of the greatest industries of the country, it concerns the clothing of every man, woman, and child in the country, and on that schedule the infant industry which they still brazenly foster is able to control their action.

Look at the schedule for a moment. On all manufactures of every description, made even in part of wool, not specially provided for and valued at not more than 40 cents a pound, the duties averaged for the year ending June 30, 1909, 154.99 per cent. If the goods were of better quality, exceeding 40 cents a pound and not more than 70 cents a pound in value, the average duties for the year ending June 30, 1909, were 126.32 per cent., and the people in the district which I have the honor for a short time to represent understand this—make no mistake about it. [Applause on the Democratic side.]

There is no need of many figures. These illustrate it. Here are your taxes, Republican taxes, not only far in excess of the total cost of production abroad, but at a rate 28 per cent. heavier on the cheaper goods than on the more expensive.

The workmen of the country understand this. They know that these taxes discriminate against them. The clerks, the men of small salaries, the families living on fixed incomes—they understand it, and they all know that these taxes are levied in this schedule so as to bear most heavily upon them, and they understand that this reversed every essential of just taxation. I desire to submit a statement of the average duties on certain manufactures of wool, shown in percentage of the cost abroad, for the year ending June 30, 1909, not one of which was changed in this revision, but all of which were reenacted into the present law. It is not necessary to repeat them, but I may say that the duties to which I call attention run from 100 per cent. to nearly 200 per cent.

Some items of the Dingley law for the year ending June 30, 1909, which carried an ad valorem rate of 100 per cent. or more and which were not changed by the present law.

THE WOOL SCHEDULE.

All other manufactures, wholly or in part of wool :	Per cent.
Valued at not more than 40 cents per pound.....	154.99
Valued at more than 40 cents and not more than 70 cents...	126.32
Plushes, between 40 cents and 70 cents per pound.....	125.04
Plushes valued at more than 70 cents per pound.....	100.51
Plushes, the average for.....	101.61
Knit fabrics, not wearing apparel :	
Valued at not more than 40 cents per pound.....	137.91
Valued between 40 cents and 70 cents per pound.....	127.36
Flannels for underwear :	
Valued between 40 cents and 50 cents per pound.....	107.60
Weighting over 4 ounces per square yard—	
Valued between 50 cents and 70 cents per pound.....	116.09
Valued above 70 cents per pound.....	107.86
Average for all flannels.....	104.41
Women's and children's dress goods, coat linings, and Italian cloths :	
Wholly of cotton or other vegetable materials in the warp, the remainder wholly or in part wool—	
Valued at not more than 15 cents per square yard—	
Not above 70 cents per pound.....	107.24
Above 70 cents per pound.....	103.58

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Consisting wholly or in part of wool—		
Valued less than 70 cents per pound.....	117.76	
Valued above 70 cents per pound.....	106.26	
Weighing over 4 ounces per square yard—		
Valued not more than 40 cents per pound.....	137.04	
Valued between 40 cents and 70 cents per pound	119.10	
Cloths, woolen or worsted:		
Valued at not more than 40 cents per pound.....	139.27	
Valued between 40 cents and 70 cents per pound.....	120.16	
Blankets:		
Valued between 40 cents and 50 cents per pound.....	105.18	
More than 3 yards in length—		
Valued at not more than 40 cents per pound.....	192.09	
Valued between 40 cents and 70 cents per pound.....	119.32	
Stubbing, ring and garnetted wastes.....		150.00
Wool and hair advanced:		
Valued at not more than 40 cents per pound.....	143.62	
Valued between 40 cents and 70 cents per pound.....	139.91	
Valued above 70 cents per pound.....	115.00	
Class 3. Wool or carpet wool, valued at over 12 cents per pound, scoured		108.95
Class 1. Wool, washed, on the skin.....		143.50
Class 1. Wool, washed, not on the skin.....		170.98

Furthermore, we have in this woolen schedule not only positive proof of the scandalous failure of the men who framed this tariff to keep their pledge to the country, made before election, but we have a good illustration of the enormous duties left unrevi- sioned by this bill and of the way the higher duties are put on the cheaper goods in direct discrimination against the people of slender means. And, as we view it on this side of the House, these heavy duties, growing heavier as the grade of goods grows cheaper, are imposed in inverse ratio to the difference in cost of production at home and abroad. For it is our position that the difference in labor cost at home and abroad is proportionally less as the labor is less skilled and its products are coarser and cheaper.

TARIFF

Speech of Hon. MORRIS SHEPPARD, of Texas, in the House of Representatives, February 24, 1910. [Part of Congressional Record.]

Mr. Sheppard said:

Mr. Chairman—*With the enactment of the Payne tariff bill the lash of the tax gatherer falls more mercilessly upon the tired shoulders of the American people. It would be difficult to imagine a more signal instance of political treachery than this Republican tariff law of 1909. Summoned by a majority of a million in a voting total of 14 millions to correct the oppressions of its own tariff law, the Dingley law of 1897, the Republican party devised a measure that gave oppression wider sway. Called to reform the tariff, the Republican party deformed it beyond all conscience. Its response to the people's cry for lower taxes was a statute imposing higher taxes. Like the Ethiopian, it could not alter its skin; like the leopard, it could not change its spots. [Laughter and applause.]*

In returning the Republican party to power in 1908 the American people evidently forgot the history of this faithless organization. From its first accession to control it has mul-

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tiplied the burdens and obstructed the advancement of the Republic. From 1860 to 1909 it has erected a veritable stairway of increasing tariff, each more oppressive than the last. *Beginning with the colossal emergency tariffs of the American civil war, tariffs tolerated only because of a crisis involving the Nation's life, enacted with the solemn understanding that they would be reduced when the struggle ended, it has kept succeeding tariffs at and above the martial level throughout nearly all the forty-five succeeding years of peace.* In the Dingley law of 1897 it established the highest tariff duties the United States had ever known, levying so heartless a tribute on the people that within a few years the demand for tariff revision became almost universal. The spectacular performances of Mr. Roosevelt diverted popular attention to other measures during the seven lurid years of his ascendancy. *But the tide of the people's anger could not permanently be stayed.* Unable longer to ignore the popular demand, the Republican party in its national platform of 1908 covenanted to modify the tyrannies of the tariff. It would seem that with so plain a mandate from the people, so plain a promise in its platform, so generous an indorsement at the polls, the Republican party would have made serious effort to remedy its own abuses of the tariff

But what occurred? With a perfidy unapproached in all the ages the Republican party enacted a tariff law carrying a higher average of rates than the law it pretended to revise. The new Republican tariff law can not be excused on the ground of haste or ignorance or fear. *For twelve years the Republicans had possessed full opportunity to study the operation of the extortionate Dingley rates.* For twelve years they had heard on every side the appeal for a sane and scientific reformation of the customs laws. They were men skilled in every phase of politics and legislation. *They selected for the task of revision a time removed as far as possible from the succeeding general elections.* It may well be said, therefore, that the Payne tariff law is a deliberate and characteristic Republican product, that it represents the best tariff legislation of which the Republican party is capable. It is evidence, therefore, of the most conclusive character that the Republican party is essentially unable to make a genuine and honest reduction of the tariff. *It is evidence furthermore, of the corrupting influence of high protection.* Holding tenaciously to this theory, it is impossible for the Republican party to bring about an adequate readjustment of the tariff rates. It has never done so and it never will. *The practical effect of the Republican theory of protection is the taxation of the entire people to guarantee the profits of certain industries.*

This brief review will suffice to show the emptiness and the impudence of the assertion that the Payne law makes a material reduction of the enormous Dingley rates or is even a step in that direction. The labored efforts of Republican apologists, including the President himself, to show that the new Republican tariff law is a step toward lower tariffs are doing more to undermine the archaic dogma of protection than all other agencies combined. [Applause.] Once high tariffs were applauded; now they are disowned. *Once the American people were told that*

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the foreigner paid the tariff tax; now this argument is never seriously advanced. The inability of the Republican party to reduce the tariff taxes, the actual enlargement of tariff burdens in the Payne law, the growth and insolence of monopoly, the rise in price of articles of general use have awakened the people to a bitter sense of wrongs no longer to be endured. The American people can not sustain much longer the yearly burden of an average ad valorem of nearly 50 per cent. on nearly all the fifteen billions of goods manufactured in the United States.

They are beginning to see that out of every dollar of the greater part of this fifteen billions which they expend every year for articles of necessity and comfort they receive only about 50 cents in actual value. It is little wonder that nine-tenths of the schools of political economy in the universities and colleges of the land condemn the Republican doctrine of protection. It is little wonder that the Republican President advocates higher postage rates on weekly newspapers and magazines. *These periodicals are the torch bearers of intelligence in America; they reach and teach the firesides of the masses.* They afford to the countless millions unable to buy a daily paper the only means of keeping in touch with the world's affairs. They are exposing the true nature of tariff and other governmental evils, and their circulation is a menace to the Republican party. [Applause on the Democratic side.] *True to its traditional love of monopolists wealth the Republican party, through its President, suggests this increase in postal charges on the cheaper periodicals, despite the fact that the railroads are being paid the most insufferable rates for mail transportation.* [Applause on the Democratic side.] *But this is not all.* Republicans, you confessed your skepticism as to the ability of your tariff law, with its almost prohibitive charges on the essentials of existence, to produce sufficient revenue; your failure as practical tariff legislators when in section 40 of the Payne measure you increased the authority of the Government to borrow money with Treasury certificates to two hundred millions. Moreover, you began a vicious practice by providing in the Payne law Panama Canal bonds to the extent of nearly three hundred millions in addition to the eighty-four millions already issued. *A few years ago you told us the canal would cost one hundred and forty millions, now you tell us it will cost three hundred and seventy-five millions. What will it be next year?*

You have introduced the fatal custom of capitalizing previous expenditures, a practice that has complicated the fiscal affairs of France and Germany almost beyond solution, a practice that may later be applied to army and navy and other expenditures. So you celebrated the passage of the crowning Republican tariff of five decades by preparing to borrow over \$500,000,000. *But there is more.* By another stroke of your miserable statesmanship you authorized in the Payne Act a bond and certificate interest of 3 per cent., without readjusting the circulation taxes on national-bank notes. As 3 per cents. pay only 1 per cent. tax per annum, while 2 per cents., the present basis of circulation, pay 1½ per cent., the issue of the threes would cause a depreciation of the twos, upsetting the stability of the currency, and thus the

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very expedients you have devised are fraught with endless danger to the country. [Applause on the Democratic side.]

The tariff responsible for the high prices of rent, food, and clothing. The Sixty-second Congress will be Democratic. A return to a government for the people, by the people, and answerable to the people.

Speech of Hon. JOSEPH A. GOULDEN, of New York, in the House of Representatives, Monday, June 13, 1910. [Part of Congressional Record.]

The great army of workers, men and women, who earn their bread by the sweat of their brow, are employed on wages which are not proportionate to the cost of living. It is impossible, even for those having steady employment, to more than make both ends meet. The necessaries of life, rent, food, and clothing are too high or wages too low. As there can be no effect without a cause, so there must be something wrong somewhere with our economic system. Doctors frequently differ in their diagnosis of cases, as well as to the treatment of the disease. However, this is not the case with this question. The cause is clearly understood. If politics could be eliminated, the doctors in charge of the Government, as far as it relates to the people, would speedily settle this vexed question. Both political parties in their national platform agreed that there should be a downward revision of the tariff for the relief of the masses. The President did all in his power to bring this about with the party in power, but failed, a distinguished Senator to the contrary notwithstanding. A leading Republican Member of the body at the other end of the Capitol in a speech to-day declared that faith had not been kept, and that the Payne-Aldrich bill was not a revision downward. That belief, I find is quite common among the Republicans everywhere.

The "system" created and fostered by a high protective tariff last year was more powerful than the Chief Executive and the people combined. The high cost of living is directly chargeable to the unnecessarily high duties on the commodities of life, such as building material, food, and clothing.

The Republican party, being in power with a good majority in both Houses of Congress, must and will be held responsible for this failure to give the people the promised relief. It can no longer evade the responsibility, and its members already see the handwriting on the wall and reluctantly admit defeat for the party in November next.

While the Democratic party, always the friend of the masses, jealously safeguarding the rights and liberties of the people, will in the next Congress bring about the much-needed relief and force its political foes to aid it or consign them to oblivion in 1912. A change for the better is in sight, so that the long-suffering toilers will soon come into their own under a people's government, made for the people, made by the people, and answerable to the people. [Applause.]

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TARIFF

Speech of Hon. RALPH W. MOSS, of Indiana, in the House of Representatives, June 1, 1910. [Part of Congressional Record.]

Mr. Moss—Mr. Speaker [reading]—

A business proposition for business men. A problem in economics: For each \$100 spent for clothing, \$19.42 goes to labor.

This statement appeared in the Local Option Sentinel, issued to the voters of Clay County at the recent special election. I have not verified this statement, but as it was one of a number of computations including the labor cost of boots and shoes, furniture, hardware, cotton goods, men's furnishings and whisky, I presume it was verified before being published.

Referring to the tariff bill as pending before Congress, I find the following rates: Clothing, ready made, and articles of wearing apparel, 44 cents per pound and 55 per cent., equivalent to a tariff charge of 100.56 per cent. ad valorem. This comparison, Mr. Speaker, suggests this further problem in economics—another business proposition for business men: Why shall a product of which less than 20 per cent. of the total cost is said to be due to labor be taxed more than five times the entire labor cost? Our present tariff law, the Dingley Act, carries the highest rates in the history of our country's tariff legislation. The average ad valorem rate is 44.16 per cent., or less than one-half the rates on ready-made woolen or part-woolen clothing. In fact, the silk schedule, which is supposed to be used largely by the rich, is but 53.24 per cent. as compared with 60.02 per cent. in the woolen; on sugar the average rate is 61.13 per cent.; so that of all our high-tariff duties the highest schedules are wools and sugar, two prime necessities of life. It has generally been understood that the sugar trust has controlled the rates on sugar, and this has been a scandal for years; but who has controlled the rates on wool and woolens? These rates are not new, and the present revision is not changing them. Senator Aldrich, in explaining this schedule, said:

The rates upon woolen cloths were substantially identical in the McKinley Act with what they are in the Dingley Act, and what the rates reported by the Senate committee are.

We have here a statement that these rates have been in the law since 1890, a period of nineteen years, and that there is no change to be made in this good year of our Lord. Senator Dooliver of Iowa, who has been in Congress for more than twenty years, carried these rates further back in the calendar of time, and said:

Nor is it necessary to quote what happened in 1897 or 1890. My honored friend [Mr. Aldrich] could have gone further. The fabric of the protection of woolen merchandise was built long before 1890. It is certain that the exact framework of our

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present schedule applicable to woolen cloths appeared in 1867. So far as I can find out, although I am not an acute student of the hidden things of history, a meeting was held in the Senate between the shepherds and the woolen manufacturers; and the shepherds being extremely anxious for substantial rates, it was after a while agreed between them that each should take what he wanted; but the public was not present in the conference so far as the Record discloses.

Senator Warren—I did not exactly catch all the Senator said. In connection with what tariff and in what year was the meeting between the shepherds and woolen manufacturers to which he refers?

Senator Dolliver—I think it was in 1867.

Senator Warren—I have only a word to say. While it is evident that that was before my day in the Senate, it was not before my day in the sheep business or in the wool business, and it was not before my day of meeting with other shepherds. If there was an agreement of that kind, I never heard of it; and I know that I was down here fighting for better protection for the woolgrowers, and that we were not satisfied with what we got.

Senator Dolliver—I may have been deceived by a myth and a tradition; but if I have, it has deceived a good many other people.

This seems to me to be very nearly like the old rule of "addition, division, and silence," and, as Senator Aldrich had stated, that this schedule constituted the very citadel of protection. I wondered if that strong, old fortress had been erected by the very common methods which are used to plunder the revenues of our municipalities and other local governments. And I have been fortunate enough in searching through the public libraries to find an old volume which has the minutes of that celebrated meeting between the weaver and spinners of our beloved country, and to secure from their minutes an exact copy of the tariff bill of 1867, although the minutes of that meeting was dated April, 1866, and the Congress which gave their suggestions the power to tax the American people had not yet been elected. The law passed March 2, 1867; and in copying the suggestion of these shepherds the clerk of the Ways and Means Committee of Congress carelessly dropped out three words—Canada long wools—but this mistake of the clerk was promptly corrected by a special act of Congress, containing a preamble to the effect that the words "Canada long wools" were inadvertently omitted from section 2 of the tariff act; and it was therefore resolved by the Senate and House of Representatives of the United States of America in Congress assembled that these three words, "Canada long wools," be added to the law, and thus the mistake of a careless clerk, when employed by the Congress of the United States to copy the minutes of a woolgrowers' meeting, was rectified and the American people were given as selfish a law as was ever written on the statutes of any people.

The Government issues the *Congressional Record* to record the speeches for and against any proposed legislation made by the Members of Congress. A reporter was present at this convention of woolmen and took down their speeches. They were all in favor of the bill; and, as I have quoted from the official *Congressional Record*, I will also give extracts from this private con-

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gressional record, to show what patriotic motives inspired this meeting and whose interests were being guarded and protected. I quote from E. B. Porter, of New York, who spoke, in part:

Looking this question square in the face, we have concluded, as I have said before, to let bygones be bygones. There has been wrestling and struggling between the respective interests that are represented here, and it must have been of great damage to some of those interests. It can not be helped that it has been so. As I said before, we can not help the past, but we can make provisions for the future; and that is all that men can ever do. Are we willing to do it? We have said in these resolutions that we are. If we mean just what we have said in regard to the matter, then what hinders? Certainly Congress will not set itself up in opposition to these two great interests.

Mr. Colburn, of Vermont, also said in part:

Now I believe it would be a grand thing if we should go hand in hand and get an amount of protection in this country both for wool and woolens that will become gradually, say in ten years, totally prohibitory. Some will say, "Then you are going to oppress the poor. You are going to make clothing so dear that the poor man can not clothe his family at all." Well, that string has been harped upon in this country for political purposes, a good many years. Oppress the poor man! When the Government is ready to give him 110 acres of land, if he can pay \$10; if he finds he can not get sufficient wages to support his family, will he not take up that land and become a farmer? It is all moonshine to talk about oppressing the poor man in this country. We can not oppress the poor by a high tariff or anything of that kind."

Mr. Hayes, of Massachusetts, said in part:

It is the way of ignorant and barbarous people to cherish the memories of ancient hatred. It is the triumph of civilization to do away with old enmities and prejudice. And we, gentlemen, we of the eastern tribes, have come up to-day to meet you gentlemen of the West, with no recollection of the old feud which has divided us so long. "We have," to quote the language of one of your letters, Mr. President, "washed off the war paint, if any yet remains. We have buried the hatchet; we have smoked the pipe of peace;" and, in this first council of once hostile interests, we have formed an alliance which I trust will inaugurate a new and auspicious era in all our industries.

The woolgrowers adopted as the basis of their bill that it would require 2 pounds of unwashed wool to equal 1 pound of washed wool, and that a pound of scoured wool was equal to 3 pounds of unwashed wool. The manufacturers adopted the basis that it required 4 pounds of scoured wool to produce 1 pound of cloth; and the agreement between the two interests was that the protection given to wool should be added to the cloth as a specific duty and that an ad valorem duty in addition should be added for the protection of the wool manufacturer. Thus in the instance given in these remarks on woolen clothing, the rate is 44 cents a pound and 55 per cent. ad valorem. The 44 cents a pound is the duty under the Dingley law on 4 pounds of unwashed wool. This amount goes to the shepherd; the manufacturer is given the 44 cents a pound duty on imported cloth to compensate him for paying the woolgrowers the 44 cents on 4 pounds of unwashed wool. As the manufacturer pays it to

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the woolman and charges it to the consumer, he receives neither a profit nor loss on the wool duty, but is placed in the same position he would be if wool was upon the free list. The 55 per cent. ad valorem on the cost of the cloth, and this of course includes the added price of the wool, goes exclusively to the manufacturer and constitutes his exclusive advantage or profit out of the schedule. By this simple arrangement both parties make a handsome profit. In 1907 the wool in class 1 paid an average ad valorem of 47.46 per cent.; wool clothing, 55 per cent. in addition to the wool duty, or a total of more than 100 per cent. Of course the consumer pays both, and in cases of clothing only in part made of wool the manufacturer gets part of the 44 cents, as that is the full duty on 4 pounds of wool; and in part woollen cloth there are not 4 pounds of raw wool used in making 1 pound of cloth.

This agreement has never been questioned or set aside. It is the law of to-day. It has not been proven that it requires 3 pounds of unwashed wool to make 1 pound of scoured wool. In fact, it is known not to be true in many cases, and since no scoured wool is ever imported it may fairly be accepted that the rate is well above the average, since it is prohibitory on washed and scoured wool. There were 90,045,325 pounds of unwashed wool of class 1 imported in 1907, 1,675 pounds of washed wool and 8,119 pounds of scoured wool. Neither has it been proven that it requires 4 pounds of unwashed wool to make a pound of woollen cloth. In fact, to take the exact figures which the woollen manufacturers themselves gave in 1866, they will be found on page 445, taken from the operations of the Proctorville Woollen Mills, of Vermont, and 61.92 ounces of mestiza wool made 1 pound of woollen cloth. It is well known that all the wools grown in the Middle States, as Indiana and Ohio, are light-shrinking wools, and that the showing on these wools would be much more favorable. The real point, however, to remember is that the amount of 4 pounds—and therefore the specific duty of 44 cents on a pound of cloth—was determined by the manufacturers themselves; that the example given to justify this proportion requires but 61.92 ounces of wool, instead of 64 ounces; and that the wool chosen is an imported heavy-shrinking wool and is not representative of our native wools. It is to be remembered, also, that the specific duty of 44 cents is not lessened if there is any other article used than pure wool, and as much shoddy, woollen rags, and cotton is used in manufacturing there is a palpable fraud practiced on this class of cloth. Even if it does require 4 pounds of unwashed wool to make a pound of pure woollen cloth, it does not require 4 pounds of wool and 2 pounds of cotton or shoddy to make a pound of cloth.

There is much speculation among the people as to who make our laws—whether the Members, by hard work and great study, master these problems, and thus become truly qualified as experts, or whether suggestions come from outside sources.

Unfortunately we can not know how many other associations of producers have been fortunate enough to get their minutes changed into law by action of Congress, and thus be given the

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privilege of levying the taxes which they wish to collect from the American people. That the wool men have secured this privilege there can be no doubt; but the more this whole tariff question is studied, the more the hidden facts are searched out and placed before the American people, the conviction grows that much of the co-called "expert knowledge" is given by men whose business interests are affected by the results of their statements and whose selfishness renders such statements unsafe to be accepted as the basis to tax the American people. Our tax system is an indirect method of taxation, but the framing of these laws must be an open and not a secret method. This is the very centre of the people's fight for tariff reform, and it is the real crux of the controversy.

TARIFF REVISION DOWNWARD

Speech of Hon. OSCAR W. GILLESPIE, of Texas, in the House of Representatives, Friday, June 24, 1910. [Part of Congressional Record.]

Mr. Gillespie said:

Mr. Speaker—By 1904 the Dingley tariff act had become to be recognized by many of its erstwhile supporters as too great a burden upon the commerce of the country and too much of a hardship upon the consumers of the country, so that year the Republican party declared, without much ado, in its platform, that the true measure of protection should at least be the difference in the cost of production at home and abroad.

This declaration doubtless caused cold chills to run up and down the spinal column of the protected baron, because a little analysis showed him that that was a departure from the high-protection principles of the Dingley law. A tariff rate that only represents the difference in the cost of production here and abroad is a protective, but at the same time a revenue, rate, and in no sense is it a prohibitory rate. It puts the foreign on a competitive basis with the home manufacturer, and would result in revenue to the Government and give to the consumer in this country greatly reduced prices. This was understood to be President's Roosevelt's tariff view, but that strenuous President never insisted upon writing this principle into law, but he used it to force the protected magnate into the support of his railroad-regulation policies and spectacular conservation measures, and by it he also forced the tariff subsidized press of the country to continually cry out "Great is President Roosevelt!" But the Republican masses, after recovering from a partial blindness caused by the Rooseveltian ray, renewed their demand for a tariff law constructed upon the principle of the platform of 1904. In this contest of The People versus Protected Baron there grew up the stand-pat and the progressive schools of Republicans.

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The tariff baron is cunning and resourceful. He could not combat an army of dissatisfied people in an open contest, although he had at his call the shrewdest talent of the land and the most powerful lieutenants, supported by a strong remorseless press. So, he apparently made a complete surrender and agreed to give the people a revision of the tariff. But what a revision! Now listen: In 1908 the Republican party met in convention at Chicago, and after extravagantly flattering Mr. Roosevelt in recounting the acts of his administration said, "We declare our unfaltering adherence to the policies thus inaugurated, and pledge their continuance under the Republican administration of the Government." Now, here is where the tariff baron got in his work. Hiding behind the Rooseveltian policies, he had the platform declare that the true measure of protection was "such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries."

This declares for a prohibitive tariff, except as the baron may will otherwise. This shuts and locks the door against foreign imports and puts the key in the baron's hands, who would have it completely in his power to exploit the home market and deny revenue to the Government. To illustrate, take a pair of shoes costing to produce abroad \$1.40, here \$1.50. Say a reasonable profit to the manufacturer is 3 cents a pair. Now, if the tariff is 13 cents the foreigner can not come in and compete, because there is no profit margin whatever left to him; and if the baron should put the price under \$1.53, there would be an actual loss to the importer; and only in the event of the home pair of shoes being raised in price to \$1.56 could the foreign shoe come in at a reasonable profit.

So when the Chicago declaration was flashed over the country it became the people's time to have cold chills running up and down their spines, but they warmed up again, somewhat, when their nominee said: "Hush, boys. It shall be downward." Congress met in extra session soon after President Taft was inaugurated, to revise the tariff, and the battle among Republicans began. The progressives declared revision must be downward; the standpatters said we must only revise. The progressives drew as their strongest weapon the President's promise, made to the people in his campaign; the standpatters met their charge by defiantly flourishing the platform declaration, and the farceful combat proceeded. All talk about the Republican party substantially reducing the tariff is merest nonsense. The Payne-Aldrich law was the result of that extra session of Congress.

Again the people had cold chills to run up and down their spines. The President tried again to warm them up. With much pomp and circumstance he began his campaign of apology for the new tariff law to try to reconcile the people to their shameful betrayal. The very first speech he made on this tour he turned the coldness of the people into a fever of rage and resentment, when he was forced by his candor to admit that as to the woolen schedule there had been no revision downward and that the tariff on woolens was too high. The reason he gave

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for this failure to do justice to the people was most humiliating, because it was all too true. It was, in substance, that the special interests in wool had a stronger hold upon himself and the Congress than the people.

The President could have said the same thing about the strength of the sugar interests. What did the little measly reduction of 5 cents on a hundred pounds of refined sugar amount to?

He could have said the same thing about the iron and steel interests, because the duty is still prohibitive on the articles that were reduced in this schedule. The best informed men, including Mr. Carnegie, in the iron and steel industry said this industry did not need one cent protection.

The President might have said the same thing about the cotton schedule and every other, so far as the consumer is concerned. It has appeared within the last six weeks that the people are not going to become reconciled to their betrayal in juggling tariffs in the interests of the baron. More and more they are looking to the Democracy of the Republic for relief, and the war for justice must go on.

Seeing this, the shrewd tariff baron is trying to divert the attention of the people from tariff wickedness to Mr. Roosevelt's policies again. What a revival of Rooseveltianism has taken place within the last four weeks! Don't touch the tariff, but swear eternal allegiance to "my policies" is the last order issued by the tariff baron to his cohorts. The Payne-Aldrich tariff law as a whole thoroughly satisfied the baron, and every thoughtful Member of this Congress not blinded by partisanship knows that at the beginning of this session of Congress it was the premeditated, deliberate purpose of this administration to satisfy the railroad magnates of the country by a repeal of the Sherman antitrust law as to the making of railroad passenger and freight rates.

But when it became evident that the battle for genuine tariff reform would go on, the G. O. P., true to its instincts as the party of the protected barons, cut loose from the railroads and permitted a real reform railway measure to pass this Congress; not such as the people were entitled to, but still a very important reform. They have even passed a campaign fund publicity bill after destroying its chief virtue—that of publicity before the election. They suddenly decided to give statehood to Arizona and New Mexico.

The truth is, the tariff baron will give you anything you want, provided, always, you leave him alone in the enjoyment of his monopoly. He will compromise with you and try to appease you on all other questions.

He will give you almost any kind of a financial policy you want. The one he has given us is a sham and a curse to us—the ridicule of the civilized world. It causes our Secretary of the Treasury in every adverse financial wind that blows to get down on his knees and beg Wall Street for help, and continually in return for its help Wall Street demands an issuance of bonds. The tariff baron will give money—out of your pocket—to try to navigate any dry creek in the land. He will give you—

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your—money lavishly for public buildings. He will tickle your vanity, humor your whims, and gratify your pride and take advantage of your selfishness by the use of your money in your Treasury.

All the achievements of the past, due to your toil and sacrifice; all the progress of the future, due to the toil and sacrifice of the generations to come, he cunningly, with eloquent lips, claims for himself. The people only want the enforcement of their laws, the rule of justice, and the overthrow of special privilege. The tariff exactions extorted from the people of this country are simply an outrage. They constitute a violation of both sound moral and economic law. They are the basis of graft and corruption. They are the groundwork of a far too large a superstructure of doubt, suspicion, lack of confidence, and loss of faith in our public men and institutions. This cursed edifice casts its ominous shadow across the pathway of our future. This tariff system must be destroyed.

It rejoices the heart of every patriotic citizen to know that the great agricultural States of the Union in the Middle West are rising in their power and demanding genuine reform downward of the tariff. The privileged baron can not help the farmer if he would. We are exporting our immense surplus of wheat, corn, cotton, cattle, and meat products. Why should a wheat grower be deceived by a tariff of 25 cents a bushel on wheat? In the first place, he ought not to be so selfish as to demand such a tax upon the bread of the people. In the next place, he ought not to be so foolish as to believe that the tax raises the price of wheat when it can only serve as a wall, if it were intact, to throw the surplus wheat of Canada into the Liverpool market, exactly where our own surplus wheat must go to find the world's market that fixes the price of every bushel of wheat grown in the United States.

Again, this wheat tariff wall is not intact. It does not keep out foreign wheat. A breach is made in the wall by the drawback provisions of the law. Our millers can import all the wheat they want practically free, to be made up into flour for export. Our packers can import all the cattle and hogs they can get practically free if they export the meat products of these animals. Our tanners can import all the hides they want for export as leather. They do an immense business of this nature. In the face of these facts it is inconceivable to me that any intelligent farmer or cattle raiser should believe that he gets any benefit from the tariff on wheat, cattle, hogs, hides, and so forth. The tariff baron offers this poor principle to the farmer and cattle raiser for their support of his extortionate outrage upon the masses of our people.

The future is full of hope also because the crowded inhabitants of our cities, including the vast numbers of our working people, at last are awake to the truth that the tariff baron is their worst enemy. When the people of the United States completely overthrow the doctrine of protection and determine for all time that taxation is only for revenue; that their Government must be economically administered; that all graft and corruption must be lashed and scorned out of public life; that

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all laws must be honestly enforced, then a glorious morning will dawn upon us, and the righteousness of faith in our country and her institutions will return to the people.

TARIFF

Speech of Hon. GEORGE W. RAUCH, of Indiana, in the House of Representatives, Saturday, April 3, 1909. [Part of Congressional Record.]

Mr. Rauch said:

Mr. Chairman—I wish to take advantage of this opportunity to discuss certain paragraphs and provisions of the bill under consideration and to print as an appendix to my remarks a communication received from a gentleman residing in my district. I recognize the limitation of time, also the fact that a number of gentlemen have not as yet had an opportunity to be heard.

Mr. Chairman, President Taft said in his inaugural address: "In the making of a tariff bill the prime motive is taxation and the securing thereby of a revenue." This is an altogether different premise from what has formerly been supposed to be the basis of a Republican tariff, the primary object of which has been declared to be protection. He further said that he intended to make the Roosevelt reforms "a most important feature of my administration;" and his distinguished predecessor, who so readily adopted certain Democratic principles, proclaimed loudly and continuously that his one great fight was against the "privileged classes." The foregoing smacks very much of the Democratic doctrine of a "tariff for revenue," and to the thoughtful student of political conditions must present an anomaly that is quite interesting. If the position of Mr. Taft represents a beautiful finesse from the standpoint of a politician, it can hardly be called statecraft. If he has broken away from the traditions of his party, the present tariff bill certainly can not receive his approval. If the former is true, it is hardly what we would expect from the operation of the keen, judicial mind of the President. If the latter is true and he is really against special privileges, the drafting of that principle into our tariff laws will require the elimination of the influences of the "privileged classes" that are so manifest in the present bill.

There is no doubt but what the beneficiaries of the prohibitive tariff rates were afraid of such a turn, but it is their evident intention to hold the party to its bargain, because in their testimony before the Committee on Ways and Means they expressly declared that they did not expect the Republican party to disregard its promises, no matter how badly the country needed revenue, and that they were entitled to the rates which they now have, which they claim represent the difference between the cost of production abroad and at home, including a reasonable profit to the American producer.

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In the consideration of this question, which has so long dominated the politics of our country, we must proceed upon a definite theory. We can not proceed upon two theories seeking to make them both fundamental when their nature demands that one be subservient to the other. We must either levy a tariff for revenue, leaving the incident protection to be what it may, or impose a tariff for protection, leaving the incident revenue be what it may. The main reason for a tariff has always been a matter of discussion and has offered a question upon which the two parties have divided. It is now of very great importance because the tariffed industries have formed monopolies and are demanding, under the guise of protection, that the high schedules under which they have fattened be maintained. Business men are asking that their business be protected from the discriminations of monopolies.

Now, the action of any political party is dangerous when in its final action it yields to the strongest political influence. This is usually what it does when it does not follow a principle. Then special protection comes to those who are strong and the weak are left to perish. If we follow a principle, men can form some opinion as to what its development and evolution will be and what conditions it will bring about. If we levied a tariff for revenue and not for protection, the schedules that are the best revenue producers and the least burdensome upon the people would be well established. Business interests would not hang and alternate between the hope and fear of the granting or refusal of some special privilege, because they could form some opinion of what the application of the principle would bring to them. Who in business would not prefer to build upon a principle than upon the vacillations of those who deal out favors to the supplicants who can perform the greatest political service?

Mr. Chairman, we have traveled a long distance in listening to the arguments and excuses of those who favor prohibitive tariff rates. From the argument that the foreign producer and not the consumer paid the duty to an appeal for our infant industries; from the denial that our products were sold cheaper abroad than at home to the excuse that it was only our surplus; from the position that many of the present rates are not prohibitive to the one that they should be reduced to represent only the difference in the cost of production with fair profit; lastly, from the position that the primary object in imposing a tariff is protection to the admission, by a Republican President, that the primary object should be for revenue. We do not know how far you will go. It is sufficient to say that you will be controlled by the political exigencies of the case.

Many of the schedules in the Dingley law are greatly in excess of the cost of production at home and abroad. While this is true, the Committee on Ways and Means have not hesitated to raise the rates of that law. The old hosiery schedule was outrageously high in certain items. That industry has grown with marvelous rapidity in recent years; in fact, in 1908 we imported only about \$6,654,000 worth, and made over fifty millions worth. It would seem, according to these figures, that the industry is

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pretty well cared for in this country. Under the Payne bill, the cheaper grade of hosiery, or the socks worn by the poor man, are taxed 85 per cent., while the fancy ones of various patterns and colors are taxed only 55 per cent. This is a sample of the way in which the Payne bill helps the poor in reducing the duty on the necessaries of life.

TARIFF

Speech of Hon. MARTIN A. MORRISON, of Indiana, in the House of Representatives, Tuesday, June 14, 1910. [Part of Congressional Record.]

Mr. Morrison said:

On May 10 of this year the two Senators from Iowa had occasion to discuss the provisions of the Payne bill before the people of their own State. The senior Senator [Mr. Dolliver] declared that—

so far as the public is concerned, the tariff revision in fact carries rates as high or higher than the Dingley tariff law on most articles of general use in their finished condition. Most of the reductions—

Said the Senator—

where so trivial as to be ridiculous, and were either upon articles which we do not import to any extent, but on the contrary export in enormous quantities, or were for the purpose of further protecting the manufacturer, especially by reducing the duties on raw materials. In fact, a careful scrutiny of the particular items that were changed and the exact trifling change of rate in each case shows how cunningly the revision was arranged in order to deceive the public.

On the same occasion the junior Senator from Iowa [Mr. Cummins] traced the development of corporations in the United States and said that the present Republican leaders are in league with those corporations. Among other things he said, in relation to the present leaders of the Republican party:

Most of them have been brought up with these influences all around them, and therefore whenever a law is proposed that restricts or reduces corporate power their first inquiry, is it not, Will this measure bring help to the people? But is it recommended by the captains of industry, the masters of high finance, the directors of the mighty business force, the managers of our unparalleled railway systems?

These are but few of many similar declarations that are being made from day to day by progressive Republican Members of the present Congress. They express the deliberate judgment of those Members who have given the question thorough investigation and have had the courage to think in a straight line and express their real convictions.

That adverse criticism of the Payne bill is not inspired by partisan considerations is proven by every day's events. On the 15th day of this month the St. Paul Roosevelt Club, of St.

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Paul, Minn., gave a banquet in honor of Hon. James R. Garfield and Hon. Gifford Pinchot. Mr. Garfield was Secretary of the Interior under President Roosevelt. Mr. Pinchot was Chief Forester during the Roosevelt administration and also during the "Rooseveltian period" of the present administration. Mr. Pinchot discussed the Payne bill. My interest in his address was intensified by the fact that President Taft in an address delivered at Winona, Minn., on September 17, 1909, cited Mr. Pinchot as an authority in support of the Payne bill. The gentleman from Ohio [Mr. Longworth] in an address delivered on the floor of this House only a few days ago also cited Mr. Pinchot as a strong authority in support of the Payne tariff law. I am constrained, therefore, to submit for your consideration the following words, taken from Mr. Pinchot's recent St. Paul address:

But in the meantime the people of the United States believe that as a whole the Senate and the House no longer represent the voters by whom they were elected, but the special interests by whom they are controlled. They believe so because they have so often seen Congress reject what the people desire and do instead what the interests demand. And of this there could be no better illustration than the tariff.

The tariff under the policy of protection was originally a means to raise the rate of wages. It has been made a tool to increase the cost of living. The wool schedule, professing to protect the wool grower, is found to result in sacrificing grower and consumer alike to one of the most rapacious of trusts. The cotton-cloth schedule was increased in the face of the uncontradicted public testimony of the manufacturers themselves that it ought to remain unchanged.

The steel interest by a trick secured an indefensible increase in the tariff on structural steel.

The sugar trust stole from the Government like a petty thief, yet Congress, by means of a dishonest schedule, continues to protect it in bleeding the public.

At the very time the duties on manufactured rubber were raised the leader of the Senate, in company with the Guggenheim syndicate, was organizing an international rubber trust, whose charter made it also a holding company for the coal and copper deposits of the whole world.

These words are harsh criticism of the Payne tariff bill and of the men who enacted it into law. I would hesitate to quote language so strong were it not for the fact that it appears to be the deliberate judgment of a man who just now is very much in the public eye and to whom President Taft and Republican Members of the Congress have given peculiar credit by referring to him as high authority in support of the Payne bill.

While it is true that the Payne tariff law is in no sense a fulfillment of the pledge made to the people, the agitation and discussion of the tariff question has been of incalculable benefit. Congress brought together for its use the fullest information ever in its possession. Debates had during the special session were the ablest and most comprehensive ever held in this country. The people have studied the question more closely and are better informed than they ever were before. The mystery and hidden secrets of the tariff question have all been resolved into plain, practical propositions understood of all men.

It has not been long since it was solemnly asserted that the foreigner pays the tariff. The Payne law provides for a rebate

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of the tariff on commodities that are first imported and afterwards exported. The repayment is made to the domestic purchaser as owner of the commodity and not to the foreign producer. It was also asserted that the tariff paid is not added to the selling price of the article imported. The Payne law establishes a new method of ascertaining the foreign value of imported articles by taking the current price in the open American market at the port of entry as the basis of calculation. Several items are to be deducted from such market price, and one of them is the estimated tariff to be paid. This is a legislative declaration by the party in power—that the tariff paid is added to the selling price.

Stand-pat speakers have for years asserted that the panic of 1893 was caused by the Wilson tariff law. During the debates at the special session of Congress no one had the hardihood to stand back of that absurdity. The senior Senator from Iowa [Mr. Dolliver], when an attempt was made to fasten on him that discredited argument, replied:

But I never thought that the tariff act of 1894 produced the panic of 1893.

The success of the advocates of high tariff has lain in the fact that the people did not realize that they were paying it.

Now they are all firmly convinced that "the tariff is a tax and the consumer pays it." Even Republican platforms now declare that excessive tariff rates are "unjust to the consumer." The full realization of that fact by the toiling masses has been an epoch-making event in our national life. Two reforms must follow: A reduction of public expenses to the lowest point consistent with the efficient administration of the Government and a genuine revision of tariff taxes to an amount sufficient only to meet the needs of the Government economically and efficiently administered. If these reforms shall be accomplished as the result of our recent unhappy and disappointing experiences, the Payne tariff law will not have lived and died in vain.

HIGH COST OF LIVING

Speech of Hon. JOHN A. KELIHER, of Massachusetts, in the House of Representatives, Thursday, June 16, 1910. [Part of Congressional Record.]

Mr. Keliher said:

Mr. Chairman—The all-absorbing topic of the times is the high cost of living, and no question of more importance has agitated the public mind of our country since the great civil strife terminated forty-five years ago.

This perplexing problem remains unsolved despite the fact that leading thinkers of the Nation have advanced exhaustive theories calculated to free the public mind of doubt, if not the people from their burden. Profound students of economic sub-

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jects have wrestled with it only to have their efforts scoffed. Editorial writers have contributed countless columns to ascribing causes and prescribing remedies which they pronounce infallible. The bold defenders of the discredited Payne tariff law wildly disclaim blame for that unfortunate measure, yet the cost of living continues to soar heavenward, and the people in dismay wonder when the necessaries will reach the maximum height of cost. The old tune of the Republicans, sung so effectively in recent years, "Praise to the Republican party, from whom all blessings flow," is no longer heard. Ever ready to claim all the credit for the good times, our opponents piteously protest against shouldering the responsibility for conditions that wring bitter complaint from the people.

Any light that can be shed upon present unwholesome economic conditions should be turned on. Mr. Chairman, I believe that any advice or remedy worthy of heed ought to be considered, and for that reason I submit the comprehensive and logical views and convincing conclusions upon this moot question of men eminently qualified to intelligently treat it. Governor Douglas, having permanently retired from participation, even in a remote way, in politics, can not be charged with partisan bias.

VIEWS OF EX-GOVERNOR WILLIAM L. DOUGLAS, OF MASSACHUSETTS.

I have been asked to state publicly my views concerning present business conditions, with special reference to the causes and effects of the high cost of living and a remedy therefor, if a remedy is practicable.

I wish to say at the outset that, in my opinion, the present widespread discontent and unreasonable radicalism, not only in this, but in other countries, are due mainly to the high and rapidly rising cost of living. The importance of this question, both industrially and politically, can hardly be exaggerated. There is danger ahead unless we can soon find the cause of the trouble and a remedy for it. Every man should study this problem, and everyone who thinks he has found a solution should give it to the public. Believing that my ideas on this important question may have some value to the public, I will proceed to state them briefly.

The first thing to observe is that prices have risen all over the world in the last thirteen or fourteen years. The minimum advance appears to be little less than 30 per cent. and the maximum about 60 per cent. In England prices have risen a little less than 30 per cent. since 1896, according to Sauerback and the London Economist, while in Germany they have risen fully 30 per cent., according to Calwer, all of whom quote comparative price tables called index numbers. In the United States the cost of living is now about 60 per cent. higher than it was in 1896, according to Bradstreet's tables.

These facts as to prices suggest a general or world-wide cause and also special or local causes. I am firmly convinced that the general cause is found in gold depreciation. In fact, it is difficult to conceive of any other important world-wide cause in times of peace.

Gold, like lead or coal, is a commodity, and its exchange value with other commodities is determined by its relative cost of production. The fact that the annual output of gold is over \$450,000,000, whereas it was only about \$100,000,000 twenty years ago, indicates pretty clearly that the cost of producing gold is cheapening more rapidly than is the cost of producing most other com-

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modities. That is why the same quantity of gold will purchase less of other things. That is why prices are rising in terms of gold.

In reality gold is depreciating in value. We would have more yards of goods if our yardstick should shrink to 2 feet in length. We would have more bushels of grain if our bushels should contain only 3 pecks. Likewise our goods have greater value because our standard of value is shrinking.

As to how best to prevent the evils of gold depreciation I shall not undertake to say. It is an international problem and should, in my opinion, be dealt with by an international commission, to be composed of the world's greatest financiers and economists. No time should be lost in arranging for such a commission. If, as I believe, there is a remedy for these evils, the business world should know it soon.

We are not, however, helpless to remedy the principal cause of the excessively high cost of living in the United States, as compared with most other countries. The remedy is simple and easy to apply. It is so plain that it can not be entirely overlooked even by the numerous federal and state commissions on the high cost of living, whose principal business is, apparently, to befog the issue and divert attention from the real remedy.

I do not hesitate to say that our inordinately high tariff is, directly and indirectly, the principal cause of nearly half of the advance in prices that has taken place in this country since 1896 or 1897. Neither do I hesitate to say that a substantial reduction of all tariff duties that protect trusts, or that unduly tax the necessaries of life, would at once rapidly reduce the cost of living in this country. Such a change in our tariff would, by reducing the cost of living from 10 per cent. to 20 per cent., not only promptly allay the present dangerous discontent but would, by cheapening the cost of production in this country, give new life to many of our manufacturing industries, not a few of which are now suffering because of the tariff-taxed materials and supplies, and because of the inability of the people to consume freely at present high prices.

Many of our woolen, cotton, and other mills and factories are now running on short time because the people, after paying for food and rent, have not sufficient funds with which to purchase clothing, shoes, and so forth. They economize in clothes and shoes more than in food.

But I should not state conclusions without stating my reasons for them. Here, briefly, are my reasons for thinking that the tariff is responsible for most of the extra advance in prices in this country.

Prices advanced most rapidly from 1897 to 1900—the first three years after the passage of the Dingley bill. During this period the prices of protected trust commodities rose with startling rapidity, while the prices of farm products and of most other nonprotected commodities rose comparatively slowly. Since 1900 the prices of farm products have risen more rapidly than have the prices of protected products. These facts indicate that the tariff was the principal cause of the advance before 1900, while gold depreciation was probably the principal cause of the advance since 1900.

Few persons, perhaps, realize how rapidly the price of tariff-protected products rose after the passage of the Dingley law. From July 1, 1897, to January 1, 1900, the cost of living advanced 31 per cent. or at the rate of 9 per cent. a year. This was during the "era of trusts." More trusts were formed during this than during any other similar period in our history.

Lest we forget, I will enumerate a few of the important advances in prices made in trust products during this period.

The price of wire nails rose from \$1.36 a keg, in August, 1898, to \$5.53, in December, 1899—160 per cent. in sixteen months.

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The price of barb wire rose from \$1.65 per 100 pounds, in August, 1897, to \$4.13, in December, 1899—150 per cent. in two years.

The price of tin plate rose from \$2.80 per box, in November, 1898, when the trust was formed, to \$4.85, in September, 1899—73 per cent. in ten months.

The price of window glass rose from \$1.75 a box, in April, 1897, to \$4.80, in April, 1901—175 per cent. in four years.

Is not this a clear demonstration of the effect of the high tariff on prices? The Dingley tariff made the trusts, and the trusts put up prices. But few, if any, trusts were formed during the three years of the comparatively low and nonproductive duties of the Wilson bill. Prices were low then.

Trusts and high prices came with the Dingley bill. The voters of this country should not forget these important facts. They should not, and I do not believe that they will, be misled by the statement of the Massachusetts "Commission on the high cost of living," that "the prices of trust-controlled commodities have not risen conspicuously."

Neither should be misled by the statements of many leading protectionists, that the greatest advances in the last ten years have occurred in the prices of farm products, which are affected but little by tariff and trusts. Incidentally these protectionists now admit that duties in farm products have been meaningless, that the farmer has been fooled by them.

2. That there is close connection between high protective tariffs and high prices is evident from the course of prices under our last four tariff bills. As shown by statistics, duties averaged 7 per cent. and prices 16 per cent. lower under the moderately low and less protective Wilson bill of 1894 than under the inordinately high and greatly protective McKinley bill of 1890, while duties averaged 25 per cent. and prices 23 per cent. higher under the Dingley highly protective bill of 1897 than under the Wilson bill.

Here is a remarkable coincidence: It has not, to my way of thinking, as yet been explained away by any report of any commission on the high cost of living. Partly through fear that the Republican party would keep its campaign pledge and reduce duties at the extra session of Congress in 1909, the protected trusts, and notably the steel trust, lowered prices materially in 1908 and early in 1909. They, however, advanced prices rapidly as soon as it became evident that as a rule only superfluous duties were being reduced and that these reductions in nominal duties were being offset by advances in effective duties.

Knowing what happened after the passage of the McKinley and Dingley bills, it did not take a prophet to foretell what would happen to prices after the passage of the Payne-Aldrich bill. When this bill was up in Congress, Senator Gore warned the Senate that its passage would be followed by a period of extreme high prices. That prophecy was fulfilled. Average prices rose more than 17 per cent. from June to December, 1909. The prices of steel trust common stock more than doubled in six months in 1909.

The high-tariff act of 1909, like its predecessors of 1897 and 1890, did its work well—for the trusts. The work of a tariff is to raise prices. A tariff that would not raise prices is a tariff that no trust or prospective trust would want. And we know how much the trusts wanted the high prices of the present tariff.

3. The connection between high tariff and high prices is shown clearly by the differences between prices in low and in high tariff countries.

During the last twelve years an average of about \$550,000,000 a year of dutiable goods were imported, in which an average duty of about 47 per cent. ad valorem, or of \$260,000,000 a year, was collected. Were our tariff duties levied mainly for revenue, this tariff tax, great as it is, would have increased the cost of living only about \$3 per capita, or \$14 per family.

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As, however, our duties are levied much more for "protection" than for revenue purposes—that is, mainly to keep out foreign competing goods and to enable our producers to sell their goods at high prices—it is safe to say that the tariff tax collected by the trusts and other protected interests was at least eight times that collected by the United States.

This means that because of the tariff the cost of living is about \$24 per capita, or \$112 per family, higher than it would otherwise be, and that much higher than it actually is in foreign low-tariff countries.

The difference between prices here and in England is most conspicuous. Sugar costs 40 per cent. more here than in England. In fact, the sugar trust exports sugar and sells it for 2 cents a pound less to foreigners than to Americans. Woolen goods cost nearly twice as much here as in England. Similar statements can be made as to linen and silk goods and also as to some kinds of fine cotton goods. Moreover, million of dollars' worth of the products of our protected steel, lead, sugar, oil, and other trusts are annually sold cheaper, much cheaper, to foreign than to home consumers. The manner in which our protective system is being taken advantage of is outrageous, and should be enough to condemn it.

Considering these simple and palpable facts, is it not plain that the first thing to do is to materially reduce all duties that bear heavily on the necessities of life and to levy no duties except those for revenue purposes, which are necessarily protective? If this simple remedy was promptly applied the cost of living would decline radically; the purchasing power of wages and salaries would be greatly enhanced, and the consumption of goods would be increased.

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Speech of Hon. WILLIAM A. CULLOP, of Indiana, in the House of Representatives, Saturday, May 21, 1910. [Part of Congressional Record.]

Mr. Cullop said:

But, sir, there is another feature of the Payne bill which should forever condemn it in the minds of all fair-minded, justice-loving people. It discriminates in favor of the rich and against the poor. For its inequalities in this respect it deserves severe censure, as an investigation of its schedules will disclose.

On the sparkling diamond of the rich it levies a nominal duty of 10 per cent., but on its imitation, worn as ornaments by the poor, it levies a duty of 20 per cent. On the champagne for the table of the fastidious it levies a duty of 65 per cent., while on the clothing worn by the laboring man it levies a duty of 86 per cent. On the fine silk costume of the society belle the tax is 50 per cent., while on the woolen or worsted garb worn by the housemaid it is 135 per cent.; on the ordinary steel button for the trousers of the toiler the tariff is 127 per cent., while on the fine ivory button used on the clothing of the dude it is 57 per cent.; on the plain, coarse blanket of the humble the tariff is 165 per cent., while on the finest and costliest used by the exclusive it is 71 per cent.; on the gloves worn by the laborer the tax is 66 per cent., while on the finest gloves in use it is only

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14 per cent.; on the carpets used by the owners of fine palaces the tariff is 50 per cent., while on the cheap carpets used to adorn the modest homes of the workingman it is 127 per cent. Such inequalities are found in every feature of the bill.

Sir, it has always been a cardinal principle in the Democratic faith that in the making of all tariff schedules the duty should be lowest on the necessities of life and highest on the luxuries, but the Republican party in making the Payne bill reversed this order to the great detriment of a large majority of the American people, and yet its friends declare it was enacted for the benefit of the poor man. The levy of the enormous tax provided for in the schedules of the Payne bill increases the price of every article on which it is levied and thereby makes it an instrument of great oppression to every wage-earner in the land and furnishes the reason for the greatly advanced cost recently of the necessities of life. Statistics show that in the last four years the cost of plain, simple living the necessities of life have increased 37 per cent., while the increase in wages has only been 11 per cent. In other words, the cost of living has increased $3\frac{1}{2}$ times as much as the ability to earn a living. This increase is due largely to it, and the party in power—responsible for its passage—must assume the responsibility.

It can not shift it and escape condemnation. To this greatly enhanced cost of living and want of corresponding increase in wages can be attributed the recent strikes, lockouts, and shut downs occurring since the passage of the measure in nearly every industrial center. They are only the appeals of the employee to the over-protected employer to give him a tariff levied on the products he produces, which it is declared was levied for labor's benefit.

But leading friends of the measure deny that the recent increase in prices are due to it, and assert the tariff has nothing to do with prices, and some have gone so far as to assert that the higher the tariff the lower the price. A strange doctrine, a new rule of economics, is here promulgated. Sir, the Republican party is estopped on this proposition. For many years it has taught as a cardinal principle of its faith that a high tariff produced high prices, and from this doctrine it can not dissent now. It is bound by it, and must assume the responsibility and bear the odium.

Speech of Hon. W. W. RUCKER, of Missouri, in the House of Representatives, February 18, 1910. [Part of Congressional Record.]

Mr. Rucker, of Missouri, said:

Mr. Chairman—A few days ago I caused to be read from the Clerk's desk a short telegram clipped from the St. Louis Republic, which stated in substance that as a result of high-tariff rates the prices of Bibles had advanced, and would still further advance on March 1, to a point so high as to practically exclude them from the homes of poor people.

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I ventured to indulge in a few innocent comments upon that newspaper article, condemning the Republican party for writing into our statutes a law which threatens to withdraw from the homes of American citizens that most valuable and sacred of all books.

It did not occur to me at the moment that even the distinguished gentleman from Ohio [Mr. Cole] had so little reverence for the Bible as to attempt to defend and justify his party action.

True, the gentleman's political party finds no solace within the lids of the Holy Bible. Its every precept condemns the old party. [Applause and laughter on the Democratic side.] Why, sir, the Republican party has been in a state of insurrection and open rebellion against the teachings of the Bible ever since that memorable occasion when the Lord of Hosts thundered forth from Mount Sinai that great command, "Thou shalt not steal." [Applause and laughter on the Democratic side.]

History repeats itself. I believe we had high-protection Republicans on earth two thousand years ago. I think old Dives was a protectionist and that Lazarus was a tariff-for-revenue Democrat. Dives was a man of great riches; Lazarus was poor. Dives lived in a splendid mansion, was clothed in purple and fine linen, and fared sumptuously every day; Lazarus had nowhere to lay his head, was clad in tatters and rags, and fed upon the crumbs which fell from the rich man's table. Dives doubtless contributed princely sums to Republican campaign hoodle funds; Lazarus could give nothing. But we have the assurance of Holy Writ that when they died the spirit of Lazarus was borne aloft on angel wings to the God who gave it, while old Dives was cast into hell. My friends on the other side of the aisle, I beg you to heed the warning. History may again repeat itself. [Applause on the Democratic side.]

When I resumed my seat after commenting on that newspaper article the other day, to my surprise and momentary chagrin, the gentleman from Ohio [Mr. Cole] sprung to the defense of the Republican party and its creature—the Payne-Aldrich bill—that harbinger of woe and want, of toil and tears, of doubt and despair, of sorrow and suffering; that hideous, miserable deformity; that accursed, ill-shapen monstrosity, the natural and inevitable result of the unholy and illicit relations of the Grand Old Party with bad trusts. [Laughter and applause on the Democratic side.] He unarmed me with his fervid and impetuous eloquence; intimidated me with his fast, furious, and vehement gestures; and then, figuratively speaking, walked all over my prostrate form. With unconcealed pride and evident consciousness of his mighty triumph he held aloft a newspaper article containing a summary of importations of certain goods on the free list, including hides and skins.

After a brief exploration of the regions above he returned to earth shouting vociferously:

Let us take the question of hides and skins, \$104,000,000 worth, and if that is not a necessity that goes into the home of every American workingman, I would like to know what it is.

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What, "hides and skins" a necessity that goes into the home of every American workingman! No. I am almost forced to conclude that—

judgment has fled to brutish beasts and men have lost their reason—

When such arguments are advanced. [Applause on the Democratic side.]

How does the gentleman from Ohio take his hides—raw, green, dried, salted, or pickled? [Laughter.] Not the millions of American workingmen, but the tanners get free hides and skins, and the manufacturers sell the finished product at extortionate prices to your constituents and mine. [Applause on the Democratic side.]

The gentleman seemed to rejoice in the fact that hides and skins are on the free list. A change has evidently come over the spirit of his dream. Since when was he converted? Last April he wanted to put a tax on hides.

The Payne bill as reported to the House carried hides on the free list. On April 9, 1909, while that bill was under consideration, the gentleman from Kansas [Mr. Scott] offered this amendment:

Hides of cattle, raw or uncured, whether dried, salted, or pickled, 10 per cent. ad valorem—

And demanded a vote by yeas and nays. Strange to say, the *Congressional Record* shows that the gentleman from Ohio [Mr. Cole] voted for the Scott amendment—voted to put a tax of 10 per cent. ad valorem on hides. Hides were as much a "necessity" last April as now. I voted for free hides; why did not the gentleman vote then as he preaches now? Has he seen a new light? I fear he is in the predicament that Claudius, King of Denmark, found himself when he said:

My words fly up, my thoughts remain below,
Words without thoughts never to Heaven go.

[Applause and laughter on the Democratic side.]

Shoes, harness, and other products of leather are necessities which in truth do enter into the homes of all the people. Why did not the gentleman from Ohio and his colleagues vote for cheaper shoes for the working men, women, and children of their districts, and for the millions of poor men, women, and children throughout the land? Why did they not vote for cheaper harness in the interest of American farmers, those horny-handed sons of toil who have produced the wealth of this Republic, and whose brawn and muscles and patriotism have made it the grandest, the richest, and the most glorious country under the shining sun? [Applause on the Democratic side.]

On April 9, 1909, the gentleman from Missouri [Mr. Clark], the minority leader, moved to recommit the tariff bill, with instructions to the committee to report it back at an early day with this among other amendments:

Seventh. Amend by placing leather, harness, boots, shoes, and all other products of leather, on the free list.

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A roll call was had on this motion, and the gentleman from Ohio voted against putting these articles of "necessity that go into the home of every American workingman" on the free list.

With the price of shoes going higher and higher every day; with the cost of clothing bounding skyward; with harness and all products of leather on the rampage; with the unprecedented and phenomenal increase in living expenses; with tens of thousands of oppressed and suffering citizens appealing to the President of the United States for relief; with the old party embarrassed by shortages, frauds, embezzlements, and general incompetency, these conditions all tend to make "confusion worse confounded" for you Republicans. [Applause on the Democratic side.]

I fancy the distinguished gentleman from Ohio, together with many of his colleagues, before the ides of next November will have occasion, in the language of King Richard the Third, to cry out in the anguish of their souls:

My conscience hath a thousand sev'ral tongues,
And ev'ry tongue brings in a sev'ral tale,
And ev'ry tale condemns me for—

My vote on the tariff bill. [Applause and laughter on the Democratic side.]

The Republican Senate took hides off the free list, where the House placed them, and restored the Dingley rate of 15 per cent. ad valorem, and also increased the rates on boots, shoes, and other products of leather.

In this shape the bill went to conference. When it became notorious that the party recently intrusted with power had deliberately and wilfully determined to ignore, violate, repudiate, and cast to the winds its solemn platform pledge to revise the tariff downward, the President flourished the "big stick," so often and so effectively used by his predecessor, and demanded of the conferees that they reduce the rates on boots, shoes, and other leather goods, and give the grand old party free hides to wrap about its putrifying and dying carcass [laughter on the Democratic side] to shield it from the righteous assaults of a betrayed and infuriated people. Do not you Republicans wish, way down in your anatomies where human hearts ought to be [laughter], that the President had brandished his big stick once more and compelled you to vote for free boots, shoes, and harness as well as free hides?

The tariff issue is not settled. It requires more than mere executive indorsement to convince American consumers that the highest tariff we ever had is the best. I pray the Omnipotent One, in His infinite goodness, to have compassion on us and spare our country another like affliction.

You solemnly promised downward revision, but gave us upward revision. At the behests of special interests, like the cowards you are, you deserted the people who confided in, who trusted, and who honored you, and, to the everlasting shame, humiliation, and disgrace of a once great political party, you surrendered them to the merciless, remorseless, and conscienceless trusts of the country. [Applause on the Democratic side.]

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You will utterly fail to deceive the public by the hypocritical pretense that you increased the rates of duty on luxuries and decreased them on the common necessities of life. Neither can you woo and win the confidence of the masses nor calm the raging seas of discontent with siren songs dedicated to articles on the free list. True, the free list is a marvel of perfection; a splendid monument to Republican patriotism and statesmanship. It is the product of the combined wisdom of your party, and it defines your ideas of common honesty and a square deal.

Blankets are heavily taxed; hence I presume they are classed as luxuries. The cheaper the blanket the higher the rate of tariff. This is an unfair discrimination against the poor which can not be justified. The rich, who buy high-priced blankets, pay only 71 per cent. to monopoly, while the poor, who buy the cheapest blankets or none, are compelled to give 165 per cent. ad valorem to appease the insatiate appetite of greed. [Applause on the Democratic side.] For every dollar of actual value they are required to pay \$1.65 for tribute.

By the use of the taxing power of government the Republican party has practically excluded blankets from the homes of the poor and robbed millions of good citizens of one of the comforts of life.

With such a burdensome tariff on blankets, the Republican party realizing it must do something to win the gratitude and secure the votes of the millions whom it has oppressed, has graciously and generously placed on the free list an article of universal use—an indispensable article in every American household—and that is dragon's blood. No well-regulated family should be without dragon's blood, and I am glad it is as free as the air we breathe. [Laughter on the Democratic side.]

Cheap flannels, like cheap blankets, are taxed higher than the costlier grades. But flannel is treated and taxed as a luxury, and poor people know, or must learn, that while the Republican party is in power they have no right to indulge in luxuries. I rather think the country should tolerate and endure, without complaint, the very small tax of only 143 per cent. ad valorem on flannels just as long as a wise, benefit, and patriotic party responds to pathetic appeals from millions of homes asking and begging for free divi-divi. Everybody uses and must have this prime necessity of life; children cry for it.

Breathes there a man with soul so dead
Who never to himself hath said,
Give me my divi-divi free, or give me death.

[Laughter and applause on the Democratic side.]

Clothing is an expensive luxury these days. The old party stood pat on Dingley rates and left ready-made clothing taxed at only 76.59 per cent. ad valorem—a very moderate rate when we consider that all persons, rich and poor, indulge in the luxury of wearing clothes. The latest available statistics show that in 1907 we imported ready-made clothing to the value of over \$1,000,000. By reason of the tariff this value was automatically increased \$760,000 as soon as the goods crossed our border, thus forcing consumers to pay \$1,760,000 for the im-

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ported goods, and, by reflex operation of law, to bear an additional burden of over 76 per cent. ad valorem on all domestic ready-made clothing.

But, my friends, you can with characteristic Republican duplicity say to your murmuring constituent this fall—

Be still, sad heart, and cease repining—

for while it is true that we have bound you hand and foot, and invited rich manufacturers to rob, pillage, and plunder you, we have not forgotten our solemn duty to the millions of American citizens who consume the every-day necessities of life. Tell them truly that you patriotic statesmen knew the price of clothing would be exorbitant; that food products would go beyond the reach of the poor; that even in the great city of Chicago thousands of little boys and girls would nightly retire to humble couches suffering with hunger. Tell them, also, that as a panacea for high-priced food and raiment you have placed on the free list two great household necessities—dried blood and fishskins. Great is the Republican party, and great will be the fall thereof. [Laughter and applause on the Democratic side.]

The Payne-Aldrich bill increases the tariff on ladies' stockings to 86 per cent. ad valorem. I shall not even criticise the distinguished gentleman from New York [Mr. Payne] for this ungallant discrimination against American beauties. [Laughter.] He convinced me that he is a true friend to the ladies and not really opposed to their wearing stockings, provided they can afford them, when he made that gallant and successful fight which secured for our mothers, our wives, and our sweethearts the right to have and enjoy forever free stuffed birds, provided the darned things are not fit for any kind of use. [Laughter and applause on the Democratic side.]

The American citizen who cares to indulge in the luxury of wearing a wool hat must pay a tribute of 86 per cent. ad valorem for the privilege. But against this unjust and oppressive tax we point with pride to the fact, thanks to the Republican party, that it is possible for us, without paying tribute to any trust, to enjoy one of the most sacred gifts of God to man—free fossils. [Laughter.] Republican fossils outfossil all the fossils in the universe.

Revenue must be raised to defray the enormous and rapidly increasing expenses of government. The Republican party claims—and we should try to believe it—that it favors a high tariff on luxuries and a lower tariff on the necessities of life, both along protection lines.

Sugar must be regarded as a luxury, used only by the very rich, because it is heavily taxed.

In 1907 we imported sugar to the value of \$91,818,829, and the rich people who consumed it paid to the custom-house officials duties aggregating \$60,134,181. A portion of this vast sum found its way into the Treasury of the United States, while the balance was stolen by Republicans in charge of the custom-house. Just how much was stolen only the Lord and Repub-

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lican officials know. [Laughter and applause on the Democratic side.]

Perhaps they would have stolen it all if the men higher up had been more liberal with those lower down. But it is necessary to levy a higher tax on sugar, blankets, flannels, hats, stockings, shoes, harness, and all other like articles, which only a few people use, in order to avoid the necessity of enacting an income-tax law which would impose an unjust and an unbearable burden on the toiling millions of poor people who are to-day staggering and falling beneath the weight of high prices. [Applause on the Democratic side.]

The policy of the Republican party may be right—impose a high tariff on sugar to satisfy the demands of the sugar trust and thereby secure future campaign contributions, but give to a patient, long-suffering, confiding people free catgut, whip gut, and worm gut. [Laughter and applause on the Democratic side.]

With broken promises, insincerity, pomposity, and guts on the free list the Republican party's capital stock in trade is immune from taxation. [Applause on the Democratic side.]

Mr. Chairman, the country is not satisfied with your tariff law, nor with the party that enacted it. True and loyal citizens in all parts of the United States are aroused as they never were before.

They have diagnosed the case and found that the grand old party is infected with a malignant form of political leprosy known as Cannonism—an intolerable and incurable disease. A heroic remedy has been prescribed and will be heroically administered. That great tribunal of last resort, the sovereign citizens of our country, have solemnly and unalterably decreed that Cannonism, together with all those who have aided, abetted, or assisted Cannonism, must go.

Too late for you gentlemen to rush into print now and from the teeth out attempt to repudiate and discredit your friend and benefactor. Your constituents know you have become inoculated with this poisonous virus, and they are determined, for public good, to remove you to the pesthouse of political obscurity. [Applause on the Democratic side.]

The day after the next election some Republican Marc Antony will stand over the political remains of that distinguished exponent of latter-day Republican principles—the Speaker of this House, recently dubbed the “Iron Duke”—and proclaim in sorrow and despair:

But yesterday the word of the Iron Duke might
Have stood against the world; now lies he there,
And none so poor to do him reverence.

[Prolonged applause on the Democratic side.]

TARIFF

Speech of Hon. CYRUS CLINE, in the House of Representatives, Friday, April 2, 1909. [Part of Congressional Record.]

You may check by vicious legislation the onward march of the Republic to its ultimate destiny, but you can not defeat it. Our genius, with our rapidly increasing population, our intelligence, our boundless resources, can not be permanently stayed. We shall go out in spite of legislation to battle for supremacy in the world's trade. I quote to you the statement of President McKinley on September 5, 1901:

Our capacity to produce has developed so enormously and our products have so multiplied that the problem of more markets requires our urgent and immediate attention. Only a broad and enlightened policy will keep what we have. No other policy will get more. In these times of marvelous energy and gain we ought to be looking to the future, strengthening the weak places in our industrial and commercial system. * * * What we produce beyond our domestic consumption must have a vent abroad. The excess must be relieved through a foreign outlet, and we should sell wherever we can buy and buy wherever the buying will enlarge our sales and production, and thereby make a greater demand for home labor.

No better Democratic doctrine was ever proclaimed, and it stands in striking contrast with the present attitude of the Republican party in framing out the business of the Nation to protected industries that hamper our energies, control our markets, and cripple our commerce. Even this "John the Baptist" of protection, wedded as he was to the "home-market" theory, saw the limitless possibilities of the Republic's trade; he saw the ever-increasing toiling millions of Americans with goods and products in their hands to sell; and he likewise saw other millions who wanted them, and he gave utterance to that sentiment that ought to ring in the ears of every American—

We should sell everywhere we can and buy wherever the buying will enlarge our sales and products.

The high protective and prohibitive policy the Payne bill is committed to is absolutely incompatible with the McKinley doctrine. We export more than \$500,000,000 of merchandise annually. Our rapidly increasing population forces us to seek expanding markets. I stand for the widest possible expansion of foreign and domestic commerce. I would give to every man who could use it free raw material, but at the same time I gave him that I would take away from him the power to control by trusts and combinations his own market, except that control that was the result of equal opportunity and fair competition. I would permit him to buy his ships anywhere, register them under our statute, float the American flag, man his vessel with American seamen, and urge him to trade American goods wherever that trade would make him a profit.

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That the American consumer must buy exclusively from the American manufacturer and the American manufacturer buy only what the farmer raises is an exploded theory. The American manufacturer makes more than the home consumer can buy, and the farmer produces more than the manufacturer can take, consequently both must have a larger market. Manufacturer of agricultural and farm implements sold abroad last year more than \$27,000,000 worth of goods, and sold them to every nation in the world. The fact that he could sell the goods gave him a large market, he could invest more capital and employ more labor. Suppose that an import duty of the countries into which they shipped their goods had been so high as to keep them out, what would have been the result? Capital would have been withdrawn from business, labor discharged, and only enough manufactured to supply the local demand. Suppose the American farmer was required to find a home market for every pound of beef and pork and every bushel of wheat and corn, of which he sold abroad last year more than \$414,000,000. The result would be a decline in prices, in the employment of labor, and in the value of farm lands.

No nation ever attained prominence without a great foreign and domestic commerce.

In the contest now being waged upon this floor two great parties are contending for the application of their respective theories of economics. What is the distinction? What is the basis of their respective doctrines? The Democratic party is builded upon the theory of equal opportunities for every citizen before the law. It abjures all class distinction, all favoritism, and declares its elementary truth to be "equal rights to all and special privileges to none." From the very inception of democratic government that principle has been the vital one with it. It seeks out the individual citizen and his equality with every other citizen as its chief business and protects him in that equality.

Democracy recognizes that every citizen has the same rights, and no greater, than every other citizen has in the protection that the law affords to him and in the opportunities that it gives to him in the pursuit of happiness. The essence of Jeffersonian Democracy is "equality before the law and equal opportunity."

On the other hand, the Republican party was born of a single purpose which it executed well, and after the accomplishment of that purpose it has maintained itself for more than a third of a century by lending all the powers of the Government to fostering and protecting special interests at the cost of the entire body politic. The philosophy of its dogma is that the taxation of the whole people for the benefit of the few, under the guise of a protective tariff, is the silent influence that gives prosperity to the whole country.

A long and faithful adherence to this policy has developed vast combinations of capital that take shelter behind this doctrine to plunder and rob the people. They dominate and control the markets, crush competition, limit production, and restrict trade. Their number and unrestricted power have become a menace to the liberties and prosperity of the people. So flagrant have

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their wrongs become and so imperial are they in the realm of trade, that the federal courts have been applied to for the relief of the people. They have no friends except the leaders of the Republican party, who are sponsors for them.

THE TARIFF BILL

Speech of Hon. WILLIAM P. BORLAND, of Missouri, in the House of Representatives, Saturday, July 31, 1909. [Part of Congressional Record.]

Mr. Borland said:

Mr. Speaker—This bill as it comes from the conference committee is so bad and is such a gross betrayal of the people that, for one, I am willing to stay here until next December if there is any hope of defeating it. We were called in extraordinary session on the 15th day of March to revise the tariff, pursuant to the reluctant admission of the Republican platform that the Dingley rates had become excessive and unjust—not merely slightly inequitable, but substantially and materially unjust. The presidential candidate owed his election to his solemn and oft-repeated pledge to call this extraordinary session to revise the tariff “substantially downward.” Can any honest man convince himself that the Aldrich-Payne bill as now presented is a redemption of this pledge? Can he believe that there has been any substantial change from the Dingley rates?

On the contrary, carefully prepared figures indicate that the revision has really been upward, and I am convinced that this is true. But the friends of the bill laboriously figure out a reduction—a slight reduction from the Dingley rates—so slight that experts differ as to its very existence. What does “substantial” downward revision mean? Does it mean something shadowy and delusive, or does it mean a reduction so plain that every honest voter may understand it.

I am opposed to this conference report. I do not believe that the American people sent us here to do such work as this. I believe that the extraordinary session has been a farce and a failure; aye, worse than a failure, a fraud.

If the President believes this bill to be a redemption of his pledge for downward revision and to be satisfactory to the American people, why did he threaten the high protectionists of the Senate with another extra session in October? Why did he intimate that if this bill failed of passage the people would force a still better bill next winter? They would certainly have done so.

Let us review the history of the matter a little.

It is a remarkable historical fact, and one well worthy the attention not only of Democrats, but of honest and independent Republicans as well, that for a second time the corporation wing of the Republican party has betrayed and deceived the

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people in the enactment of a tariff measure. In 1896 the presidential campaign was conducted on the issue of the gold standard. The whole attention of the people was absorbed in the consideration of the financial problems. The tariff and all other national questions were kept carefully in the background. Many Democrats believed then that the gold-standard cry was a false issue, designed to frighten the people and divide their strength. Events proved that they were right. Immediately after the election an extra session of Congress was called. For what purpose? To enact financial legislation? Not at all. No financial legislation was enacted then, nor for long afterwards—in fact, not until after the panic of 1907, when the iniquitous Aldrich-Vreeland bill was passed. The sole purpose of the extra session convened after the election of 1896 was to pass the Dingley tariff bill, to repay the trusts for the money expended in that campaign in "saving the national honor."

Upon the approach of the campaign of 1908 the burdens of the Dingley tariff had become so grievous, the rates were found to be so excessive, the growth of industrial trusts had been so outrageous, the cost of living had advanced so far beyond any possible increase in the earning power of the average man, that a very general spirit of resentment and discontent had pervaded the entire American people. Not only so, but manufacturing districts which were supposed to be peculiarly benefited by the high tariff had been prostrated by a panic and thousands of men were out of employment.

The country was saved from the most horrible disasters and the deepest human suffering during that memorable winter of 1907 only by the splendid crops of the West. The bountiful hand of Providence and the splendid energy of the western people saved the country from the disastrous results of the era of trusts and protective tariff. The protected manufacturing districts of the East, which for twelve years have enjoyed the dishonest advantage of the Dingley tariff and had wrung exorbitant prices for their goods from the American consumer under the pretense of maintaining the standard of American wages, while at the same time filling their workshops with the pauper scum of Europe and driving intelligent American workmen out of their employment, were writhing under the result of their own excesses of overcapitalization, stock jobbing, and stock watering. Nor was this all. The Dingley rates were in many cases so high that they failed to produce any revenue to the Government, because they totally excluded foreign goods, and enabled the American trusts entirely to control the American market. The backs of the people were almost broken under the burdens of the Dingley tariff and of the high prices they were compelled to pay for the necessities of life, but the Government was not receiving corresponding revenue, because the rates were too high to permit the importation of foreign goods and only resulted in raising the prices of American goods and enriching the favored manufacturers. The Treasury of the United States showed an alarming and steadily increasing deficit. All these causes should have aroused the American people to a

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sense that the time had come to turn completely out of power the party responsible for this demoralized industrial condition. The Republican managers perceived the danger of their position and promised in their national platform immediate revision of the tariff. This declaration was interpreted by honest Republicans all over the country as a promise that the tariff should be revised substantially downward.

It was so interpreted by the Republican candidate for President, who, in numerous speeches during the campaign, assured the American people, on the solemn word of a great statesman, that revision of the tariff "on the whole means a substantial revision downward." The cry was that the tariff should be "revised by its friends," and all sorts of panics and disasters were threatened if the revision were committed to others.

Now comes the second betrayal of the people. Immediately after March 4, 1909, this special session of Congress was called, that the people might enjoy the spectacle of tariff revision by its friends. This is the first special session since the memorable one which passed the Dingley tariff law. The result has been the same—a shameless betrayal of the people. The present session has resulted in the passage by the House of Representatives of the Payne tariff bill, which, in all respects affecting the necessities of life, is higher in its rates, more burdensome to the consumer, and more favorable to the trusts than even the Dingley law itself. For three months this bill has been debated in the Senate. Under the leadership of the Senator from Rhode Island, who, with his Standard Oil connections, is the acknowledged head of the Republican party, the Senate has increased the rate of the House bill in almost every case. The bill went to a conference committee, composed of picked members of the Ways and Means Committee of the House and the Finance Committee of the Senate, a majority of whom were openly opposed to any reduction of the tariff.

The betrayal of the people has been complete. The inner circle, which manages the party in power, has grown defiant by its immunity from punishment. It congratulates itself secretly that another presidential election is still three years off and that the memories of the people are proverbially short. It congratulates itself that it undertook this iniquitous revision immediately after a national victory, that resentment may have time to expend itself and other questions arise to distract the minds of the people, before a complete change of administration can occur. It congratulates itself that it has been able in the past to throw dust in the eyes of the people at the last moment and raise a false issue, whereby its past record has been forgotten in the excitement of some new political question.

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THE TARIFF

Speech of Hon. JOHN W. BOEHNE, of Indiana, in the House of Representatives, Friday, July 9, 1909. [Part of Congressional Record.]

Mr. Boehne said:

Mr. Speaker—We see here a spectacle at the seat of government, where the representatives of the American people are assembled for the purpose of enacting a tariff law, which, were it not so serious a matter, could be truthfully termed "ridiculous." We have often and persistently been told that protection is a national policy and that the policy of protection is for the greatest and best interests of the American people.

I believe the time is near at hand when the great masses of the American people will come to a true realization of existing conditions and rise in their wrath with their suffrage against the powers that be to-day, by whom they have been duped; who have been doing the bidding for the protected interests of the country which, under the special privileges granted to them, have been able to form the many trusts and combinations that are to-day endangering the very safety of this Republic. And the worst part of it is that all of this has been accomplished under the clever but deceitful guise of protecting American labor and fostering infant home industries.

The truth is that but a very small fraction of the tariff tribute levied upon the American people goes to American labor. No one—I certainly do not—objects to the protection of American labor against the cheap European labor, but the American laborer does not get it from a high protective tariff. The highest protected industries in this country do not pay labor one cent more than labor organizations, and the supply and demand of labor will obtain for the American laborer. Furthermore, statistics show that the highest protected industries pay the lowest rate of wages.

Such, then, is the true situation of the nationalism of protection. The matter of tariff is brought down to a purely sectional basis. A section of the country wants high protection on its products, and to get it is willing to make concessions to another section that wants high protection on its products. The bargain is made; each gets what it wants, but the people as a whole are forgotten and not taken into consideration at all. What astounds me most is how some of the Representatives from the different States succumb to the demands of the few of their constituents who are to be benefited, and forget the great masses of their constituents who will in the end help to pay the expense to enrich the few.

The present Republican tariff making is arraying class against class, section against section, and is placing our Nation in a commercially hostile attitude to all the rest of the world, and all this results from blindly following a policy which has been eloquently described by campaign orators as the savior of na-

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tionalism. All over this our land of plenty, and in a time of profound peace, are men, women, and children who are at this very moment struggling with adversity and poverty. They already pay taxes on everything they use; yea, on clothing the tax is probably 100 per cent., the greater part of which goes into the pockets of those who already have great and undue advantages. In all of these cases of high taxes on the necessities of life there is really a national question involved, namely, the well-being of the average man and woman in every corner of this land.

Speech of Hon. CHARLES F. BOOHER, of Missouri, in the House of Representatives, June 14, 1910. [Part of Congressional Record.]

THE TARIFF ON PRICES.

Mr. Booher—Mr. Chairman, there is just now a popular crusade against retailers, the object of which is to lower prices on the necessaries of life. It may be doubted whether this is a spontaneous effort of consumers against retailers or a deftly contrived artifice of tariff-protected barons to swing the popular thought from a real to an adventitious cause. Retailers may be partly to blame, but the basis of retail prices is the wholesale price, and the wholesale price rests on the tariff to a very large degree. The popular movement may therefore bring about sporadic reductions, but a genuine movement which will scale all prices downward must be confined to an actual revision of the tariff. We must investigate primary causes and not incidental or secondary ones. Revise the tariff and cut down wholesale prices and the retail prices will follow the downward trend. Let us continue to throw the searchlight on the abominations of the tariff. Let us not be switched into an unjust crusade against retailers, leaving the real offenders to ply their high-priced schemes as authorized by the tariff untrammelled and unchecked.

BRADSTREET'S WHOLESALE PRICES.

Bradstreet's index number has just been announced, making it possible to compare wholesale rates for many years. For comparative purposes we select the index number for seven groups of necessaries—breadstuffs, live stock, provisions, hides, textiles, coal, and oil—for three periods:

July 1, 1896, the number was.....	\$4,217
March 1, 1907, the number was.....	6,803
January 1, 1910, the number was.....	7,261

These figures aptly represent three tariffs, the Wilson, the Dingley, and the Payne-Aldrich. The numbers are based on 7 groups of commodities that are essentially the necessaries of life. Under the Dingley law prices on these articles advanced from 1896 to 1910, \$3,044, or 72 per cent. Dingleyism and the superadded Payne bill have added approximately 72 per cent.

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to the cost of living from July 1, 1896, to January 1, 1910, the latest period available under the Payne law.

Under the Dingley law prices on the named articles advanced \$2,586, or 61 per cent., from July 1, 1896, to March 1, 1907. Since then, as we have been told by a very high authority, we have revised our economic law, producing the very best tariff that has ever been made, and prices have gone upward, from March 1, 1907, to January 1, 1910, approximately 11 per cent. This is a revision downward with a vengeance. To pay 10 or 11 per cent. more under the Payne law for the same articles than was paid under the Dingley law is a proof that the standpatters not only had their way in making the law, but gained a most admirable victory for a revision upward.

THE ENORMOUS ADVANCE ON ALL ARTICLES.

But leaving the seven groups named, we now turn to the index number for 96 articles which are classed as the necessities of life. To ascertain the index number a pound or yard or some basic unity of quality is purchased at wholesale rates on a given day of each of the 96 articles and the prices added. The total is the index number. The swing of this number is shown by the following:

High, January 1, 1892.
Low, July 1, 1896.
High, February 1, 1900.
Low, June 1, 1901.
High, December 1, 1902.
Low, July 1, 1904.
High, March 1, 1907.
Low, June 1, 1908.
High, January 1, 1910.

The highest prices known to our history were those of January 1, 1910. These 96 articles or commodities are taken from 13 groups, catalogued as follows: Breadstuffs, live stock, provisions, fruits, hides and leather, textiles, metals, coal and coke, oils, naval stores, building materials, chemicals and drugs, and miscellaneous.

A glance at this list will show that wholesale prices have advanced on the 96 commodities embraced in the 13 groups from July 1, 1896, to January 1, 1910, approximately 61 per cent. In other words, under high tariffs everything that enters into the cost of living has advanced 61 per cent.

Breadstuffs that in 1896 cost 5 cents now cost 10½ cents, provisions have jumped from \$1.36 to \$2.35, hides and leather from 82 cents to \$1.28, textiles from \$1.57 to \$2.73, coal has gone skyward 50 per cent., while oils have crept from 21 cents to 37 cents. Since 1907 the only notable declines have been that of fruits, which are luxuries, chemicals and drugs and naval stores. * * * * *

THE SUGAR SCHEDULE.

Sugar has maintained a high price for many years, and its present retail price, 6½ cents a pound, is not all chargeable to

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the retailers. The amount of duties collected in 1907 under the Dingley law from all classes of articles in Schedule E, the sugar schedule, was \$60,338,523, or about one-fifth of all the customs revenue of the Government. But two classes were changed—refined sugar and saccharine. The entire Dingley duties on refined sugar were \$82,060, and on saccharine, \$350; that is to say—

Duties on sugar and molasses whose rate was unchanged	
were	\$60,256,113
Duties on sugar and saccharine lowered were.....	82,410

In \$60,000,000 worth of taxes, \$2,600 were knocked off. The average ad valorem rate of duty on raw sugar is 56.65 per cent. From 1885 to 1890, inclusive, granulated sugar sold above 6 cents at wholesale; from 1891 to 1899, inclusive, the rate was between 4 cents and 5 cents. Since then the rate has fluctuated from 4½ to 5.32 cents. It is now quoted (January 25, 1910) at 5.20 cents. In foreign countries the wholesale price of sugar from 1885 to 1890, inclusive, ran from 2.01 cents to 3.28 cents per pound, as shown in the Statistical Abstract for 1908. Since 1899 it has fluctuated between 1.71 cents per pound and 2.65 cents. In other words, the foreign wholesale price is from one-half to two-thirds of our wholesale price.

Wholesale sugar quotations Tuesday, January 25, 1910.

[From the New York Commercial.]

(Refined sugar per 100 pounds.)

Character.	American Refining Co.	National Refining Co.	Arbuckle Bros.	Warren Sugar Refining Co.
Crystal Domino.....	\$7.50	.....	.....	.....
Crystal Domino, 5-pound cartons..	8.00	.....	.....	.....
Eagle tablets, one-half bar.....	6.45	.....	.....	.....
Crushed	5.85	.....	.....	.....
Cut loaf.....	5.95	.....	.....	.....
Mold A.....	5.50	.....	.....	.....
Eagle powdered, 5-pound.....	5.40	.....	.....	.....
Cubes	5.40	\$5.45	\$5.50	\$5.30
XXXX, powdered.....	5.30	5.35	5.40	5.20
Coarse, powdered.....	5.25	5.30	5.35	5.15
Fruit, powdered.....	5.15	.....	5.35	.....
Eagle confectioners' granulated...	5.40	5.20	5.25	.....
Extra fine granulated.....	5.15	5.20	5.25	5.05
Fine granulated.....	5.15	.....	5.25	5.05
Standard granulated.....	5.15	5.20	5.25	5.05
2-pound cartons granulated, fine..	5.20	.....	.....	.....
2-pound bags granulated, fine....	5.20	5.50	.....	5.35
50-pound bags granulated, fine...	5.20	5.25	.....	.....
Coarse granulated.....	.....	5.20	5.25	5.05

On the same day the London sugar market of January 24 quoted granulated sugar at 13s. 6d., or \$3.37 per hundredweight, or 3.37 cents per pound. In other words, the tariff adds about 60 per cent. to the high price of granulated and all other sugars.

THE HIGH PRICE OF CLOTHING.

High prices are under many and varied obligations to the Dingley and Payne duties on woolen goods, as set out in Schedule K of the law. Under Dingleyism the duties collected under this schedule amounted to \$36,554,815, which were changed and reduced on yarns and women's dress goods over 4 ounces

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to the extent of \$128,601, or a reduction of thirty-five hundredths of 1 per cent. on the whole schedule. It is therefore unnecessary to parallel the rates of the two bills, as they are practically the same. To show that high prices at wholesale are affected by the duties of Schedule K, I shall simply give the ad valorem rates as calculated by the Bureau of Statistics for the collections of 1907 on a number of articles of wearing apparel:

	Per cent.
Woolen blankets.....	71 to 165
Carpets	50 to 75
Women's dress goods.....	70 to 155
Children's dress goods.....	70 to 155
Knit goods.....	95 to 141
Cloaks	80
Dolmans	80
Wool hats.....	35 to 86
Ready-made clothing.....	76
Webbings	80
Suspenders	80
Braids	80
40-cent cloth.....	134
70-cent cloth.....	118
Above 70 cents.....	94
Flannels	86 to 143
Plushes	95 to 141
Jackets	80
Usters	80
Shawls	92
Other clothing.....	45 to 50
Gorings	80
Braces	80
Beltings	80
All other.....	79 to 140

In cotton goods the rates ran regularly through more than one hundred classes of commodities from 30 to 72 per cent., the average being 54.26 per cent. The average for earthenware was 58.96 per cent.; on brick and tile, 27.02 per cent.; on all hemp and jute goods, 37.65 per cent.; on glass and glassware, 57.33 per cent.; on iron and steel, 38.20 per cent.; on cutlery, 65 per cent., and this was raised.; on gloves, 52.58 per cent., and these were raised; on paints, 32.68 per cent.; on silk goods, 53.45 per cent., and these were raised; tobacco, 109.48 per cent.

When all these percentages are considered as factors in price making, it is easy to see that the tariff is the principal element in high prices. In many cases the tariff is added directly to the price and becomes the measure not only for the sale of the imported goods, but of all goods, domestic and imported. It is admitted that the tariff is added to the price in some cases, but denied as to others. No one has as yet shown the line of cleavage, and it is becoming clearer every day that this line is very indistinct. The high prices that have maintained for eight years would seem to warrant the conclusion that the almost universal practice is to add the tariff to the price. On no other theory can a comprehensive reason for the high prices be accounted for. The retailer may be accountable for part, but his valid rate always depends upon the wholesale rate. If that be inflated from 30 to 80 per cent. by reason of the tariff, the retailers' valid rate must show the same inflation. The logical cure for high prices is not the boycott, but a rational and wise reduction of the tariff. In the preceding discussion the tariff has been considered as a basic, primal, or direct cause of high, inflated, and unwarranted prices, but there is another view of the matter.

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THE TARIFF THE INDIRECT CAUSE OF HIGH PRICES.

The high-tariff idea has led us away from old-fashioned and eternally approved conceptions of economy into the labyrinths, grottos, and boulevards of extravagance and profligacy. The Nation has for so long been taught by the tariff advocates that "a cheap coat makes a cheap man," that everybody runs away from "cheap" goods as from the plague. No greater fallacy was ever taught than that a cheap, yet worthy, article—a commodity entirely within one's means though less in price than another—cheapened or lessened the worth, the power, the influence of the man. Yet everywhere our people have been taught deliberately that the coat makes the man; that the quality of the cloth determines human worth; the dearer the cloth, the better, the worthier, the man. This teaching was not originated in an effort to win men away from the use of shoddy, to lift them to a higher plane of selection, but to justify a higher price for American-made goods; to acquit the tariff policy of deliberately adding to the price of an inferior, and also of a superior, article for the sole purpose of destroying foreign competition; for the avowed end of enabling the American to charge Americans more for cheap goods than these Americans could buy better goods from a foreigner.

The effect of this charge has been heightened by other false teachings of protectionists. The prosperity that the entire world has enjoyed for ten years has been laid at the doors of the Dingley tariff by its devotees; the era of high prices has been savagely contrasted with the era of low prices, and the high prices attributed to the tariff in the argument, although denied in the next breath, when brought face to face with the judgment of thinkers, that it is an open question, which is more calamitous for a country, an era of extremely low prices or an era of extremely high prices.

Men have run away from cheap things and plunged into extravagant buying; men have come to look for quality in price, and dealers, aided by the tariff, have added to the price; men have plunged into the maelstrom of extravagance to seem to be prosperous, to ape the dress and manners of tariff barons, who teach meekly and enrich themselves continuously at the expense of their students.

We are extravagant in government expenditures and have swung far away from even a simulated economical administration of affairs. The high-tariff dogma must bear the blame for this. When we can add to our revenue \$280,000,000 by laying an average rate of 45 per cent. on \$620,000,000 worth of imported goods we cry out "Prosperity" and spend our revenues lavishly. Goods that our people might have had for \$744,000,000 with an average 20 per cent. tariff for revenue, we make them pay \$900,000,000 with a 45 per cent. rate. The added \$156,000,000 per annum goes into extravagant and riotous living for the Government.

The object of all high tariffs is to narrow competition in one of two ways, either by barring out the foreigner absolutely, or by charging him so much that the domestic trader can control

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the market. Its flaunted banner contains the legend, "The tariff holds the home market for Americans." This limiting of foreign competition bears fruit at home. Trusts follow in the wake of protection, and by all sorts of devices limit and control the home competition, and prices go highward, without a single throttle to control them.

The tariff teaches that the manufacturers are the wards of the Nation, that their interests must be protected, that the whole Nation must be taxed to guarantee them a reasonable profit. Young men on the farms are seduced by the literature of the captains of industry, of the recipients of legislative favors, to leave the farm and enter the protected industries. This leaves us to confront the question of a lessened food supply, growing out of depleted and insufficient farm labor. The farmer works from sun to sun, and his children through long periods of time can not fail to be impressed with the shorter-hour discussion which the tariff has brought the land. Ten hours a day is better than thirteen or fourteen; then comes the nine-hour-a-day struggle; then the eight hour; and now we are in the midst of a seven-hour-a-day crusade. Amid such profligacy of expenditure by the Government, and such general extravagance among the people, and the enticement of such short hours in manufactures, the farm boys leave home, and we see a threatened shortage of wheat, of meat, and other supplies. Prices take another move and go a little higher.

Then, the Republican party gives a new turn to the high-tariff crank by making one function of the tariff a guaranty of reasonable profits. Where no tariff exists the operator must rely on management and economy to succeed. A tariff of any kind, and especially a tariff guaranteeing profits, strikes at good management and weakens the economic principles upon which real success depends.

HIGH TARIFF VS. LOW TARIFF.

We have had examples of low tariff in our history as well as examples of high tariff. From 1840 to 1860 we had a low-tariff period, and it can not be denied that it was a most prosperous period.

President Garfield, while a Member of this House in 1878, although a protectionist, lifted his voice and said:

In 1860 the burdens of taxation were light. All our revenue, including loans, amounted only to \$76,000,000. Our expenditures were \$75,000,000 and our whole public debt but \$65,000,000. In the year 1860 the tonnage of our ships upon the seas was 5,353,868 tons, which was more by 140,000 tons than in any other year of our history before or since. Two-thirds of our imports were then carried in American bottoms, as were also more than two-thirds of our exports.

He might have added that during the low-tariff period our ships carried 70 per cent. of the tonnage of the world, while in 1871 under high tariff it had fallen to 14 per cent., and in 1891 under the higher tariff of that year to 11 per cent.

The value of American farms in 1850 was \$3,271,575,426, which in ten years under low tariff increased to \$6,645,000,000, or an

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increase of 102 per per cent., the population increasing but 35 per cent. In 1850 the urban class started with about the same wealth as the agricultural class. During ten years under low tariff they both practically doubled. The manufactures under high tariff doubled again from 1860 to 1870; they doubled again from 1870 to 1880; and from 1880 to 1890 they increased 60 per cent. The protected classes increased their wealth 700 per cent. under high tariff from 1860 to 1890, while the farmers during the entire thirty years barely doubled.

In other words, all classes of people prospered under the low tariff of 1850-1860—the agriculturist, the manufacturer, the importer, and the consumer. Since 1860 all the energies of government have been bent to legislation for the manufacturing class, which has enriched it beyond all calculation, while entailing hardship and high prices on all other classes.

Manufacturers were amply protected under low tariff from 1850 to 1860 and they would be amply protected under a low tariff to-day.

Mr. Garfield touched upon this point with these words:

We can find ample grounds for the sufficient protection of American manufacturers without distorting the history of our country. The gentleman's position lays us open to the dangerous reply: That if the low tariff and insufficient volume of currency in 1860 caused alleged distress of that year, how will he account for what he admits was the great distress of 1877, with a much higher tariff and three times the currency of 1860?

The rates of duty under the law of 1846 averaged 25 per cent., while the average rate under the law of 1857 was about 20 per cent. Our rates for ten years have run from 43 to 49 per cent. It will be hard for any gentleman to find a greater decade of prosperity for our country's history than the decade of 1850-1860. All kinds of men were prosperous and happy and we were not afflicted with high prices. Prosperity beamed on the workman—on the employer—on the producer—and on the consumer. A return of that general prosperity—the prosperity of all rather than the fostering of a part—may be effected by a genuine revision of the tariff—by a return to the low duties which blessed our people with an equal impartiality and made every man proud of the United States. The "big stick" that will batter down high prices and the "square deal" that will give a generous living to Americans is the total destruction of the high tariff that now prevails. In old times we were told that "Plain living and high thinking" were inseparably connected. The plain living of that day was ample food, such as if bought to-day would bankrupt the ordinary worker. What kind of thinking will follow the starvation menu now enforced by high prices? We want high thinking, but it can not be had on the low grades and the impoverished amounts of food entailed by the rapacity of the present high tariff. Let there be plenty of plain but nutritious food even though the heavens fall, and the high tariffs of Republican rule be ground between the nether and upper millstones. This is the handwriting on the wall written so large that every wicked Belshazzar may read, unless blinded by "stand pat" goggles, millstone thick, shutting out all light whatsoever.

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The tariff, the trusts, and extravagance; these three—but the greatest sinner is the tariff.

Speech of Hon. CHARLES A. KORBLY, of Indiana, in the House of Representatives, April 3, 1909. [Part of Congressional Record.]

Mr. Korbly said:

No one will deny that what a man produces with his own labor belongs to him. He may do with it what he pleases—consume it himself, exchange it for his neighbor's product, or give it away. He may take it across the sea and give it away over there and not even a protectionist will complain. He may exchange it over there for some other fellow's product and no one will complain. So long as he does not bring the other fellow's product back to this country there will be no complaint. As soon as that is done, however, complaint is heard. Strange to say, the complaint is not that the foreigner has cheated and given too little, but that he has given too much. The more he gives, the louder the complaint.

If, for instance, an American citizen produces a thousand cigars and takes them to Berlin and exchanges them for 1,000 pencils, no one will complain until the pencils are brought to America. Then the American will be told that he has brought back too many pencils for his own good, as well as too many for the good of the country.

The customs-house officer will tell him that in view of these "facts" and the laws of the land based upon them, it will be necessary to take half the pencils away from him. Inquiry will develop the fact that the Government wants half the pencils for revenue to help support the government (more or less economically administered), but it will further disclose the fact that the Government wishes to discourage the American from bringing home "too many" pencils in the future.

In fact, according to protectionists, the more pencils the American brings back, "the worse" for the country; the fewer, "the better." Because, by bringing back "too many" pencils Americans are "deprived of the opportunity of producing pencils by their own labor."

The cigar maker, as a result of his trade, has only 500 pencils left for himself, and he concludes that the effect of the transaction is exactly the same as if the Government had taken one-half his cigars in the first place. In fact, he would be better off if it had, for that would have saved him the expense of his trip to Europe. He consoles himself, however, with the thought that he is helping to support the Government. His experience with the Government, however, results in a determination to trade in the future on this side of the ocean, in compliance with its wishes. He accordingly goes to the home pencil maker the next time and asks how many pencils he will give for 1,000 cigars.

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The pencil maker looks at his price list and answers:

I will give you 500 pencils for your thousand cigars.

But I can get a thousand pencils in Berlin for a thousand cigars—

Says the cigar maker—

That's true—

Says the pencil maker—

but you can't use them in this country. I have great influence with Congress and have had a law passed which will take half the Berlin pencils away from you if you bring them home. Now, I am not fool enough to give you more pencils than I have to, and as 500 is the best you can do by going to Berlin, it is, under the circumstances, the best I will do for you.

The cigar maker, as a result of his second trade, again has but 500 pencils left for himself.

In the first instance the Government, in effect, took half his cigars away from him and gave him nothing in return but "good government." In the second instance the pencil maker, in effect, took half his cigars away from him and gave him nothing in return at all.

This fairly illustrates not only how "protection" interferes with the distribution of wealth and enables some people to appropriate other people's property, but it gives us an inkling of the manner in which some people grow rich and others grow poor, and it throws a flood of light on the increase in the cost of living due to scarcity.

Note that the American produces 1,000 cigars and exchanges them for 1,000 Berlin pencils. The country needs the pencils, but does not need the cigars, so the country gains by the trade. The other country needs the cigars, but not the pencils, so it is also gainer by the trade. But, on account of "protection," the American loses one-half of his product because the Government takes it away from him. Between him and the Government, however, the country gets 1,000 pencils, all that is coming to it. But "protection encourages industries." The American pencil maker produces 500 pencils, which he trades to the cigar maker for 1,000 cigars. The Government gets nothing; the cigar maker gets but half what he could get under freedom; therefore there are in the country on account of "protection" 500 less pencils than there otherwise would be. Therefore the net results of "stimulating" American industries by "protection" is a net shortage of 500 pencils.

The country needs 1,000 pencils, and has but 500; it does not need cigars, and has 1,000 of them. Under freedom the two Americans could have produced by foreign exchange 2,000 pencils; but we have "protection," so must manage to get along without 1,000 cigars and 500 pencils.

By trading with a foreigner under "protection" the citizen alone meets with a loss, but by trading with home producers under "protection" the citizen and the Nation both meet with a loss. The tariff as a revenue producer impoverishes the citi-

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zen; the tariff as an "industry stimulator" impoverishes both the citizen and the Nation.

Not only does a tariff for "protection" lessen production and thereby create scarcity, which is only another word for "famine," but it also enables some people to take things away from other people without giving them anything in return.

Therefore, a protective tariff decreases the wealth of the country and causes the decreased wealth to be distributed in such a way that much of it goes to a few and but little of it goes to the many.

By the tariff tax the Government yearly takes away from the people vast quantities of their products for its support. These products are used in government work and by people employed in government work, and includes government supplies of all kinds, and food and clothing for officeholders and public servants. The value of these products in money exceeds three hundred millions of dollars yearly. But for every dollar's worth of products taken by this tax for government use, there are many dollars' worth taken by the owners of "protected" industries for their use. This is what protectionists describe as "stimulating" industries and "developing" resources. If the owners of these "protected" industries were not permitted to appropriate other people's property they would have to produce property themselves, and if they produced it there would not be a scarcity, and "high prices" would not distress the people.

It is a "great" system. In an almost virgin country, after fifty years of "protection," we have the spectacle of numerous trusts and monopolies in continuous struggle with organized labor over the question of wages.

Speech of Hon. ADAM M. BYRD, of Mississippi, in the House of Representatives, Thursday, May 19, 1910. [Part of Congressional Record.]

Mr. Byrd said:

Mr. Chairman—When I entered the House of Congress seven years ago I took the position that the real issue between the two great political parties is protection—whether the people or the tariff-protected trusts shall rule the country. And to-day I am more thoroughly convinced that my contention is correct, as has been verified by the recent wonderful Democratic victories in Missouri, Massachusetts, and New York—all of which were won on this issue. Only yesterday we received such happy news from Ohio as to make many of us believe that Halley's comet had struck the Republican party in that section. [Applause.] Sir, you can talk about railroad bills, commerce courts, and other like measures, but the real issue is whether tariff taxation should be levied for revenue only, or for the creation of millionaires and trusts. It is free trade with the world for our congested commerce—protection or antiprotection. [Renewed applause.] Upon this issue we won victories in the days of Tilden, Thurman, Carlisle, Mills, and that great man from Indiana,

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Daniel W. Vorhees. [Loud applause.] When we appealed to the country on the question as to whether the Government had the right to permit one man to rob another, we won victories, but when we left this issue and began to kneel at the altars of strange gods, we were shipwrecked. Upon this issue and this issue alone we are going to the country in November and drive out the money changers. [Renewed applause.]

Some days ago I introduced House bill No. 24264 providing for the removal of the tax on cotton and woolen goods, gloves, hosiery, ready-made clothing, certain food products, and other necessaries. Like other measures of this kind, it is dead in the Ways and Means Committee.

But few bills were ever presented to this body more deeply affecting the public welfare. It contains a message of gladness for every home, and, if enacted into law, it would give comfort and food and raiment to millions who are now half clad and hungry. Why should it not become a law? Is there any plausible reason why it should not? Does not every merciful consideration for the poor and hard pressed in every quarter demand it? Have we not seen the cost of necessaries rise so high that to live means a struggle for existence to many? This tax is unnecessary for revenue purposes. In 1909, \$85,000,000 of raw silk and diamonds were imported free of duty, and if the rate levied on many articles in this bill was placed upon these luxuries quite as much revenue would be realized. Then why not transfer it from the clothes and food of the masses to the sparkling diamonds and rustling silks of the rich? For another reason this tax could be dispensed with, and that is economy in the public expenditures. You have doubled the expense of running this Government since you came into power in 1897. Not only have you nearly trebled the war and navy expenses, but the present budget carries an appropriation of \$155,000,000 for pensions, and that, too, in the face of the fact that it has been fifty years since we have had a war of any consequence.

Mr. Chairman, the Republican party has fully mastered the art of tariff taxation. Alexander Hamilton said, "Protection, to be available, must be got out of the belly and back of the great mass of the American people." The present advocates of this policy appreciate this principle more thoroughly than did Hamilton, for it is illustrated to perfection in the schedules of both the Dingley and Payne-Aldrich laws. If there is any part of the human anatomy left untaxed, it is yet to be discovered. The common citizen is branded by it from his head to his heels, inside and outside, in sickness and in health, in life and after death. His winding sheet, his tomb, and the chisel by which thereon is inscribed a simple tribute to his memory, all bear the stamp of the tariff. And I dare say that if it were possible to exploit the next world, the tariff robber would lay tribute upon the keys of St. Peter, by which the honest soul is admitted to that place void of plunderers.

Many are taught to believe that the tax on the luxuries was made much less than on the necessaries to make living cheaper for the rich, but this is not the true theory. They care nothing

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for this tax, even though it were twice the present rate. What does the millionaire care for the difference in the price of a diamond or an automobile? No; the true reason for increasing the tax, as you approach the necessities for the American home, is, just as Hamilton said, for the purpose of making the system more "available"—to swell the fortune of the plunderers more rapidly. A thousand per cent. on wines, jewelry, automobiles, rosewood, and other like products would scarcely produce a millionaire in a century, for the reason that only the rich could afford such luxuries. But, sir, when you lay the hand of taxation upon the stomach and back of the people the cash must and will come, and no one knows this fact better than those who wrote the schedules of the tariff law. As long as the sun shines and the wind blows the poor must eat and be clothed. The tax on luxuries exacts tribute from the rich only, but on necessities it reaches every man, woman, and child in America.

Let me here read you the tax on a few articles indispensable to life in every home:

Cotton cloth, per yard, 8 cents and 30 per cent, provided no such cloth shall pay less than 50 per cent.

Cotton clothing and wearing apparel, 50 per cent.

Stockings, \$1 per dozen, 70 cents per dozen.

Stockings, \$1 to \$1.50 per dozen, 85 cents per dozen.

Blankets, 33 cents per pound and 40 per cent.

Flannels, 7 to 8 cents per square yard and from 50 to 55 per cent.

Ready-made clothing, wool, 44 cents per pound and 60 per cent.

Shawls, wool, 44 cents per pound and 60 per cent.

Knit goods, wool, 44 cents per pound and 60 per cent.

Refined sugar, per pound, 1.91 cents.

Butter, per pound, 6 cents.

Bacon and hams, per pound, 4 cents.

Meats, prepared and preserved, 25 per cent.

Chickens, dressed, 5 cents per pound.

* * * * *

In further evidence of this enormous exploitation of the American people by the trusts and the manufacturers I desire to call attention of the House to the fact that Canada also has a tariff amounting to about one-half of the rates levied in the United States, and we find that the cost of living in that country is from 10 to 40 per cent. cheaper than here. From a list of the wholesale prices of groceries given in the Philadelphia Inquirer of March 31, 1910, and the Toronto Globe of the same date, we see that in Canada the same goods can be bought at from 10 to 50 per cent. cheaper than in the United States.

	Philadelphia Inquirer, March 31, 1910. Cents.	Toronto Globe, March 31, 1910. Cents.	Percent- age.
Dressed beef, carcass.....	9.5 to 13	8 to 11	18
Breakfast bacon.....	20 to 23	15.5	28 to 48
Butter, prime XX.....	36	29 to 30	20
Butter, jobbing prime.....	37 to 41	30 to 32	28
Cheese.....	*17.5	†13 to 13.5	29
Chickens, live.....	19 to 19.5	16 to 18	9 to 18
Chickens, dressed.....	23 to 24	18	25
Turkeys, dressed.....	24 to 25	19 to 21	18 to 26
Ducks, dressed.....	20 to 22	15 to 16	25 to 37
Potatoes.....per bushel..	38 to 40	30 to 32	20 to 26
Sugar, granulated.....	5.45	4.90	11

*Choice New York.

†Choice Canadian.

In this connection let me read you a clipping from the Financial Age, New York, April 4, 1910:

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Much more important, however, was the testimony of another witness before the committee (Senate) on Friday. This man was Walter Pierce, of Boston, who was summoned to appear as a witness and tell what he knew as a wholesale merchant of the causes for the advance of prices. Mr. Pierce laid down the proposition that the tariff law was responsible for the increase.

In another connection, at these hearings, the fact was pointed out that it was necessary only to cross the border into Canada to find food from 10 to 40 per cent. cheaper and wearing apparel from 125 to 150 per cent. less in price.

On April 7 Frank Tilford, of New York, before the Senate Investigating Committee, gave these comparative retail prices:

	1900.	1910.
Eggs	\$0.18	\$0.30
Butter .....	.19	.40
Lard .....	.11	.23
Bacon .....	.15	.28
Rice .....	.08	.10

Mr. Tilford insisted that the tariff caused perceptible increase in prices.

Mr. Chairman, there are many evidences to verify the truth of these figures. They unfold a story of shame on the American consumer not to be found elsewhere in the whole realm of civilization. Eighty millions of people are being shackled and robbed daily by this infamous law, every line of which illustrates a criminal debauchery. Only an imaginary line separates us from Canada. Both have kindred blood, kindred traditions, and a kindred destiny. And why should they be separated by a tariff wall? Why should not the American be permitted to step across the line and buy his food and clothing rather than give this outrageous tribute to the New England trusts?

But let us leave America and go to Europe and compare our prices with those. The following differences in the prices of refined sugar, as shown by a recent market quotation, are startling indeed when we remember that the sugar consumed in those countries is largely imported from the West Indies, 3,000 miles away:

Refined sugar.

	Percentage.
London, \$4.17 (American, \$5.25 per hundredweight)	25
Paris, \$4.17 (American, \$5.25 per hundredweight)	25
Hamburg, \$3.66 (American, \$5.25 per hundredweight)	40

And again, Mr. Chairman, to forever put at rest the question as to whether these outrageous taxes are added to the cost of the domestic product, permit me to say that every Member from New England, in the consideration of the Payne-Aldrich bill, took the position that hides, wool, zinc, and other raw material were so high on account of the high duties thereon that the factories could not prosper. They admitted that every cent of the tax levied on these products was added as an extra profit. Now, if this be true, if the whole tariff tax is added on raw material and is paid by the consumer of the raw material, why is not the tax on the manufactured articles so added and paid by the consumer? If the tariff makes the raw material so high that the factories can not prosper, does not the same tribute on the manufactured product so enhance its price that the people can not prosper? There is no escape from this inexorable logic.

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Yes, every dime of the tax is placed on the domestic product. Especially is this true when the same is controlled by the trusts. And this is why a suit of clothes worth \$10 in England sells for \$20 or \$25 here; why a blanket here sells for \$6 and the same kind there for \$3; why a lady here must pay \$2.50 for a pair of gloves when the same glove there can be bought for \$1.25; why meat products are sold cheaper in London than in Chicago, where they are manufactured; and why sugar and rice can be purchased in any European market 25 per cent. cheaper than here.

FOREIGN PRICES

Speech of Hon. WYATT AIKEN, of South Carolina, in the House of Representatives, March 22, 1910. [Part of Congressional Record.]

Mr. Aiken—Mr. Chairman, the now notorious Aldrich tariff act has created such unrest in the public mind that it must undergo material revision by the next Congress to be elected. The people asked for bread and they have been given a stone.

While the Democratic party does not share responsibility for this monstrosity of legislation, while it is not accountable for violated pledges to the people, there is a duty that we owe to the whole people of this great country which is not bounded by party lines. Believing that an indignant people will wipe out the trust-made schedules of the recent tariff act, if in no other way than by retiring from office those false servants whose presence here has made such legislation possible, I believe it is the duty of every man who would serve his constituency, or rather who would serve the masses of the people honestly, to begin now to seek such light as will enable framers of a new tariff law to meet the public demand for equality of taxation and relief from the burdensome exactions of the protected interests. There can be no settlement of this question so long as only the profit of the manufacturer is the governing principle.

For many years the Republican party was kept in power by the bare unsupported statement on the eve of elections that high protection enabled employers to pay higher wages to employees. This looked plausible, and the employees who did not stop to think that the same tariff advanced the price of all articles of consumption for which he spent about 90 per cent. of his earnings would be easily duped by such statements. But light has begun to dawn on the laboring man. In no instance has wages advanced permanently as promised. In this unrest we find explanation for the strikes, bread riots, meat boycotts, and all such outward expressions of subdued bitterness. I do not hesitate to say, too, that in my humble judgment the people are right. The trend of all legislation in this body has been to

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enrich trusts and corporations at the cost of the very existence of the producer.

In the great mass of falsehood and fabrication which has been brought to bear on this tariff subject in order to fool the men who are really suffering by its operation, there is so much that is unreliable that it must be refreshing to come into possession of facts which may not be questioned.

During the year 1909 the Washington correspondent of the Columbia (S. C.) State, one of the best newspapers in this country, without reference to locality, made a personal tour of inspection through the mill sections of England and the Continent. This correspondent was Mr. Zack McGhee. I have known him from childhood. There is no man who is capable of making a more thorough and intelligent study of the situation there, and I know of no living man whose statements would have greater weight with me. Mr. McGhee is honest, conscientious, and careful, and his statements can be relied upon absolutely.

I have not risen here to make a set speech. I am anxious to receive light on this subject of industrial conditions in countries which have low tariff and countries which have no tariff, and I wish to place certain facts in the *Record* that will best speak for themselves.

I have written Mr. McGhee requesting him to furnish me with certain letters written by him while on his tour, which I believe will prove to be profitable reading not only to the Members of this body, but to the millions of American people besides, who are so vitally interested. Mr. McGhee's reply and selections from his valuable letters are appended herewith:

Sitting this afternoon in a workingman's stone cottage in Burnley, the housekeeper, wife of a cotton-mill operative in Burnley, and another housekeeper from New Bedford, Mass., also wife of an operative, discussed with me the relative wages and what those wages would buy. I did not just "butt in" there, you understand, but was introduced by a brother of one of the women, who is a "police-court missionary," formerly an operative himself and one of the most wide-awake, hustling, as well as whole-souled fellows I have ever met in the "uplift" business. With him I had made friends, and he was with us in the figuring. The American woman is on a visit to some of her people here, and it was easy to see she is a fair representative of the well-behaved, sensible, thrifty, and industrious New Bedford working class.

"Wages are higher in New Bedford," she said, "but the same amount of money will go just about half as far there as here."

Having heard statements like that many times, I was not satisfied, so seeing my opportunity, I took out my notebook and went over with the party every item of living expenses of two families, each consisting of a man, one working son, two working daughters, and the wife who keeps the house, one such family in Burnley and one in New Bedford. In every case we went by the actual purchases in the households of these two typical American and English working-women housekeepers, who were right there with me in the cottage, with many of the things around us, and we had the judgment of a man who every day is in and out of such households, has one such himself, and knows the earning capacity and living expenses of thousands around Burnley. Burnley is the biggest cotton-cloth weaving center in the world, weaving 20,000,000 yards daily. Population 100,000.

"A man, his wife, one girl of 20, another of 14, and a boy of 17 would live in Burnley in a four-room cottage just like this,"

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said the missionary. It was a well-appointed house, rooms about 13 by 13, cooking and heating range (part of the house), gas fixtures, two chimneys, good-sized window in each room, sink, closet, and so forth, hot and cold water, cellar and little yard, no bathroom.

"And how much is the rent?" I asked.

"We pay 4s. 6d. a week for this," said the Burnley woman. She had to pay the taxes of the house and land, which amounted to 1s. a week, in all 5s. and 6d. (equal to \$1.35).

"And how much do you pay?" I asked the New Bedford woman.

"We live in a house the same size, and pay \$2.35 a week," she said.

"The man must have one new Sunday suit a year," all agreed. "This costs 42s.," said they. The women, among the working class in England, keep the purse and know all the prices. Forty-two shillings is \$10.39.

"That same suit in New Bedford cost my husband \$20," said the American woman.

"How about the dressing of the girls?" I asked.

"The girls here will require about £5 a year." That is \$24.50.

"Now, does that include a new Easter hat?" I asked.

"Hat, dress, ribbons, shoes, stockings, umbrella, cloak for winter, and everything," said the woman, "and of good quality," added the American woman.

"Now, how much," I asked the American woman, "must a girl in New Bedford have to dress exactly as well and no better in every respect?"

"She must have at least \$50," was the reply.

And so we took the whole list, discussing each detail, every one of which was interesting, but it would take too long to recount. Our table is given below, item by item, including the wages, which these working people should be the best authority on, but which I have verified in various ways, including an examination of the manufacturers' books:

COST OF LIVING, ONE WEEK, FAMILY OF FIVE.

Items.	Burnley, Eng- land.		American equiva- lent.	New Bed- ford, Mass.
	s.	d.		
Rent, 4-room cottage.....	5	6	\$1.35	\$2.35
Coal, cooking and heat.....	3	1½	.77	.77
Gas	10		.20	.38
Doctor and medicine.....	1	0	.25	.75
Man's suit (1 a year).....			.20	.38
Boy's suit (1 a year).....			.20	.38
Girl of 20 (£5 and \$50 a year).....			.47	.98
Girl of 14 (£3 and \$35 a year).....			.28	.67
Mother (50s. and \$20 a year).....			.24	.38
Incidentals, including men's underwear, bed- clothes, etc., actual allowance in England.	3	0	.74	1.50
Flour, 20 pounds.....	3	0	.74	1.00
Yeast		4	.08	.12
Lard		2	.04	.07
Milk, 7 quarts.....	1	9	.43	.49
Eggs, 2 dozen, average price.....	2	5	.59	.60
Sugar, 6 pounds.....	1	3	.30	.38
Butter, 3 pounds.....	3	3	.60	1.05
Tea and coffee.....	1	0	.24	.40
Potatoes, 20 pounds.....		10	.20	.50
Meat (Sunday, Monday, Wednesday, Friday for dinner, several days cold for supper).	4	3	1.03	1.50
Desserts (3 dinners and supper).....	2	0	.49	1.00
Miscellaneous, including vegetables.....	1	6	.36	1.00
Spending money:				
Father	3	6	.80	2.00
Boy of 17.....	2	6	.60	1.00
Girl of 20.....	2	6	.60	1.00
Girl of 14.....	1	0	.25	.50
Total.....			12.44	21.15

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WAGES, WEAVERS IN EACH CASE, AVERAGE OF GOOD NORMAL WORKERS.

	s.	d.		
Man	28	0	\$6.86	\$9.72
Girl of 20.....	23	0	5.64	7.78
Boy of 17.....	16	0	3.92	5.55
Girl of 14.....	6	0	1.47	2.03
Total wages.....			17.97	25.08
Cost of living (actual).....			12.44	21.15
Balance or margin.....			5.53	3.93

Now, there it is, figured out, not by the statisticians or politicians, but by the folks themselves, typical ones in America and in England, who get the wages and have to do the buying with these wages. The Burnley family has \$1.60 more margin at the end of the week than the New Bedford family.

In the one of August 26, 1909, he refers to a certain school-master, and says:

Neither he nor his mother has to pay any taxes or tolls to manufacturers on their clothes, and when I showed him my part-cotton, ready-made suit of clothes, for which I paid \$20 in Washington, he expressed astonishment, pointing to his own all-wool, tailor-made suit, for which he paid \$12.50.

Now, we will read from his letter of September 25, 1909:

The best grade of white granulated sugar costs the English housekeeper who buys a dollar's worth at a time, or less, from 4 to 4½ cents a pound. The same sugar costs the housekeeper who lives in Louisiana, say, or Michigan, where it is grown, from 6¼ to 6¾ cents. The American housekeeper can get 16 pounds of sugar for \$1. The British housekeeper, with the money equivalent to \$1, can buy 25 pounds of the same sort of sugar, and this includes the freight across the sea. The "mythical consumer" in our country must pay a bounty to the American Sugar Refining Company and its allies of 1.9 cents on every pound of sugar he uses. The tariff revisionists in the recent session considered the tariff on sugar exorbitant, and the administration stormed about till the duty was reduced from 1.95 to 1.9 cents a pound. If you could get at the actual facts of the first cost of sugar you would find that you are paying a bounty of a little short of 100 per cent. on every pound. But the figures as to that are less important than to know that the Briton, after bringing his sugar far across the sea, gets 25 pounds of it for the dollar with which you can buy 16 pounds.

There are different grades of sugar, of course. From the best housekeepers and storekeepers in various parts of this island I have got prices of the staple articles of domestic consumption. Lump sugar, 2d. (4 cents), 2¼d. (4½ cents); granulated, best quality, 2¼d. (4½ cents); brown, 2d. (4 cents); cubes or blocks, 2½d. is the way the prices run where there is no bounty to the trust.

The Briton can get rice from his stores from 5 to 6 cents a pound. A housekeeper in South Carolina, the original home of the rice grower in America, tells me her rice costs her 10 cents a pound. The duty on rice in our downward revised tariff is 2 cents a pound "cleaned" and 1¼ cents a pound "uncleaned."

Once more, the British housekeeper can buy 14 pounds of "best American flour" for 2 shillings. That means that the equivalent of \$1 here can buy 29⅙ pounds of the very best grade of white flour. I don't know how much of the same quality of flour your dollar is buying there now, but when I left home, just before the new tariff went into effect, \$8 would buy a barrel of 196 pounds. For a single dollar I think you could then buy about 22 pounds. Try now and see how much. In the "revision downward" there is a duty of 25 per cent. on all flour, besides 25 cents a bushel on wheat and a new duty now added on

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biscuits and other breadstuffs. The Briton has no such tax to pay on what he eats. A pound package of soda, by the way, costs in America 5 cents. Here it is a ha'penny (1 cent). There is a tax all up and down the line in our country on chemicals, the specific duty on bicarbonate of soda being five-eighths of a cent a pound.

His letter of October 9, 1909, should be of special interest to the ladies:

An American lady, a relative of mine, sojourning in London, has just been shopping with me. We bought some ladies' gloves and some Irish laces. During the past year the lady has bought numerous pairs of gloves from the standard glove stores of London. She used to buy them in America. We bought one pair of operetta gloves—the long white "garden hose" sort they wear at weddings and such places—for \$1.20.

"How much do you pay for these at home?" I asked my companion.

"Four dollars," she said.

We bought some short white ones for 60 cents. "And how much do these cost at home?"

"From \$1.50 to \$2."

The friends in Congress of Mr. Lucius Littauer, the principal glove millionaire in our country, were pleading pitiably during the recent session of Congress to raise the duties on gloves so that Mr. Littauer might get richer. The people had been clamoring for lower duties on gloves and other things. When it was seriously proposed, and so arranged in the Payne bill, to raise the duty from the rate which made gloves in America three or four times the normal price which prevails in England, there was such a howl, as we can all recall, that the Senate crowd was forced to go back to the Dingley rate, the clamoring glove-wearing public being glad to get back to where they started. Some, however, still protested, and Mr. Taft came to their rescue and had the glove duties cut "below the Dingley rates." Here's the way he had them cut: There are exactly 101 items in the glove schedule. Five of these were reduced, the other 96 remaining as they were before. These five were cut as follows: \$1.75 a dozen to \$1.25, \$2.15 to \$1.65, \$2.55 to \$2.05, \$2.75 to \$2, and \$3.15 to \$2.65, all of these being the cheaper grades of gloves. But see if Mr. Taft's reduction has reduced the price.

And see if white kid gloves are any cheaper than they were last year.

Now, not many American ladies, comparatively speaking, ever get a chance to wear real lace. Startling as this statement may seem, it is true. Many rich and well to do sneer at the idea, for there is a certain "vogue" which affects to believe that all real ladies wear real lace, being the counterpart of that "vogue" which affects to believe that all real gentlemen wear tailor-made clothes. It is nevertheless true—as pitiful or as inconsequential as it may be, it is true—that comparatively few American ladies wear real lace. These British ladies, rich and poor, revel in it. Imitation lace in America costs to our ladies what real lace costs here.

We bought some lace in London, too, and some imitation. A lady's collar and yoke, imitation lace, of beautiful design and excellent quality, costs us 46 cents. My friend, who has bought the same in America, says it costs there from \$3.50 to \$4.50. A piece of real Irish linen lace of similar design we paid \$4.50 for. It is not necessary to say how much the lady in an American store has to pay for a similar piece, but no American lady who has done any shopping in London or seen laces bought here would experience any shock at all should I say that the American price would be about \$18.

From these two items it is easy to figure out that the English lady can dress far better than the American one. And she

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usually does, too, as far as material is concerned. She thinks she dresses better with respect to style. The American lady does not think so, and I have neither disposition nor time to settle or even get into the dispute. Since they are both trying to imitate Paris, it is really of no consequence.

Listen to what he again says:

But your Englishman, rich and poor, generally speaking, gets his clothes tailor made and of what in America we would consider better cloth, for it is all what we term "imported," at half, or in many cases much less than half, what we usually have to pay. When I tell them what clothes cost in my country they are almost incredulous.

My! my! what a horrible state of affairs here, from the standpoint of the tailor and the cloth manufacturer! Mr. Aldrich, Mr. Payne, Mr. Warren, Mr. Smoot, and Mr. Cannon go almost into hysteria at the bare suggestion of cheap clothes. "Do you want to tear down this great industry?" I have heard these fellows declaim dramatically dozens of times. But who are these "mythical consumers" I am among who demand cheap clothes? As I stand in the townhall tower of Bradford I can see literally thousands of smoking chimneys, beneath whose black shadowy clouds hovering in the sky something like 200,000 men and women are engaged, directly or indirectly, in making woolen and worsted cloths. From the upper story of a trolley car this morning I tried to count the smoking factory chimneys in one direction. It was impossible. Nine miles away is Leeds, the biggest center of woolen manufacture in the world, as Bradford is the biggest center of worsted manufacture. Ten miles in another direction is Dewsbury, chief center of heavier woolens like blankets. Twelve miles in another direction is Huddersfield, where the finest worsted for men's suits are made. Dozens of towns of from 20,000 to 100,000 people are scattered all over this the western district of Yorkshire, most of the people supported, directly or indirectly, by this great wool-manufacturing industry.

And since about 1850 there has not been one penny's protection on any woolen or worsted article made in England. Yet it has been since then that the great industry has made its greatest progress. At the time England entered upon a free-trade policy Bradford was a little village in population, perhaps some 30,000 or 40,000. Now it is a splendid and progressive city of 300,000, and is growing all the time.

TARIFF REDUCTION AND RECIPROCITY

Speech of Hon. EUGENE N. FOSS, of Massachusetts, in the House of Representatives, Saturday, May 21, 1910. [Part of Congressional Record.]

Mr. Foss, of Massachusetts, said:

Mr. Chairman—The people demand that the revision and reduction of the tariff, which was promised them two years ago by the Republican party, be carried out by the Democratic party as soon as the new Congress can convene. I mean to say that the Democratic party ought to raise the issue that there shall be an extra session convened next spring to do the work which this Congress has failed to do.

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In fact, the people are themselves making this issue to-day, and all we have to do is to accept it. The people have made the immediate reduction of the tariff the issue, and the Democratic party must pledge itself in a most distinct and specific way to carry out their will; in order that the mandate shall be a compelling one; that the victory shall be so complete that the Republican Executive will be forced to acquiesce in it and call Congress together.

We appreciate that in proposing this logical and straightforward course we are running counter to certain so-called conservative influences in the Democratic as well as in the Republican party. These will avail nothing against the will of the people, or against the sheer necessities of our political and economic situation.

We well know that efforts are being and will be made to again indefinitely postpone these urgent reforms, on the ground that the business of the country will suffer because of this agitation; but I contend, on the contrary, that only by thus obeying the will of the people and settling these great issues—which never can be settled until they are settled right—can all the commercial and industrial interests of the country be benefited and strengthened.

BUSINESS DEMANDS REVISION.

What is the political and business situation to-day and how does the one affect the other? There is no denying the fact that there is, at the present time, great political unrest and discontent throughout the country. This is particularly true in the Republican party, as shown by the intense insurgent movement in it.

As must inevitably be the case, there is corresponding unrest and uncertainty in the business world. The inflation of prices and consequent reduction in large classes of exports, and other causes, all conspire to maintain this unrest.

Here are the ruling facts in both the political and business world which can not be denied or evaded. They are conditions and not theories which confront us to-day. The party now in power is being held by the people responsible for these conditions. The people look to the party which is coming into power for the remedy. I am no alarmist, nor do I wish to magnify our troubles, but they do exist and are threatening our prosperity and we must recognize them and seek the remedy.

MY OWN INDUSTRY.

The people also demand further large reductions in the iron and steel schedule. Now at this point it devolves upon me, as a manufacturer in the iron and steel industry, employing large numbers of skilled workmen and using large quantities of the finished products of the Steel trust, to state publicly that in my judgment, my industry and the people employed in it would not suffer under free-trade conditions. That is to say, the 45 per cent. duty on machinery can be entirely removed without

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injury, provided these conditions apply to the whole iron and steel industry, from the coal and ore up.

I further would state that from my own experience, interest in and knowledge of other staple industries, this statement is equally true of them.

In fact, I believe to-day that under free-trade conditions we can compete in the markets of the world in most, if not all, of these industries, and compete to better advantage than we do now.

I am constrained to make this statement, because the tariff reformer among the manufacturers has generally been regarded as desiring to remove the duty from the other fellow's product and still retain it upon his own; that he is in the habit of asking what he is not willing himself to grant; that when he asks for free raw materials, for instance, he is not willing to abate his own tariff protection. I am not that kind of a tariff reformer.

I am not alone, for if I recall aright, one of the largest manufacturers of boots and shoes in New England appeared before the Ways and Means Committee during the tariff hearings, and declared that he would welcome conditions of free trade in his own great industry.

I am reminded that I am not the first Representative in Congress, interested in a great American industry, who has made a similar statement to his colleagues.

I have been informed that the then United States Senator James Smith, of New Jersey, at that time, if not now, the largest manufacturer of patent leather in the world, declared from his seat in the Senate, ten years ago, that so far as his industry was concerned, it absolutely did not need and did not want protection.

I instance these examples from the shoe and leather industry because, like agricultural implements and many other great interests, it is distinctly an American industry, in which with very moderate protection we have been able to retain our home markets and enter the markets of the world.

Recurring finally to the subject of iron and steel, did not Mr. Andrew Carnegie, if not the greatest authority, surely the most successful one in that trade, appear at these hearings, with the same story in regard to that immense industry which he had himself done so much to build up?

Did he not deny the necessity of further protection upon the bulk of its products, and did he not acknowledge that they were produced in this country cheaper than anywhere else in the world?

* * * * *

INCOME TAX ADVOCATED.

In my judgment, the people of this country will no longer stand for our present forms of taxation which, based upon consumption, bear altogether too heavily upon the masses.

They would be bad enough if they were purely revenue taxes, by which the Government received what the people paid, instead of such, as President Taft declared at Seattle, as "take the money from the people for government but for private interests."

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We must have a system of taxation which removes these abuses and eliminates this graft.

The best and the only way out, I believe, is through the income tax.

It is the just and common impression that the wealth of the country is not bearing its fair share of the taxation which is so largely for its own protection and benefit. It is up to the wealthy classes to carefully consider these things at this time.

The necessity for this change, by which the income tax will relieve and replace the excessive tariff taxes, is so obvious that, it seems to me, we all ought to favor it.

TARIFF FIGURES

Speech of CHAMP CLARK, of Missouri, in the House of Representatives, Wednesday, June 22, 1910. [Part of Congressional Record.]

Mr. Clark of Missouri said:

To show how preposterous is the argument made by President Taft, Mr. Chairman Payne, and others—that there was a bona fide revision down in the Payne-Aldrich-Smoot bill because the tariff was reduced on more items than it was increased, I submit the following figures, which cover most of the schedules and which prove conclusively that on the whole the revision was up and not down:

PRESIDENT TAFT'S PREMISE.

	Items.
The Dingley tariff consisted of.....	2,024
Of these there were unchanged.....	1,150
Leaving changed.....	874
Of these there were raised.....	220
Leaving reduced.....	654

The argument which the President uses is that inasmuch as 654 items were reduced and 220 raised, there was a reduction of the tariff. It is an argument based on numbers alone and is very fallacious.

AN ANALYSIS SHOWING THE WEAKNESS OF THE ARGUMENT.

2,024 items under Dingley law yielded.....	\$329,109,342
220 items, Payne law, added duties.....	13,287,368
654 items, Payne law, subtracted duties.....	7,638,330
	Per cent.
220 items, increased duties.....	4
654 items, decreased duties.....	2.3
874 changed items, increased duties.....	1.7

This analysis shows that the items selected for downward revision were to a great extent unimportant.

This may be shown in a far more forcible way. In the cotton and hemp schedules 200 items of carded yarn were reduced. These 200 items make a fine show for the argument based on

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numbers alone. Now, what are the facts about these carded yarns?

200 items, Dingley carded yarn, yielded duty.....	\$172,585
200 items, Payne carded yarn, will yield.....	169,135
	\$3,450

Or a reduction of \$17 an item.

This shows the fallacy of all arguments based on numbers. The entire reduction on 200 items is one-thousandth of 1 per cent.

SOME MORE GLITTERING GENERALITIES.

Republicans claim a large number of reductions in the iron schedule. An analysis of a few of them will show their weakness:

2 items, bars for railways, Dingley duties.....	\$30,885
2 items, bars for railways, Payne duties.....	15,440

We import no bars of consequence, being large exporters.

9 items, steel ingots, Dingley duties.....	\$435,000
9 items, steel ingots, Payne duties.....	401,000
	34,000

1 item, steel ingots, raised.....	81,000
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7 items, sheet iron, Dingley duties.....	32,500
7 items, sheet iron, Payne duties.....	30,600
	1,900

7 items, coated wire, Dingley duties.....	9,208
7 items, coated wire, Payne duties.....	9,044
	164

4 items, wire rope, Dingley duties.....	8,690
4 items, wire rope, Payne duties.....	7,821
	869

7 items, saw plates, Dingley duties.....	8,243
7 items, saw plates, Payne duties.....	2,339
	904

3 items, chains, Dingley duties.....	599
3 items, chains, Payne duties.....	469
	130

4 items, butchers' knives, Dingley duties.....	291
4 items, butchers' knives, Payne duties.....	227
	64

7 items, cold-rolled sheets, Dingley duties.....	1,543
7 items, cold-rolled sheets, Payne duties.....	1,479
	64

3 items, black sheet, Dingley duties.....	792
3 items, black sheet, Payne duties.....	396
	396

3 items, galvanized sheets, Dingley duties.....	3,043
3 items, galvanized sheets, Payne duties.....	2,344
	699

3 items, galvanized hoop, Dingley duties.....	1,314
3 items, galvanized hoop, Payne duties.....	992
	322

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3 items, nails, Dingley duties.....	655
3 items, nails, Payne duties.....	470
Reduction.....	185
2 items, tacks, Dingley duties.....	19
2 items, tacks, Payne duties.....	10
Reduction.....	9
1 item, horseshoes, Dingley duties.....	8
1 item, horseshoes, Payne duties.....	6
Reduction.....	2
3 items, screws, Dingley duties.....	77
3 items, screws, Payne duties.....	65
Reduction.....	12

Now, here are 68 reductions, aggregating \$55,270. They count as reductions—and they are reductions—but no candid man will argue that they are in any sense an honest revision of the tariff downward. All of our importations of these articles would not stock the hardware stores of a single second-class city for six months. We do not import these articles, and the revenue we derive from them, \$526,974, is but little over one-tenth of 1 per cent. of the whole revenue.

MORE OF THE SAME KIND.

59 items, chemical schedule, reduction.....	\$142,957
10 items, chemical schedule, raised.....	772,311

In addition to all these there are more than 100 reductions or items throughout the schedules where the total decrease per item is less than \$100—running from 40 cents to \$100. It is therefore clear that of the 654 so-called reductions, 434 are not material or of any importance. The remaining 230 may be called real reductions when considered by themselves, but, when taken in connection with the whole tariff law, sink into comparative insignificance.

The Payne law is a failure as a reduction, not simply because the number of reductions are unimportant and more apparent than real, but because it fails to reduce hundreds of the unchanged items. The entire wool and woolen goods schedule, with two minor exceptions, remains unchanged. The people had a right to expect a reduction in this schedule sufficiently significant to insure them lower prices for clothing, blankets, flannels, and other articles of common use. The same indictment applies to the cotton schedule, and to the hemp schedule, and with less force against all the schedules.

The Payne-Aldrich tariff.

CHEMICALS—SCHEDULE A.

ITEMS UNCHANGED.

	Per cent.
Acetic acid.....	17
Citric acid.....	18
Formic acid.....	25
Lactic acid.....	39
Sulphuric acid.....	16
Tartaric acid.....	25
Alkalies.....	25
Ammonia.....	25
Antimony salts.....	25
Barium.....	25
Caffeine.....	25

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	Per cent.
Calcium	25
Lime and soda.....	25
Potash, B. C.....	25
Soda, phos.....	25
Oils, essential.....	25
Oils, fixed.....	25
Oils, rendered.....	25
Croton oil.....	25
Ammonia car.....	27
Blacking	25
Bleaching powder.....	24
Blue vitriol.....	20
Camphor	7
Chalk	43
Tar dyes.....	30
Coal tar.....	20
Cobalt	25
Drugs	12
Logwood	11
Quebracho	17
Gelatin	32 to 44
Gelatin, MSRF.....	35
Sumac, ext.....	17
Glue	35
Fish glue.....	42
Glycerin, cr.....	15
Glycerin, ref.....	32
Indigo	13
Inks	25
Iodine	9
Chicle	29
Magnesia	22 to 51
Allizarin	52
Castor oil.....	25
Cod liver oil.....	24
Fusel oil.....	3
Hemp-seed oil.....	20
Rape-seed oil.....	20
Olive oil.....	43
Seal oil.....	28
Whale oil.....	24
Fish oil.....	33
Laudanum	40
Barytes, mfd.....	54
All blues.....	39
Blanc fixe.....	44
Bone black.....	25
Lampblack	25
Ochers, cr.....	9
Ochers, ref.....	41
Siennas, cr.....	9
Siennas, ref.....	22
Umbers, cr.....	18
Umbers, powd.....	31
Vermillion red.....	21
Whiting, dry.....	35
Zinc oxide.....	16
Zinc oxide in O.....	39
Zinc sulf.....	39
Zinc ch.....	36
Zinc sul.....	40
Paints, other.....	30
Crayons	30
Spanish brown.....	30
India red.....	30
Oxide iron.....	30
Vandyke	30
Cassel brown.....	30
Venetian red.....	30
Paris green.....	15
London purple.....	15
Phosphorus	41
Potash, st.....	9
Potash, lo.....	11
Saltpeter	9
Red pr. pot.....	38
Yellow pr. pot.....	39
Cyanide potash.....	13
Medicinal preparations.....	62
Calomel	35
Soap, castile.....	18
Soap, other.....	20
Sponges	20
Sumac	14

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ITEMS RAISED.

Oxalic acid, from free to 38 per cent.
 Blanco polish, from 20 to 25 per cent.
 Artificial silk, from 55 to 60 per cent.
 Collodion, all other, from 33 to 38 per cent.
 Orange oil, from free to 25 per cent.
 Opium, from 39 to 58 per cent.
 Morphine, from 63 to 95 per cent.
 Salts of opium, from 49 to 74 per cent.
 Barytes, crude, from 20 to 41 per cent.
 Perfumery, from 77 to 82 per cent.
 Cosmetics, from 50 to 60 per cent.
 Dentifrices, from 50 to 60 per cent.
 Perfumed soaps, from 34 to 46 per cent.
 Fancy soaps, from 34 to 46 per cent.
 Toilet soaps, from 34 to 46 per cent.
 Medicated soaps, from 34 to 46 per cent.

REDUCED ITEMS.

Boracic acid, from 140 to 84 per cent.
 Gallic acid, from 31 to 25 per cent.
 Salicylic acid, from 38 to 19 per cent.
 Tannic acid, from 114 to 79 per cent.
 Tartaric acid, from 20 to 14 per cent.
 Alcoholic comp., from 99 to 79 per cent.
 Cotton-seed oil, from 11 per cent. to free.
 Alumina, from 12 to 10 per cent.
 Alum cake, from 51 to 38 per cent.
 Ammonium sulphate, from 11 per cent. to free.
 Argols, crude, from 5.7 to 5 per cent.
 Argols, refined, from 35 to 26 per cent.
 Rochelle salt, from 38 to 28 per cent.
 Cream tartar, from 26 to 21 per cent.
 Borax, from 150 to 60 per cent.
 Borates, from 31 to 20 per cent.
 Chloroform, from 46 to 23 per cent.
 Copperas, from 5 to 3 per cent.
 Sulphuric ether, from 262 to 52 per cent.
 Fruit ether, from 66 to 33 per cent.
 Iodoform, from 32 to 23 per cent.
 Licorice, from 39 to 22 per cent.
 Linseed oil, from 49 to 37 per cent.
 Poppy-seed oil, from 31 to 23 per cent.
 Peppermint oil, from 36 to 18 per cent.
 Chromes, from 29 to 28 per cent.
 Ochers in oil, from 83 to 55 per cent.
 Siennas in oil, from 24 to 16 per cent.
 Umbers in oil, from 19 to 13 per cent.
 Orange mineral, from 58 to 56 per cent.
 Ultramarine, from 40 to 32 per cent.
 Red lead, from 56 to 52 per cent.
 Wash blue, from 27 to 21 per cent.
 Varnishes, from 104 to 53 per cent.
 White lead, from 46 to 40 per cent.
 Whiting in oil, from 30 to 15 per cent.
 Lead nitrate, from 63 to 56 per cent.
 Potash bichlorate, from 41 to 30 per cent.
 Litharge, from 57 to 52 per cent.
 Potash chlorate, from 34 to 27 per cent.
 Plasters, from 35 to 25 per cent.
 Santonin, from 12 to 6 per cent.
 Sodas, from 23 to 19 per cent.
 Salt, Glauber's, from 6 to 5 per cent.
 Niter cake, from 10 to 8 per cent.
 Sea moss, from 10 per cent. to free.
 Prepared moss, from 20 to 10 per cent.
 Strychnia, from 68 to 34 per cent.
 Sulphur, from 32 to 16 per cent.
 Vanillin, from 320 to 80 per cent.

SUMMARY.

Dingley duties, 1907.....	\$11,186,860
Payne decreases.....	142,957
	\$11,043,903
Duties as decreased.....	\$11,043,903
Payne increases.....	772,311
	\$11,816,214
Total Payne duties.....	
Or an increase over the Dingley law of 5.63 per cent.	

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SCHEDULE B.—EARTHENWARE AND GLASSWARE.

ITEMS UNCHANGED.

	Per cent.
Brick, fire.....	28
Brick, common.....	25
Tiles.....	46
Cement.....	25
Lime.....	20
Gypsum.....	20
Clays, worked.....	7
Clays, unworked.....	18
Clay, china.....	36
Bauxite.....	25
Asphalt.....	15
Fuller's earth.....	18 to 35
Asphaltum.....	36
Bitumen.....	36
Earthenware.....	20 to 25
Rockingham.....	40
China.....	48 to 60
Crockery.....	48
Plain white.....	55
Lava tips.....	24
Carbon pots.....	20
Bottles, filled.....	68
Bottles, empty.....	40 to 81
Bottles, colored.....	50
Demijohns.....	40 to 56
Cut glass.....	60
Paste, manufacturers'.....	48
Common window glass, small sizes.....	41 to 74
Looking-glass plates, small sizes.....	43 to 81
Plate glass, small sizes.....	43 to 125
Colored window.....	45 to 50
Spectacles.....	50 to 96
Lenses.....	45
Opera glasses.....	33 to 45
Glass windows.....	45 to 50
Fusible enamel.....	35
Rough marble.....	42
Agate.....	50
Alabaster.....	50
Jet.....	50
Machite.....	50
Marble, not specially provided for.....	50
Onyx, not specially provided for.....	50
Rock crystal.....	50
Spar.....	50
Clock cases.....	50
Firestones.....	50
Sandstone, hewn.....	50
Limestone, hewn.....	50
Granite, hewn.....	50
Grindstones.....	10
Slates.....	20
Slate mantels.....	20

ITEMS INCREASED.

Pumice stone, from 15 to 30 per cent.
 Gas retorts, from 10 to 20 per cent.
 Plate glass, fluted, from 42 to 53 per cent.
 Plate glass, fluted, from 49 to 61 per cent.
 Plate glass, polished, from 14 to 17 per cent.
 Plate glass, polished, from 43 to 53 per cent.
 These plate glass items are all small sizes.

ITEMS REDUCED.

Plaster rock, from 42 to 25 per cent.
 Mica, from 36 to 33 per cent.
 Carbons, lighting, from 46 to 26 per cent.
 Filter tubes, from 45 to 35 per cent.
 Window glass; large sizes, from 78 to 75 and 87 to 84 per cent.
 Looking-glass plates, largest size, from 93 to 61 per cent.
 Plate glass, largest size, from 5.78 to 3.82 per cent.
 Sawed marble, from 48 to 44 per cent.
 Marble paving tiles, from 80 to 53 per cent.
 Rough onyx, from \$1 a foot to 65 cents a foot.
 Sawed onyx, from \$1.10 to \$1.
 Onyx paving tiles, from 12 and 21 cents to 8 and 15 cents.
 Mosaic cubes, from 93 to 38 per cent.
 Crude building stone, from 25 to 19 per cent.

THE TARIFF AND COST OF LIVING

SUMMARY.

Dingley duties, 1907.....	\$15,349,939
Payne decreases.....	221,593
Duties as decreased.....	\$15,127,346
Payne increases.....	163,587
Total Payne duties.....	\$15,290,932
Or a decrease over Dingley of 0.32 of 1 per cent.	

SCHEDULE C.—METALS.

ITEMS UNCHANGED.

	Per cent.
Forgings	45
Penknives	40 to 84
Cutlery	40 to 91
Pruning knives.....	40 to 91
Knife blades.....	60 cents per dozen and 40
Knife handles.....	60 cents per dozen and 40
Scissors	45 to 67
Firearms	45 to 67
Shotguns	45 to 67
Plated sheets.....	40
Needles	41
Knitting needles.....	25
Umbrella ribs.....	50
German silver.....	25
Bronze powder.....	32
Dutch metal.....	62
Aluminum	53
Copper plates.....	5
Yellow metal.....	12
Gold leaf.....	37
Tinsel wire.....	10
Lead ore.....	78
Base bullion.....	70
Pig lead.....	49
Metals, not specially provided for.....	20
Sheet lead.....	48
Ferrochromes	20
Nickel	14
Pens	48
Gold pens.....	25
Pins	35
Type metal.....	21
New types.....	25
Watch movements, 15 jewels and up.....	43
Watch cases.....	40
Clocks, not specially provided for.....	40
Chronometers	40
Old zinc.....	31
Machinery	45
Aluminum, manufactures.....	45
Brass, manufactures.....	45
Bronze, manufactures.....	45
Copper, manufactures.....	45
Gold, manufactures.....	45
Iron, manufactures.....	45
Steel, manufactures.....	45
Lead, manufactures.....	45
Nickel, manufactures.....	45
Pewter, manufactures.....	45
Platinum, manufactures.....	45
Silver, manufactures.....	45
Tin, manufactures.....	45
Tin foil.....	45
Zinc, manufactures.....	45
Metals, composition, manufactures.....	45
Carriages	45
Sheet iron, cheapest.....	60

ITEMS INCREASED.

- Structural iron advanced from 36 to 45 per cent.
- Razors, from 56 to 94 per cent.
- Lithographic plates, from 25 to 50 per cent.
- Antimony ore, from 3 to 13 per cent.
- Antimony ox., from 25 to 51 per cent.
- Tinsel laces, from 60 to 77 per cent.
- Thorium, from 25 to 40 per cent.
- Gas mantels, from 20 to 40 per cent.
- Ferrosilicon, from 5 to 6 per cent.
- Ferrotungsten, from 20 to 40 per cent.
- Penholder tips, from 25 to 26 per cent.
- Watch movements, up to 15 jewels, from 66 to 82 per cent.

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Zinc ore, from free to 52 per cent.
 Calamine, from 3 to 84 per cent.
 Sheet iron, valued between 13 and 16 cents per pound, from 10 to 20 per cent.
 Wire rods, tempered, from 11 to 40 per cent.
 Steel ingots, valued above 16 cents per pound, from 13 to 20 per cent.

ITEMS REDUCED.

Iron ore, from 16 to 6 per cent.
 Pig iron, from 6 to 3 per cent.
 Scrap iron, from 30 to 7 per cent.
 Beams and girders, from 36 to 29 per cent.
 Bar iron, from 16 to 8 per cent.
 Boiler iron, from 46 to 38 per cent.
 Anchors, from 41 to 27 per cent.
 Hoop iron, from 29 to 17 per cent.
 Bands of steel, from 48 to 35 per cent.
 Railway iron, from 26 to 13 per cent.
 Sheet iron, from 35 to 25 per cent.
 Steel ingots, from 33 to 28 per cent.
 Wire rods, from 18 to 13 per cent.
 Round wire, from 39 to 35 per cent.
 Bonnet wire, from 45 to 35 per cent.
 Brass wire, from 46 to 40 per cent.
 Copper wire, from 48 to 40 per cent.
 Corset clasps, from 45 to 35 per cent.
 Wire manufactures, from 47 to 40 per cent.
 Wire rope, from 53 to 49 per cent.
 Cycle tubes, from 35 to 30 per cent.
 Table knives, from 57 to 52 per cent.
 Files, from 81 to 67 per cent.
 Cut nails, from 20 to 13 per cent.
 Wire nails, from 8 to 6 per cent.
 Spikes, from 43 to 32 per cent.
 Nuts, from 24 to 18 per cent.
 Horseshoes, from 24 to 18 per cent.
 Tacks, from 14 to 7 per cent.
 Rivets, from 14 to 9 per cent.
 Saws, circular, from 25 to 20 per cent.
 Saws, crosscut, from 18 to 15 per cent.
 Hand saws, from 30 to 25 per cent.
 Pit saws, from 25 to 18 per cent.
 Band saws, from 37 to 28 per cent.
 Screws, from 37 to 34 per cent.
 Aluminum, crude, from 39 to 34 per cent.
 Silver leaf, from 141 to 94 per cent.
 Bullion threads, from 40 to 35 per cent.
 Hooks and eyes, from 42 to 22 per cent.
 Sheet lead, from 48 to 46 per cent.
 Monazite sand, from 6 to 4 cents per pound.
 Zinc, in blocks, from 18 to 16 cents.
 Zinc, in sheets, from 28 to 23 per cent.
 Aluminum rope, from 48 to 40 per cent.

SUMMARY.

Dingley duties, 1907.....	\$21,811,184
Payne decreases.....	1,983,770
Duties as decreased.....	\$19,827,414
Payne increases.....	542,982
Payne duties, total.....	\$20,370,396
Or a decrease over the Dingley law of 6.65 per cent.	

SCHEDULE D.—WOOD.

ITEMS UNCHANGED.

	Per cent.
Sawed cedar.....	15
Wood, unmanufactured.....	20
Heading bolts.....	20
Staves.....	10
Chair cane.....	10
Skewers.....	25
Bark, manufactures of.....	35
Cabinet woods.....	15
Hubs.....	20
Stave bolts.....	20
Barrels.....	30
Toothpicks.....	44
Furniture.....	35
Veneers.....	20
Posts.....	20
Pickets.....	10
Shooks.....	24
Barrels filled with fruit.....	30
Wood, manufactures of.....	35

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ITEMS INCREASED.

Briar root, from free to 15 per cent.
 Shingles, from 13 to 24 per cent.
 Osier, prepared, from 20 to 25 per cent.

ITEMS REDUCED.

Timber, round or hewn, from 5 to 2 per cent.
 Sawed lumber, rough, from 11 to 7 per cent.
 Paving posts, from 20 to 10 per cent.
 Clapboards, from 20 to 10 per cent.
 Fence posts, from 10 per cent. to free.
 Laths, from 9 to 7 per cent.
 Lumber, rough, of white wood, basswood, or sycamore, from 5 to 2 per cent.
 Planed on one side, from 20 to 14 per cent.
 Planed on two sides, from 17 to 11 per cent.
 Planed on three sides, from 14 to 9 per cent.
 Planed on one side and tongued and grooved, from 19 to 12 per cent.
 Planed on two sides and tongued and grooved, from 20 to 13 per cent.

SUMMARY.

Dingley duties, 1907.....	\$3,705,024
Payne decreases.....	764,984
<hr/>	
Duties as decreased.....	\$2,940,040
Payne increases.....	188,513
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Total Payne bill duties.....	\$3,128,553
Or a decrease of 15.53 per cent.	

SCHEDULE E.—SUGAR.

ITEMS UNCHANGED.

	Per cent.
Raw sugar*.....	65
Molasses	20
Sugar cane.....	20
Maple sugar.....	49
Candy	66
Glucose	55
Confectionery	38 to 66

*The duty on all the sugar imported was \$60,338,523, of which raw sugar paid \$59,947,799.

ITEMS REDUCED.

Refined sugar, from 72.57 to 70.70 per cent. The entire duty on all imported sugar was \$60,338,523, of which refined sugar paid \$84,220.
 Saccharine, from 2.16 to 89 per cent. Only \$339 worth was imported.
 Besides these two items, reduced arrangements were made to permit a certain amount of sugar to come in free from the Philippines.

REMARKS.

Mr. Boutell took a string to illustrate his position that the tariff does not affect prices. For his examples he chose confectionery and razors. The razor he exhibited contained a few cents' worth of steel. He calculated the duty on this steel, added it to the cost of the steel, and then compared it with the retail price. The duty, however, is not on the steel in the razor, but is a compound duty on the razor, 6 to 15 cents, or from 72 cents to \$1.80 per dozen and 35 per cent., or an equivalent ad valorem from 72 to 96 per cent. Imported razors cost from \$1.20 to \$4.80 per dozen. He used the highest-priced razor—and a patent razor at that. A 40-cent razor, imported, would pay 15 cents plus 35 per cent. of 40 cents, or 15 cents plus 14 cents, or 29 cents. A dollar razor would pay 15 cents plus 35 cents, or a 50-cent duty. So he took a high-price box of confectionery, selling in Washington at 80 cents. Why did he not take stick candy that the people use generally and which sells at from 10 to 15 cents a pound, and which pays a duty of 4 cents a pound and 15 per cent? A candy imported at 6 cents a pound would pay 5 cents duty, or nearly 100 per cent. Or why did he not take

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sugar, that everybody uses? At the first end of the string the producer gets from 2 to 2¼ cents a pound; the raw-sugar duty is 1¾ cents and the refined-sugar duty 1.9 cents. The duties run from 3.65 cents to 3.9 cents on an article that gives the producer from 2 to 2.5 cents. In this case the tariff is the hog end of the bite.

Dingley duties, 1907, \$60,338,523; Payne decreases, \$2,657, or a reduction of four thousandths of 1 per cent.

SCHEDULE F.—TOBACCO.

ITEMS UNCHANGED.

The entire schedule is unchanged. The revenues collected in 1907 amounted to \$26,125,037.

	Per cent.
Wrapper tobacco.....	186
Filler tobacco.....	64
All other tobacco.....	164
Snuff.....	78
Plug tobacco.....	78
All other manufactures.....	151
Cigars.....	152
Cigarettes.....	146

ITEMS REDUCED.

The only reduction was the concession made to the Philippines.

SUMMARY.

Dingley duties, 1907, \$26,125,037.

SCHEDULE H.—SPIRITS.

ITEMS UNCHANGED.

	Per cent.
Fruit sirup.....	16
Ginger ale.....	24
Lemonade.....	25
Mineral waters.....	37

ITEMS RAISED.

- Brandy, from 118 to 137 per cent.
- Alcohol, from 1,018 to 1,176 per cent.
- Gin, from 239 to 276 per cent.
- Whisky, from 123 to 142 per cent.
- All other spirits, from 174 to 201 per cent.
- Compounds, from 118 to 137 per cent.
- Cordials, from 113 to 131 per cent.
- Bay rum, from 331 to 367 per cent.
- Still wines, from 45 to 54 per cent.
- Vermuth, from 54 to 70 per cent.
- Beer, from 42 to 48 per cent.
- Malt extract, from 52 to 59 per cent.
- Cherry juice, from 88 to 101 per cent.
- Prune juice, from 100 to 117 per cent.

ITEMS DECREASED.

None.

SUMMARY.

Dingley duties, 1907.....	\$16,318,220	
Payne increases.....	4,387,149	
		\$20,705,369
* Total Payne bill duties.....		
		\$20,705,369
Or an increase over the Dingley law of 26.88 per cent.		

SCHEDULE I.—COTTON.

ITEMS UNCHANGED.

Seventy items of thread and yarn at varying rates:

	Per cent.
Spool thread.....	46
Skein thread.....	36
Cloth, dyed.....	19

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	Per cent.
Cloth, 50 to 100 threads.....	18 to 32
Cloth, 50 to 100 bleached threads.....	19 to 39
Cloth, 50 to 100 dyed threads.....	33 to 42
Cloth, 150 to 200 threads.....	27 to 40
Cloth, 150 to 200 bleached threads.....	26 to 35
Cloth, 150 to 200 dyed threads.....	40 to 46
Cloth, over 400 threads.....	28 to 48
Cloth, over 400 bleached threads.....	49 to 61
Cloth, over 400 dyed threads.....	38 to 46
Figured cloth.....	38 to 40
Cloth, 100 to 150 threads.....	17 to 30
Cloth, 100 to 150 bleached threads.....	23 to 30
Cloth, 100 to 150 dyed threads.....	31 to 42
Cloth, 200 to 300 threads.....	36 to 40
Cloth, 200 to 300 bleached threads.....	41 to 45
Cloth, 200 to 300 dyed threads.....	37 to 49
Sleeve linings.....	58
Cotton cloth, coated.....	38
Handkerchiefs.....	54 to 60
Clothing.....	50
Eleven items of plushes.....	47 to 65
Five items, shirts and drawers.....	56 to 64
Shoe lacings.....	51
Lamp wicks.....	49
Table damask.....	40
Chenille curtains.....	50
Bandings.....	45
Labels.....	47
Belting, machine.....	40
Cotton duck.....	35
All other cotton manufactures.....	45

ITEMS INCREASED.

- Cloth, under 50 threads, unbleached, from 11 to 26 per cent.
- Cloth, under 50 threads, bleached, from 7 to 42 per cent.
- Cloth, exceeding 8 square yards to pound, from 35 to 41 per cent.
- Cloth, exceeding 8 square yards, dyed, from 35 to 45 per cent.
- Bleached figured cloth, from 40 to 53 per cent.
- Dyed figured cloth, from 38 to 46 per cent.
- Cloth, valued at 7 cents, from 25 to 34 per cent.
- Cloth, valued at 9 cents, from 25 to 34 per cent.
- Cloth, valued at 10 cents, from 35 to 42 per cent.
- Cloth, valued at 12 cents, from 35 to 46 per cent.
- Cloth, valued at 12½ cents, from 40 to 44 per cent.
- Cloth, valued at 17½ cents, from 40 to 51 per cent.
- Cloth, valued at 16 to 25 cents, from 40 to 46 per cent.
- Of 38 items of figured cloth 18 are raised, 2 lowered, and 18 unchanged.
- Mercerized cloth is a new item and pays 1 cent more duty than the unmercerized grades.
- Of 7 items of knit goods 3 are unchanged and 4 are raised.

ITEMS REDUCED.

- Corsets, from 54 to 50 per cent.
- Of 99 items of carded yarn 30 are reduced about 1 per cent.

SUMMARY.

Dingley duties, 1907.....	\$14,291,026
Payne decreases.....	737
Duties as decreased.....	\$14,290,289
Payne increases.....	1,544,823
Total Payne bill duties.....	\$15,835,112
Or an increase over the Dingley law of 10.80 per cent.	

SCHEDULE J.—FLAX, HEMP, AND JUTE.

ITEMS UNCHANGED.

	Per cent.
Straw tow.....	11
Straw, not hackled.....	8
Straw hackled.....	13
Jute yarns.....	22 to 35
Cable hemp.....	25
Binding twine.....	2.5
Yarns, finer than 8 lea.....	40
Single yarns.....	15
Other yarns.....	45
Tapes.....	40
Linoleum.....	56
Waterproof.....	40
Collars and cuffs.....	58
Linen collars.....	49

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	Per cent.
Laces	60
Wearing apparel.....	60
Window curtains.....	60
Wearing apparel, lace.....	60
Handkerchiefs	60
Burlaps	22
Eleven items—lace curtains from Nottingham lace.....	50 to 67
Pile fabric.....	60
Bags	26
Bagging	9
Woven fabrics.....	50
All other flax manufactures.....	45
All other hemp manufactures.....	45
All other jute manufactures.....	45
All other Ramie manufactures.....	45

ITEMS INCREASED.

Hemp, not hackled, from 10 to 12 per cent.
 Hemp, hackled, from 12 to 13 per cent.
 Hemp, tow, from 17 to 19 per cent.
 Mattings, 10-cent, from 36 to 42 per cent.

ITEMS REDUCED.

One hundred and sixty-nine items of carded yarns and threads reduced 1 per cent.
 Cables of other than hemp, from 10 to 7 per cent.
 Yarns not finer than 8 lea, from 54 to 46 per cent.
 Five items gill netting.
 15-cent carpet, from 77 to 64 per cent.
 Carpet, more than 15-cent, from 55 to 46 per cent.
 Hose, hydraulic, from 37 to 28 per cent.
 Oilcloths, from 52 to 47 per cent.

SUMMARY.

This schedule in 1907 under the Dingley law paid.....	\$49,900,580
The above decreases will amount to.....	311,416
Leaving.....	\$49,589,144
The increases will be.....	187,132
Making the total duties under Payne law.....	\$49,776,276
This schedule is therefore reduced about 0.24 of 1 per cent.	

SCHEDULE K.—WOOL.

ITEMS UNCHANGED.

	Per cent.
First-class wool, unwashed, on skin.....	47
Second-class wool, on skin.....	39
First-class wool, unwashed, not on skin.....	44
Second-class wool, not on skin.....	41
First-class wool, washed.....	61
First-class wool, scoured.....	37
Third-class wool.....	26 to 45
Goat hair.....	35
Slubbing waste.....	118
Top waste.....	62
Wool extract.....	46
Noils	56
Shoddy	98
Flocks	32
Woolens, n. s. p. f.....	87 to 149
Knit fabrics, 40 cents a pound.....	141
Knit fabrics, 40 to 70 cents.....	119
Knit fabrics, above 70 cents.....	95
Plushes, 40 cents per pound.....	141
Plushes, 40 to 70 cents per pound.....	114
Plushes, above 70 cents per pound.....	95
Cloths, 40 cents per pound.....	134
Cloths, 40 to 70 cents per pound.....	118
Cloths, above 70 cents.....	94
Blankets, value 40 cents per pound.....	107
Blankets, 40 to 50 cents per pound.....	106
Blankets, above 50 cents per pound.....	71
Blankets, over 3 yards long.....	104 to 120
Flannels, 40 cents per pound.....	143
Flannels, 40 to 50 cents per pound.....	101
Flannels, 50 to 70 cents per pound.....	105
Flannels, above 70 cents per pound.....	81
Flannels, over 4 ounces to square yard.....	106 to 125

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	Per cent.
Women's dress goods:	
Under 70 cents per pound.....	105
Above 70 cents per pound.....	106
Over 4 ounces to pound.....	96 to 115
Felts	95
Clothing	80
Hats	86
Knitted articles.....	92
Webbings	80
Shawls	54 to 92
Carpets:	
Axminster	66
Brussels	72
Velvet.....	75
Tapestry	58
Ingrain	66
Wool	58
Whole, for rooms.....	60
Druggets	70
Felt carpets.....	50
Cotton carpets.....	50
Flax carpets.....	50
Mats	114

ITEMS INCREASED.

None.

ITEMS DECREASED.

Yarns, from 27½ cents and 40 per cent. to 27½ cents and 30 per cent.
 Women's dress goods, over 4 ounces, 50, 55, and 60 per cent. to 45, 50, and 55 per cent.

SUMMARY.

Dingley duties, 1907.....	\$36,554,815
Payne decreases.....	128,601

Total Payne duties..... \$36,426,214

Or a decrease over the Dingley law of thirty-five one-hundredths of 1 per cent.

SCHEDULE L.—SILKS.

ITEMS UNCHANGED.

	Per cent.
Velvets, at \$3.31 per pound.....	60
Three items silk handkerchiefs.....	60
Laces	60
Bandings	50
Beltings	50
Wearing apparel.....	50
Silks, ornamental.....	60
Silks, not specially provided for.....	50
Silk buttons.....	50

ITEMS INCREASED.

Silk, partly manufactured, from 41 to 46 per cent.
 Spun silk, under \$2 a pound, 3 increase.
 Thrown silk, from 30 to 46 per cent.
 Sewing silk, from 30 to 72 per cent.
 Plushes, averaging \$1.66 per pound, from 75 to 105 per cent.
 Pile fabrics, \$2.74 per pound, from 69 to 72 per cent.
 1½-ounce fabrics, from 68 to 71 per cent.
 \$5 fabrics, from 50 to 70 per cent.
 Fabrics, boiled off, from 54 to 55 per cent.
 Fabrics, dyed in piece, from 59 to 60 per cent.
 Three items, 8-ounce fabrics, from 78 to 100 per cent.
 Four items, 8-ounce dyed, from 78 to 100 per cent.
 One item handkerchiefs, from 53 to 60 per cent.
 Horsehair, from 20 to 37 per cent.

ITEMS DECREASED.

Plushes, averaging \$3.63 per pound, from 50 to 49 per cent.
 Velvets, averaging \$5.03 per pound, from 50 to 45 per cent.
 Pile fabrics, averaging \$8.42 per pound, from 50 to 23 per cent.
 ¼-ounce fabrics, from 67 to 60 per cent.
 All dear 8-ounce fabrics reduced.
 Unhemmed handkerchiefs, from 61 to 50 per cent.
 Hemmed handkerchiefs, from 63 to 60 per cent.

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SUMMARY.

Dingley duties, 1907.....	\$20,313,708
Payne decreases.....	2,969
Duties decreased.....	\$20,310,737
Payne increases.....	3,148,010
Total Payne duties.....	\$23,458,747
Or an increase over the Dingley law of 15.48 per cent.	

SCHEDULE M.—PULP.

ITEMS UNCHANGED.

	Per cent.
Mechanically ground pulp (all subject to countervailing duty).....	13
Chemical, unbleached.....	9
Chemical, bleached.....	10
Sheathing paper.....	10
Roofing felt.....	10
Filter masse.....	30
Two items copy paper.....	39
Letter copying books.....	35
Filtering paper.....	40
Parchment.....	21
Two kinds photographic paper.....	19 to 30
Two kinds envelopes.....	20 to 35
Jacquard designs.....	35
Paper hangings.....	35
Books.....	25
Blank books.....	25
Engravings.....	25
Albums.....	35
Boxes.....	45
Playing cards.....	138
Manufactures of paper.....	35

ITEMS INCREASED.

- Two surface-coated papers, from 37 to 44 per cent. and 44 to 50 per cent.
- One kind lithographic print, from 15 to 27 per cent.
- Six kinds of cigar labels.
- Three kinds of writing paper, from 26 to 32 per cent.
- Paper, n. s. p. f., from 25 to 30 per cent.

ITEMS DECREASED.

- Three items of printing paper.
- Books for children's use, from 22 to 19 per cent.
- One kind of lithographic print, from 35 to 19 per cent.
- One kind of writing paper, from 38 to 36 per cent.

SUMMARY.

Dingley duties, 1907.....	\$4,136,029
Payne decreases.....	19,757
Duties decreased.....	\$4,117,272
Payne increases.....	433,220
Total Payne duties.....	\$4,550,492
Or an increase over the Dingley law of 10.02 per cent.	

SCHEDULE N.—SUNDRIES.

ITEMS UNCHANGED.

	Per cent.
Beads and ornaments.....	35
Fabrics of beads.....	60
Materials for hats.....	15
Materials, bleached.....	20
Materials, partly manufactured.....	35
Trimmed materials.....	50
Brooms.....	40
Brushes.....	40
Bristles.....	9
Buckles.....	77
Button forms.....	10
Agate buttons.....	70
Bone buttons.....	66
Collar buttons.....	50
Glass buttons.....	33
Metal buttons.....	30
Pearl buttons.....	57
Shoe buttons.....	44

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	Per cent.
Other buttons.....	50
Trouser buttons, steel.....	126
Trouser buttons, metal.....	35
Coke.....	20
Cork bark.....	13
Corks.....	42
Dice.....	50
Toys.....	35
Emery.....	21
Firecrackers.....	97
Fulminates.....	30
Mining fuse.....	35
Furs, seal.....	20
Furs, other.....	20
Furs, not on skin.....	20
Fans.....	50
Gun wads.....	20
Human hair.....	20
Human hair, manufactures.....	35
Curled hair.....	10
Hair seating.....	14
Four kinds fur hats.....	35 to 55
Jewelry.....	60
Diamonds, not set.....	10
Other precious stones.....	10
Pearls, natural.....	20
Ninety-five items of kid gloves.....	
Manufactures of amber.....	25
Manufactures of asbestos.....	25
Manufactures of bladders.....	25
Manufactures of catgut.....	25
Manufactures of wax.....	25
Candles.....	20
Manufactures of whalebone.....	35
Manufactures of gutta-percha.....	35
Manufactures of ivory.....	35
Manufactures of shells.....	35
Manufactures of gypsum.....	35
Manufactures of india rubber, vulcanized.....	35
Masks.....	35
Cocoa matting.....	21
Cocoa mats.....	48
Musical instruments.....	45
Peat moss.....	17
Pencils.....	40
Slate pencils.....	35
Photographic plates.....	25
Tobacco pipes.....	53
Pipes, n. s. p. f.....	60
Hatter's plush.....	10
Umbrellas.....	50
Umbrella sticks.....	40
Walking canes.....	40
Waste.....	10
Fur waste.....	10
Unenumerated unmanufactured.....	10
Unenumerated manufactured.....	20
All other fibers.....	20

ITEMS INCREASED.

Fireworks, from 20 to 75 per cent.
 Feathers, from 15 to 20 per cent.
 Ostrich feathers, from 15 to 20 per cent.
 Feathers, other, from 12 to 16 per cent.
 Feathers, dressed, from 50 to 60 per cent.
 Feathers, ostrich, dressed, from 50 to 60 per cent.
 Feathers, other, dressed, from 40 to 48 per cent.
 Feathers, artificial, from 50 to 60 per cent.
 Quilts, from 50 to 60 per cent.
 Manufactures of coral, from 50 to 60 per cent.
 Manufactures of chip, from 30 to 35 per cent.
 Manufactures of leather, from 35 to 40 per cent.
 Manufactures of bone, from 30 to 35 per cent.
 Manufactures of straw, from 30 to 35 per cent.
 Manufactures of india rubber, from 30 to 35 per cent.
 Manufactures of palm leaf, from 30 to 35 per cent.
 Manufactures of seal, from 35 to 50 per cent.
 Manufactures of weeds, from 30 to 35 per cent.
 Toothpicks, plain, from 17 to 35 per cent.
 Pencil leads, from 10 to 35 per cent.

ITEMS DECREASED.

Slack, from 21 to 14 per cent.
 Gunpowder, from 21 to 10 per cent.
 Matches, from 31 to 23 per cent.
 Blasting caps, from 90 to 86 per cent.

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Cartridges, from 35 to 30 per cent.
 Haircloth, from 65 to 52 per cent.
 Cheap fur hats, from 96 to 77 per cent.
 Hides, from 15 per cent. to free.
 Band leather, from 20 to 5 per cent.
 Upper leather, from 20 to 7.5 per cent.
 Leather, n. s. p. f., from 20 to 15 per cent.
 Calfskins, from 20 to 15 per cent.
 Chamols skins, from 20 to 15 per cent.
 Skins for morocco, from 20 to 15 per cent.
 Skins for morocco, from 20 to 15 per cent.
 Patent leather, from 36 to 29 per cent.
 Boots and shoes, from 25 to 10 per cent.
 Shoe laces, from 39 to 29 per cent.
 Leather, cut, from 35 to 25 per cent.
 Five items of kid gloves.
 Harness, from 45 to 20 per cent.
 Paintings, in oil, from 20 to 15 per cent.
 Statuary, from 20 to 15 per cent.
 Agricultural implements, from 20 to 15 per cent.

SUMMARY.

Dingley duties, 1907.....	\$29,896,505
Payne decreases.....	3,950,198
Duties decreased.....	\$25,946,307
Payne increases.....	538,192
Total Payne duties.....	\$26,484,499
Or a decrease over the Dingley law of 11.41 per cent.	

PRICES OF COMMODITIES AND INCREASED COST OF LIVING

Speech of Hon. F. M. SIMMONS, of North Carolina, in the Senate of the United States, Saturday, June 25, 1910. [Part of Congressional Record.]

Mr. Simmons said:

Mr. President—The increased cost of many articles in common use has arrested the attention of the public. On January 10, 1910, the Senate directed the Secretary of Commerce and Labor to transmit information on that subject. In conformity, the Secretary transmitted his response on February 3. The tables he brought to the attention of the Senate indicate advances in nearly every commodity. In 1908 there was a sharp decline; a decline of 6 per cent. in all commodities, in the aggregate; but while the decline in farm products was 3 per cent. there was an advance in food of 2 per cent.

In 1909 (Doc. No. 488, p. 1) it is stated that wheat and some other articles of food have still further advanced; while others, corn, potatoes, rice, and so forth, have declined.

Various causes have been assigned for these increases in price. Prices are somewhat based on the cost of production and are largely determined by supply and demand, and changes in prices are brought about by causes that affect these basic elements. The increase in the circulation, higher wages, a higher standard of living, and other such causes, have doubtless exerted an influence toward increasing prices.

In so far as the increase has been affected by an advance in the price of labor, whether on the farm or in the factories; in

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so far as it represents an elevation in the standard of living, whether in our own country or abroad; in so far as the high prices are a measure of prosperity, a natural accompaniment of prosperous times, we should hail it with satisfaction. But in so far as it is to be attributed to artificial, unnatural, and improper causes, the wrong and injustice done to those of our citizens who suffer from the increased cost of living should be removed.

On January 28 the distinguished Senator from Massachusetts [Mr. Lodge], in an exceedingly comprehensive speech on the subject of prices, reached the conclusion that the cause of the advance in prices was the addition to the supply of gold throughout the world, operating to cause an inflation of prices, and that the advance was not to be attributed to the tariff.

On a careful review of the facts, I am led to a different opinion and conclusion.

If the fundamental cause were the increased supply of gold, we would expect a general and uniform advance in prices, an advance world-wide and extending to all the commodities that have a world-wide market. Beginning with 1887, more than twenty years ago, the addition of both gold and silver annually to the supply of the precious metals has been notable. But while the addition to the supply of gold has been constant, prices of commodities have greatly fluctuated.

In this country instead of an advance from 1890 to 1897 prices declined 23 points, or 20 per cent. At page 555, Statistical Abstract for 1908, is given the relative prices of all commodities. It is stated for 1890 at 112.9; and for each subsequent year as follows: 1891, 111.7; 1892, 106.1; 1893, 105.6; 1894, 96.1; 1895, 93.6; 1896, 90.4; and for the year 1897, 89.7; there being a decline of 23.2 points, or 20 per cent. During that period there was, with the exception of the year 1896, an annual increase of the per capita circulation. Notwithstanding that in 1891 there was an increased per capita over 1890, prices fell. In 1892 there was a larger increase per capita, and prices fell again; fell 5 per cent. In 1894, when the per capita remained the same as in 1892, prices took another tumble, falling 10 per cent. During all this time the stock of gold of the world was annually increasing. The annual increment in the world's supply of gold between 1876 and 1890 was more than \$100,000,000, reaching in the latter year \$118,000,000. In 1896 it rose to over \$200,000,000 and in 1897 to over \$236,000,000. The annual addition to the supply of gold doubled during the seven years between 1890 and 1897, a period of falling prices, that for 1897 being 100 per cent. greater than for 1890, the average annual increase during that period being 14 per cent.

These tables show that during the years between 1890 and 1897, coincident with these additions to the gold supply and with an increased circulation, there was a decline in prices. This fact is inconsistent with the theory that an increase in the gold supply always brings increased prices. The advance in prices began in 1897 and 1898, and coincident with it was a continued increase in the annual gold supply. Relative prices

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were in 1897, as stated, 89.7; and there was a constant advance until they reached 129.5 in 1907, a rise of 40 points, being 44 per cent.

In 1897 the annual increment in the stock of gold was, as I have stated, \$236,000,000, and it constantly rose until it reached \$410,000,000 in 1907. During this decade—a decade of rising prices—the increase in the annual addition to the supply was 70 per cent., being an average for those ten years of 7 per cent. annually.

But it is to be recalled that the similar increment between 1890 and 1897 was 100 per cent., being 14 per cent. annually.

In other words, during the period while the annual addition to the gold supply was increasing 14 per cent., prices in this country fell 23 per cent., whereas during the period while the annual addition was increasing at the rate of 7 per cent., the prices rose 44 per cent. in this country. These facts are utterly inconsistent with the theory that the cause of the advance in prices has been the enlarged supply of gold.

That the cause of these increases in prices is not primarily due, as now contended by our opponents, to the increased supply of gold, but to the protective system, is shown by the fact that these increases have not been general and uniform in any country, but have been largely confined to those countries having a protective tariff.

It is also shown by the fact that while in those countries, such as Germany, France, Austria, Canada, and so forth, having a protective tariff similar to our own, there has been an advance in prices nearly on a parity with the advance in this country, in countries such as Great Britain, where they have, practically, free trade, there has been but little advance during the past decade.

Abundant confirmation of these statements will be found in the reports of our consuls to these countries. I have not the time to do more than call attention to some of these reports and read a few brief excerpts from some of them.

From the report of the consul at Chemnitz (p. 3, Doc. No. 477, pt. 1), and the report of the consul at Berlin (p. 81), and of the consul at Frankfort (p. 85) it appears that there has been an advance in Germany similar to that here. There are some exceptions; metals and agricultural implements, sugar, coffee, rice, wool, and some vegetables have not advanced.

The same condition is noted in France (p. 65); in Austria (p. 77); and in Canada. I quote the following statement from a report of a special investigation in Canada (p. 45, Doc. No. 409):

The pronounced advanced in general prices, which has undoubtedly taken place in the past decade, has borne with increased heaviness upon all and has been the cause of widespread dissatisfaction, discomfort, and embarrassment.

At page 77 the consul at Vienna says:

The increased cost in Austria is variously explained. Greater production of gold. The tendency of organized labor to demand increased wages, etc.

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But he himself adds:

Tariffs have distinctly raised prices. The protected Austrian producers take the entire benefit of the tariff, keeping their prices at as high a figure as possible without permitting importations.

Truly human nature is much the same at Vienna as at Chicago. The protected producers take the entire benefit as far as they can. And why not? Is not the benefit provided for them by law with the expectation they will avail themselves of it?

That prices have greatly advanced in recent years in each of these protected countries is, I presume, universally admitted. The advance, it is true, has not, as a rule, been so great as in this country, but their tariff schedules, while protective, are nothing like so high as ours, and so have not afforded the same opportunities for exploiting the domestic markets as have ours.

Now, what are the facts as to prices in free-trade England? England has a wider commerce than any other country. She is the clearing house for the nations of the world, and her prices respond more certainly to any world-wide influence than those of any other country. We must look to England for the effect on prices of the increased supply of gold. Do we not find in England the advance in prices that is found here or in those other countries that have a protective tariff? The answer will be found in the reports of our consuls to that country, and they leave no sort of doubt as to what are the facts.

The consul-general at London says (p. 8, S. Doc. No. 477), as follows:

A remarkable feature of this report, on the whole, is the fact that has been so little variation within the past decade in the prices of commodities in London. Some have shown depreciation, such as grain, cotton, leather, and lumber. Some commodities, such as provisions and meats, have increased with reference to some items and decreased in respect to others.

Some lines, such as boots and shoes and clothing, remain practically the same as ten years ago, while material decreases are noted in the prices of iron and steel, farming implements, brick, cement, and oil.

These are the facts, given by our own consul, as to prices in London, the heart of that great free-trade country and the greatest city in all the world.

The explanation he gives is partly the conservatism of the English, and he adds:

The second reason for the even maintenance of prices is the fact that England is preeminently a shipping nation, and consequently the markets of all the world are reached by her ocean liners.

London, therefore, it would seem, should be the place of all others in the world where the effect of an increase in the world's gold supply on prices should be the greatest and first felt. Yet there has been, according to this great Republican official's report to his Government—

but little variation within the past decade in the prices of commodities in London.

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The increase in gold supply has not raised prices there.

On page 18, Part I, Document 477, the retail prices of tweed suits, blue serge, school suits, and overcoats are given for the years 1900 and 1910 as being exactly the same. The consul adds that—

these grades of clothing, it is pointed out, are as good or better now than in 1900.

Coal, iron, cement, and bricks have decreased in price.

The consul-general in Liverpool says:

Manufacturers and retailers decline to furnish prices, but state that there is no material difference in these prices in 1900 as compared with those prevailing at the present time—February, 1910 (p. 46.)

Consul Ingram, at Bradford, under date March 24, 1910, quotes live stock as follows: Sheep, in 1900, at 16 cents per pound, and for 1910 also 16 cents; cattle, in 1900, 13 cents per pound, and in 1910 13½ cents; hogs, in 1900, 11 cents per pound, and in 1910, 14 cents.

Oats, corn, and bran, he says, "were practically the same in 1900 as now, but hay and wheat were somewhat lower. Prices of tea have not varied since 1900. Coffee prices do not change much; it is a matter of blending to meet differences in cost." Flour and bread have advanced. Of shoes, he says:

on the higher qualities of boots and shoes prices have gone up 10 per cent. as compared with 1910. On the ordinary qualities standard prices have remained as formerly, the difference being made in the quality of leather used.

He says "the prices of men's clothing are the same as in 1900," and bears testimony that "really good suitings command as high a price now as they did in 1900." In hats, he says:

The tendency has been upward, although but little has been done in that direction. In haberdashery there has been but slight advance in prices since 1900, the tendency, if any, being upward. The present prices of ladies' costumes are about the same as those prevailing in 1900.

Bricks and oil are cheaper; cement the same. Agricultural implements and structural steel are much cheaper than in 1900.

Of the prices of boots and shoes the consul at Birmingham says one of the leading shoe stores in Birmingham that sells its own product, which is made in Northampton, states that the prices of boots and shoes have not increased since 1900, but that they are giving better quality for the same price (p. 40).

These figures and statements and others that might be quoted show conclusively that in England, the financial center of the world, whose commerce is more extensive than that of any other nation, prices have not risen as with us, and as in those other countries where the natural laws of trade are interfered with by protective tariffs.

While in England the prices of some provisions have increased because of a larger demand and a smaller supply, yet there has been no such appreciation of values as can be attributed to the increase in the supply of gold.

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Before passing from the consideration of this particular branch of the subject, it is well to observe that while there has been a large addition to the stock of precious metals, there has been an increase in population and a dispersion of population; a much wider demand; and, a still more important element, a larger use of money. The aggregate mass of property against which money is to measure itself has been multiplied in recent years in an accelerating ratio. While there is more money, there is more need for it, and larger uses for it.

But whatever may be the causes that have minimized the natural effect of an enlarged supply of currency, we find, when we turn to that country which is assuredly the barometer of world prices, unaffected by local causes, that there has been no notable advance in prices.

Again, when we consider the prices of certain staple commodities, produced under conditions that exempt them from the operation of a protective tariff, we find that their selling value has not increased as it would have done had there been a general appreciation of values incident to an oversupply of gold. The commodities I have in mind are such as tea, coffee, sugar, silk, flax, molasses, fish, wool, and so forth. On page 550 of the Statistical Abstract is found a table of the import prices of imported merchandise, giving the import value of the articles enumerated in the following table. These are substantially the prices in the countries of production before their values have been increased by the addition of our import duties.

Import prices of imported merchandise.

Year.	Coffee.		Flax.		Molasses.		Silk.		Sugar.		Tea.		Clothing wool.	
	Per lb.	Per ton.	Per gal.	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.	Per lb.	
1890.....	\$0.16	\$271.00	\$0.16	\$3.92	\$0.0327	\$0.15	\$0.23							
1891.....	.19	261.00	.16	3.66	.0303	.17	.23							
1892.....	.20	251.00	.13	3.23	.0293	.16	.21							
1893.....	.14	280.00	.13	3.90	.0308	.16	.18							
1894.....	.16	307.00	.10	3.16	.0291	.15	.15							
1895.....	.14	284.00	.09	2.76	.0202	.13	.17							
1896.....	.14	230.00	.09	3.28	.0226	.13	.17							
1897.....	.11	206.00	.16	2.84	.0199	.14	.18							
1898.....	.07	215.00	.16	3.05	.0224	.13	.15							
1899.....	.06	201.00	.15	3.19	.0238	.13	.21							
1900.....	.06	236.00	.19	3.96	.0249	.12	.16							
1901.....	.07	273.00	.11	8.21	.0226	.12	.42							
1902.....	.06	269.00	.10	2.31	.0180	.12	.18							
1903.....	.06	248.00	.07	3.59	.0170	.14	.19							
1904.....	.07	251.00	.06	3.25	.0194	.16	.23							
1905.....	.09	279.00	.05	3.34	.0264	.15	.25							
1906.....	.09	266.00	.06	3.64	.0214	.15	.24							
1907.....	.08	260.00	.04	4.20	.0211	.16	.26							
1908.....	.07	263.00	.04	4.13	.0237	.17	.22							

Herring, per barrel, in 1890 was \$7; 1897, \$6.97; 1907, \$7.50. Mackerel in 1890 was \$14.35; in 1897, \$11.35; and 1907, \$12.28. Still wines in 1890 were 70 cents; in 1896, 68 cents; in 1897, 94 cents; and in 1907, 57 cents.

It appears from this table that prices of these staple products in the country of their production, before those prices have felt the influence of the duties imposed by the tariffs of protective countries, have not advanced, but in the aggregate have declined.

The prices of these commodities show no such advance as indicates an appreciation because of the increased gold supply,

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and they are inconsistent with a world-wide influence, advancing values as the result of a larger volume of money.

There is another fact that bears on the subject: Even in those countries whose industries are walled in by high tariff duties, whose prices in the main, therefore, are dependent on conditions that operate only locally, the advance has not been uniform; and, indeed, in some years, notwithstanding the increase in money, there was a decrease in prices.

And there is still another fact: That while the prices of some commodities have advanced others have declined. These facts are utterly inconsistent with the idea that the primary cause of the advance has been the increase in the supply of gold.

Had that been the case there would have been a uniform additional value imparted to every commodity whose value is measured by the stock of money in the world. There would have been a relative depreciation of money and appreciation of commodities. But while I utterly repudiate the idea that the advance in our prices is to be attributed primarily or chiefly to the increased supply of gold, yet I recognize that the general prosperity of the world has been promoted by this addition to the world's currency, and I also recognize that this general condition of prosperity has created a larger demand for those commodities that enter into the world's commerce and has tended to stiffen their prices in accordance with the law of supply and demand.

On page 577 of the Statistical Abstract for 1907 tables are given showing the relative prices of raw commodities, of manufactured commodities, and of all commodities year by year from 1890 to 1906. These tables show that prices were high in 1890, averaging more than 12 per cent. above the average price for the decade from 1890 to 1899. Then began a decline which reached its lowest point in 1896 and 1897. The reason for this decline certainly was not the increased supply of gold and silver, of which there was each year a considerable increment. It was supposed to be the result of a depression throughout the civilized world, which was particularly felt in the United States; although, also, it was observed on the Continent of Europe. It was a disturbance in business, resulting in many persons being deprived of the amount of wages and compensation for their work which had made the world relatively prosperous. The prices of various commodities did not decline evenly and equally.

Whatever were the disposing causes contributing to bringing about that period of low prices and of depression, they seem to have been counteracted about the year 1898, when prices again began to rise, and they have continued generally to rise to the present time.

I have shown, I think, that the great increase in prices, of which the people are so loudly complaining, could not be primarily attributed to the increase in the supply of gold. What then has been the controlling cause of this increase? As to manufactured goods, especially those protected by the tariff and covered by the trust, I answer, unhesitatingly, that it is due mainly to the tariff. As to the products of agriculture not pro-

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tected—and but few of them are—by an effective and operative duty, I answer with equal confidence, it is due almost entirely to a demand largely in excess of the supply.

This is confirmed by the fact that during this period of rising prices the prices of the former have, as a rule, moved steadily upward except during the panic of 1908, while the prices of the latter have fluctuated as the annual output of the farm was relatively large or small.

First, let us consider prices of the staple products of the farm: Cotton is one of our chief agricultural products. The price of cotton, it is said, is very high, but I submit that it is not too high when considered in connection with the world supply and demand.

The present crop is the smallest we have made in the last ten years except one. That year's cotton sold in March and February at between 16 and 17¼ cents a pound.

We raised about the same amount of cotton last year that we raised in 1903, the actual figures being 9,850,000 bales in 1903 and 10,250,000 in 1909. Since 1903 there has been an enormous increase in the number of spindles and in the world's demand for cotton, yet notwithstanding these facts, the price of cotton is not as high to-day as in 1903. The crop of 1903, when the amount produced, as I have stated before, was about the same as that produced last year, sold in New York in February and March for from 16 to 17¼ cents per pound, while now cotton is selling around 15 cents per pound. It is true that the price of last year's crop has ranged considerably higher than that of the year before, but, with a somewhat increased acreage, we raised about three millions and a half less cotton last year than the year before. With an increase in acreage the cost to the farmer, excluding picking and ginning, of the 10,250,000 crop last year was as great as that of the 13,500,000 crop of the year before. If the farmer, with the same acreage, gets no more for his cotton per pound when he makes only two-thirds of a crop than when he makes a full crop, the result will necessarily be disastrous, because, as I said, it costs substantially the same to raise a short crop with the same acreage as it does to raise a full crop. Last year's crop was not much in excess of two-thirds of a full crop.

Considering this short crop and the ever-increasing demand for the finished product, with the great uncertainty of next year's crop, especially since the late disastrous frost, I claim that the price of cotton is not high.

In recent years the supply of wheat, pork, beef, mutton, as well as cotton, as compared with the demand, has been short, and as a result we have had the same advance in the price of these products as in the price of cotton.

The number of hogs and sheep in the country to-day is about the same as it has been during the last nine years, and as a result the price of pork and mutton has almost doubled. The increase in the number of beef cattle has not kept pace with the increase in the demand, with the result that beef has greatly increased in price. The same is true with reference to corn,

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wheat and many other agricultural products. Doubtless such devices as cold storage and combinations between the meat packers have to some extent advanced the prices of meat, and to the extent of these advances the prices of meats are artificial.

As confirming these statements, I invite the Senate's attention to the following with reference to production of cotton, hogs, cattle, sheep, and wheat:

<i>Production of cotton in the United States.</i>	<i>Bales.</i>
1903.....	9,853,000
1904.....	13,438,000
1908.....	13,241,000
1909.....	10,250,000

<i>Total aggregate values of cotton crops.</i>	
1903.....	\$576,000,000
1904.....	581,000,000
1908.....	580,000,000

<i>Range of prices in New York.</i>	<i>Cents.</i>
1903.....	10.60 to 17.25
1904.....	7.35 to 11.40
1908.....	9.00 to 12.25
1909.....	around 15.00

Mr. President, so accurately does the price of cotton, as shown by these figures, respond to the supply and demand there is but slight difference in the amount the farmer receives for a large or a small crop.

<i>Number of sheep in the United States.</i>	
1901.....	59,756,718
1902.....	62,039,091
1903.....	63,964,876
1909.....	56,084,000

<i>Number of beef cattle in the United States other than milch cows.</i>	
1901.....	45,500,213
1907.....	51,565,731
1909.....	49,397,000

<i>Wheat raised in the United States.</i>	<i>Bushels.</i>
1901.....	748,460,218
1903.....	637,821,835
1905.....	692,979,489
1908.....	664,602,600

In the cases of all these staple products of agriculture, with the exceptions I have stated as to meat products, the increase has been brought about as in the case of cotton, because the demand has increased out of all proportion to the increase in supply. Giving due weight to these conditions, I do not believe that the prices of these staple products of the farm are higher than is justified by the law of supply and demand, to which they are subject, nor are they above the level of the prices of other products, and are below those nurtured and protected by the tariff.

There is as a general thing no just ground for complaint against present prices of our staple agricultural products, because the increases are, in the main, in response to a natural law.

The high prices of which the people rightfully complain are those which without any reference to this natural law and without any reference to the cost of production, are high, either as the result of special laws in their favor, or of violations of the laws, or, as is frequently the case, both. The people have a

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right to complain of increases in prices due to these causes, because the increases are artificial and not responsive to those conditions which legitimately affect intrinsic value and fix and control prices.

Without doubt the increased compensation in the wages of the laboring men of this country has had the effect of enabling them to raise the standard of their living. One of the results has been that this very large and deserving class of our people enjoy more comforts and live better in their homes than they formerly did. Their increased earnings justify them in obtaining more food and a better variety of food than they had in the years of depression. It has been a distinct influence in creating an additional demand for such commodities as chickens, eggs, butter, and so forth, and has played its part in bringing about an advance in prices.

These and other such conditions and influences have been the basis of the advance in the prices of farm products. A relatively smaller supply, a relatively greater demand, and a relatively greater ability to buy among the masses of the people.

The tariff does not help the farmer either to fix or control the volume of his products or their market value. As to his products, the tariff is almost entirely inoperative, even when a duty is imposed pretendedly for their protection.

The volume of farm products is determined by the number of people who are willing to endure the isolation, the drudgery, and hazards of that calling; to varying conditions of weather and seasons; and to the ravages of diseases, insects, and so forth, in the destruction of animal and vegetable life. The amount produced may be greater or it may be less than the demand. The farmer can not regulate that. It is regulated by Providence.

Neither can he control nor influence the prices of his products. That is determined by natural law, over which he has no control.

But as respects manufactured articles, especially those protected by law and combinations against both foreign and domestic competition, the producer through these duties can and does adjust the supply to the demand and fixes the price.

There is in many instances no competition from abroad, because the duties are prohibitory, and there is no domestic competition because of trusts and combinations. If, under these conditions, the prices of these tariff and trust protected articles are not arbitrarily raised to the limit of the protective duty, it is because of the generosity and benevolence of its beneficiaries and not because the law does not offer and supply the opportunity to raise them.

Is it credible that the intended beneficiaries of this system do not take advantage of the opportunities it affords, and is it possible that a sane people can be duped and deceived into the belief that they do not?

With a system conferring these privileges and affording these opportunities in reference to both supply and price of the manufactured product, why should there be any doubt as to its effect upon prices?

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Mr. President, there is none; and the fact that the Republican party feels coerced by political exigencies to claim and contend that there is, shows, in the light of their past contention in this regard, the present demoralized and pitiable plight of that party.

During the period between 1893 and 1897, when prices were falling, while the gold supply was increasing at an average rate of 14 per cent. per annum, our opponents proclaimed with much reiteration that the fall was due to the Wilson tariff, which was a few points below the average of the McKinley Act.

If evidence were needed to establish the proposition that the tariff has the effect on prices of dutiable commodities which I have ascribed to it, it will be found in overheaping measure in the grounds upon which the advocates of protection have for the last twenty years appealed to the people for their suffrage in its support.

When prices began to rise under the trust-fostering schedules of the Dingley law, they proclaimed with equal vociferousness that the rise was due to the tariff. And they continued to claim that these constantly increasing prices were due to the tariff.

They demanded that credit be given it for the rise. They asked the suffrage of the people in its support upon the ground that the tariff was producing the increased prices, and they continued to claim that these constantly increasing prices were due to it until prices reached a level which provoked public protest and outcry, when suddenly we find them changing front and with equal strenuosity denying that the tariff has anything to do with these high prices and claiming that the cause is attributable to the increase in the gold supply, though that increase was, as I have shown, during this period of rising prices only 7 per cent. per annum, as compared with 14 per cent. per annum during the period of falling prices prior to 1897.

In its report, recently presented to the Senate by the Senator from Massachusetts [Mr. Lodge], the Massachusetts commission on the high cost of living found that the primary cause of these advances in prices is the increase in the gold supply, and that neither the tariff nor the trusts could be regarded as directly or actively the cause.

It is evident that that is to be one of the Republican campaign documents, more to be relied upon probably than even the recent partial report of the majority of the committee itself.

Twice in the report the commission refer to the tariff and trusts, and in both instances exonerate them from responsibility for the recent advance in prices. I do not understand that the Massachusetts commission or the distinguished Senator who is chairman of the Senate Committee on High Prices of Commodities, or any other responsible representative of the Republican party, denies that the tariff and the trusts have tended to higher prices. The point the commission seems to have made, and the point the Republicans generally will, I presume, make, is that the changes made in the tariff by the Aldrich-Payne tariff has not appreciably increased prices.

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Specious and as fallacious as that position is, it would seem to be more promising for the campaign purposes of that party than a bald-faced denial that these increases are the evolutions of years of tariff stimulation under the shelter of monopoly. The changes made in the Dingley tariff by the Aldrich-Payne tariff were, except as to a few commodities, of no great importance. That law is largely a reaffirmation of the Dingley law, with changes here and there, some putting up and some reducing duties, but so nearly following the track of the old law that it has been a matter of controversy as to whether, taken as a whole, it advances or lowers by a fraction the Dingley rates.

The Republican party can not escape the charge that the tariff is responsible for increased prices of commodities by showing that the small changes made in the Dingley schedules by the Aldrich-Payne law are not responsible for high prices. It must meet the broad question directly, and that question is, Has the protective system, for which the Republican party is responsible, as embodied in the McKinley, the Dingley, and the Aldrich-Payne law, directly or indirectly, through the encouragements of trusts and combinations, brought about the conditions which have led to the prices which now obtain as to products and necessaries the prices of which are not regulated by supply and demand, uninfluenced by the tariff or trust combinations which have been the outgrowth of the tariff. It is folly for the Republican party to attempt to meet this issue by attempting to show that temporary prices of cotton, or wheat, or meats, or of eggs, or chickens, prices admittedly not fixed or affected by the tariff, are high because as to them the tariff is inoperative, and by arguing that as the tariff is not responsible for the high prices of these necessaries that it is not responsible for the high prices of articles covered by the trusts and on which the tariff is operative.

Mr. President, I repeat, the increase in the prices of the products of the soil and farm are due to natural causes and may be designated as temporary. If there should be a phenomenal crop of cotton, the price would go down. If as a result of the agitation of "back to the farm" the cities should be relieved of their present congestion in favor of the farm, there would be an increase in farm production which would bring about a decline of prices. Prices, depending upon supply and demand, are up and down, one year high and one year low, without any regard to the volume of money or any other cause except the quantity produced and the quantity demanded for consumption. But this does not apply to most of the things that are affected by the tariff and the prices of which have been steadily advancing, under the operation of this law, to their present high level.

It may be that during periods of great pressure or panic—such as we had in 1908, such as we had in 1893—1895, when for causes, local or world-wide, there is stagnation—there may be some little decline in the price of products made excessively high through the tariff; but outside of such compelling conditions these tariff-stimulated prices move steadily and progres-

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sively upward until they reach a point when they can go no higher and find a market at all.

There are no marked fluctuations in these prices, now suddenly upward, now suddenly downward, in response to the demand and supply. By combination the producers so regulate the supply to the demand that the price is not affected by the operation of that great law.

The price of these goods is never high because there is a scarcity, as is the case of agricultural products, and never low because there is a surplus.

The tariff protects the producer of these articles from any outside interference. It protects the market from becoming overstocked through importations from other countries. By combinations and agreements the producers protect themselves against overproduction at home and against underselling.

The producer of these protected articles is therefore enabled to control the domestic supply, adjust it nicely to the domestic demand, and so fix the price as to get the best results out of his business.

Manifestly this is a position of great advantage and privilege. The question it suggests is: How, by what method or device, is this position of privilege and advantage acquired and held?

There is but one answer; the producer of these articles is put in this position by the tariff and is enabled through the tariff combinations to protect and sustain himself in it. The high prices of tariff-protected products are therefore not the result of some natural movement such as the rise or fall as we see in the case of cotton or wheat when there is a short or a large crop; but they are the result of a constant and sustained increase under the various Republican tariff systems culminating in the Payne-Aldrich enactment. Why should anybody question that the high prices of these highly protected manufactured products are brought about by the tariff and the trusts? Are not these duties imposed and in many instances made prohibitory for this very purpose?

It is vain to pretend that the advocates of this prohibitory legislation expect or intend that domestic competition will protect against excessive prices; they know—everybody knows—that there is no domestic competition in these cases; knows that there is not going to be any domestic competition; knows that the domestic supply and price are regulated by monopoly, made possible by the tariff; and that the sole reason the home producer demands these prohibitory duties is to keep out foreign interference and give him a free hand to exploit the domestic market thus turned over to him.

The very purpose, therefore, of these prohibitory duties is to enable the domestic manufacturer to exact for his product a high price, and it is vain and idle to contend that when we give the domestic producer this opportunity to increase his price that he does not do it.

The protective system as developed by the Republican party is a system essentially in the interest of the manufacturing trusts. It does not take into account the interest of the pro-

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ducer and owner of the raw material, and it does not consider the interest of the people except incidentally.

The arrangement of the tariff schedules, imposing duties of more than 100 per cent. on many articles of prime necessity—indeed, making an average of about 50 per cent. of duty on all articles on the dutiable lists, on one hand, and, on the other hand, admitting free of duty an immense quantity of raw material and of partly manufactured goods, to be used by the manufacturers—shows this to be the fact.

For the advantage of the manufacturers, high duties are imposed on such articles as would come into competition with their products, and generally no duties are laid on the raw material they use in the manufacture of their goods. And when a duty is laid on any raw material, a compensatory duty is provided for the finished product.

The whole scheme of the tariff schedules is thus manipulated for the benefit of the manufacturers and trust combinations. Not only the prohibitory schedules, but the free list, about which we have heard so much lately, is framed in the interests of the trust manufacturer. We have heard much recently about jokers in the Republican legislation; but the free list, both of the Dingley and the Payne-Aldrich laws, will, upon analysis, be seen to be not only a joker, but a joker which is a huge joke upon the people. These free lists are held up to the people as being for their benefit, to afford them cheaper necessities, while, in fact, with slight exceptions, they are for the benefit of the manufacturer, to enable him to get his raw materials cheaper. The argument that the people will get the benefit of the cheaper cost of production of manufactured products is in itself not only a joker, but in the light of our daily experience an insult to the intelligence of the people of this country.

Mr. President, I have a table here which shows the amount of articles on the free list used by the people. It refers to the free list of the Dingley tariff, but it is about equally applicable to the free list of the Aldrich tariff.

It shows that the articles that come in free, that the people use in their homes, that enter directly into the consumption of the family, without going through the hands of a manufacturer, are almost entirely confined to coffee, tea, some sugar and nuts, some spices, unground, some products such as sausage casings, fish, and a few breadstuffs. These articles on the free list which directly enter into the consumption of the family are valued in 1909 at \$121,000,000, against a total free list of about \$600,000,000 in that year. The balance of the articles which came in free of duty in that year are the raw materials of the manufacturer, and they were put on the free list not in the interest of the people, but in the interest of the manufacturers of these materials. It is idle to argue that, because the manufacturer gets the raw material a little cheaper, the people are going to get the benefit of that. Experience shows this saving in the cost of the finished product is appropriated and absorbed by the manufacturers or middlemen, and no part of it ever reaches the ultimate consumer. A striking illustration is found in putting

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hides on the free list. We put them on the free list that the manufacturer might get his raw materials cheaper. But the people are not getting any benefit in cheaper shoes.

The list as found in "Summary tables of foreign commerce; imported merchandise entered for consumption for the year ending June 30, 1909" (P. VII), contains the following items:

Coffee	\$79,103,932
Tea	18,628,389
Some fruits and nuts.....	14,035,029
Some spices unground.....	4,450,138
Meat products:	
Sausage casings.....	2,389,488
Fish	1,627,882
Breadstuffs	1,395,478
 Total	 121,630,531

There was also brought in free of duty household effects, \$5,217,086; seeds, \$3,820,188; certain books, \$2,686,184; certain animals, \$2,257,653; articles specially imported, \$2,039,313.

But these latter articles do not enter into family use. Except the tea and coffee and some fruits and nuts, as stated, families were not interested in these importations. The entire amount of commodities coming in free of duty in the year ending June 30, 1909, was \$599,375,868. Of this amount, at least \$461,745,000 was for the benefit and advantage of the manufacturers, to give them cheaper raw materials.

I repeat that although there have been large additions to the free lists and although the value of the commodities admitted free increased from \$291,000,000 in the year 1898 to \$641,000,000 in 1907, and was \$599,000,000 in 1909, yet of all this vast amount of commodities admitted free the only articles let in free of duty for the advantage of the people, which the families could use in their homes, whether as food or clothing, were substantially tea, coffee, and a few fruits and unground spices. The residue was for the use of the manufacturers, the combines, and the trusts.

In line with the views of the distinguished Senator from Massachusetts, to which I have adverted, and sustaining his conclusions, is the report of a commission of that State specially appointed to consider the causes of the advance in prices. The Senator presented that report to the Senate, and it has been published as Senate Document 523. The members of that commission are men of great intelligence and wide information. Particularly were they acquainted with conditions in their own State, the needs of the manufacturers of Massachusetts, and the advantages reaped from the effect of the tariff. Of the tariff they say, "From the first it was designed to create and preserve manufacturing industries," and that indicates their standpoint and their environments. Their conclusion is similar to that of the Senator from Massachusetts. They find, as he does, that the primary cause of the advance has been the increase in the gold supply, some other minor causes and conditions operating as contributory influences.

It particularly says with regard to the tariff, the trusts, and unions, "that none of these factors can be regarded as a direct and active cause of the recent general advance of prices." These findings might perhaps have been expected. They are in keeping

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with the prevailing thought in Republican circles, and are doubtless in some degree influenced by the extensive manufacturing interests of New England. But notwithstanding this general conclusion in regard to the tariff, the commission continues, and I wish to call special attention to this:

On the other hand, however, it is clear that in a period of rising prices like the present the tariff cuts off possible relief to consumers by closing access to the cheapest sources of food supply in the world's markets. In the past the duties on the necessities of common consumption, foodstuffs, have been largely inoperative, because the country produced not only its own food supply, but a large surplus for exportation. The United States appears, however, to be approaching rapidly to the turning point when it will become instead of a food-exporting a food-importing country. Under these conditions, as the duties on foodstuffs become actively operative their effect must be to increase the cost of living to wage-earners and the expenses of production to manufacturers, thus hampering the development of industry and defeating the very purposes of the protecting policy.

The commission is therefore of the opinion that when the tariff shall further be revised, the expediency of removing all duties on food products be considered carefully of the National Congress.

The logic of the distinguished commission is about this: That the protective and prohibitory duties of the Dingley tariff, which for twelve years have been operative as to most manufactured products, have not enhanced the prices of those products, and that there is no occasion for the reduction of these duties to relieve the people from the present excessive cost of living; but that as soon as the fake duties imposed by this tariff law on agricultural products become operative, upon our ceasing to be a large exporter of these products, these suspended, so to speak, duties on farm products will raise the price of those products to the consumer, and will impose grievous burdens upon the people and the manufacturers to whom they are raw materials. And they suggest in advance that Congress shall take into consideration the question of their removal.

The tariff on manufactured products, which is and has for lo these many years been operative, they find and declare has not enhanced or affected or even been a factor in raising prices, but they find that as soon as these fake duties on farm products become operative that inevitably the tariff will raise the price of these products, and they call upon Congress to consider the question in the interest of cheaper cost of living to take the duty off these products.

Massachusetts—

Says the commission—

comes far from feeding itself. The State is mainly dependent on outside sources for its food supply. No obligation prevents us from seeking to buy in the cheapest market available, unless it be found among the reciprocal obligations of the tariff system. If we have reached the point where it is of real importance to us to have the products of the farms of the North as well as those of the West, no tariff hinderance can be endured.

This is the language of the commission when it comes to talk about food for the factory employees and other people of Mas-

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sachusetts. It says they will endure no tariff duties on these necessaries which its people do not produce. Why? Because these duties add to the cost of these necessaries.

But there are some farmers in Massachusetts, and the commission would not offend them or drive them from the Republican party or the support of the protective system. These farmers are chiefly engaged in raising poultry and dairy products. So the commission gravely argues to these farmers that if they can get cheaper grain for their cattle and poultry from Canada and Mexico, or even Australia, they should be allowed to do so without regard to the effect on the wheat growers of the West or the North. That is in effect the language and argument of a section of the country that has grown rich, Mr. President, through the tariff, and demands every scintilla of benefit that can possibly be derived from it. Not content with high protective duties on their finished products, they demand free raw materials for their factories and nondutiable food for their employees.

They say that they demand that whenever the tariff on food products becomes operative it must be repealed. Why? Because it will increase the cost of food to the consumers, but they will not admit—in fact, flatly deny—that the tariff on their trust-manufactured products has had any perceptible effect in the same direction. This is a fine sample of Republican tariff logic.

However much I might agree with this commission in the political economy that underlies its finding that the tariff should be revised, and, when revised, that the food supply should receive our full attention, I must confess that this conclusion of the matter seems to me at variance with the previous utterances of the commission.

It seems somewhat inconsistent to find that the tariff is not responsible for the advance in prices and then to hold that it is in the way of cheaper values of foodstuffs.

I pass over the plain policy of seeking to advance the local interests of Massachusetts by letting that community buy in the cheapest market what it has to buy and to make the agricultural States buy their supplies in the dear market of New England. The policy of protection is founded on selfish interests, and it has been so long practiced by the manufacturing communities of New England, as an adjunct of their prosperity, that the only element they see in it is the advantage that will accrue to them. But it is not my purpose to descant on the selfishness disclosed by the commission in their findings. It is not necessary to point out that they wish a tariff on what they have to sell and want free trade in what they have to buy. I am only concerned with the deduction to be drawn from their conclusion, the reasonable deduction that, however, they may seek to disguise it, they know that the effect of the tariff is to advance prices.

It is for that reason, and for that alone, that they look forward to removing the present duties on foodstuffs as soon as they become operative. They say they wish to buy in the cheap-

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est markets. They do not want to buy in the high-price American market.

It seems to me that their contention in this matter sustains the view I have taken of the origin and cause of the prevailing prices.

Mr. President, in conclusion, I can recall—for during all the campaigns, National and State, that have been made since 1897, until a year or two ago, I was chairman of the executive committee of my State and had something to do with those campaigns—I can recall the fact that from every stump in North Carolina, as other Senators can recall the fact that from every stump in their States, in all the campaigns from 1897, the time of the enactment of the Dingley tariff law, up to about six or eight months ago, the one song of the Republican orator when he was seeking votes among the masses was the contention, reiterated and vociferated, that this constant increase in prices, that these higher prices of agricultural products and of manufactured products and the higher prices for all the things that the people make were due to the tariff—the Dingley tariff. they would hear no argument with patience from any source that the gold supply had anything to do with these increased prices.

That argument was treated with ridicule and contempt. These Republican orators pointed, in my State, to the higher price of potatoes, of eggs, and such like things, and gave the credit to the Dingley tariff. That song, Mr. President, continued without interruption, without a discordant note from any Republican orator, until shortly after the enactment of the Payne-Aldrich tariff bill prices began to advance and the people, already loaded down with tariff burdens, began to cry out against these excessive prices and to denounce them as an outrage and burden imposed upon them by law for the benefit of a privileged few. From the day these high prices became unpopular with the masses to this good hour Republican orators in the Senate and in the other House and on the hustings have repudiated the idea that the tariff had anything to do with the high cost of living and with one accord have laid the blame on the increased gold supply, notwithstanding the fact that during the period of rising prices the annual increase in the gold supply has been only 7 per cent. as compared with an annual increase of 14 per cent. during the period of falling prices between 1890 and 1897.

**Republican
Extravagance**

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FINANCIAL STATEMENT

Speech of Hon. WILLIAM F. SHIVELY, of Indiana, in the Senate of the United States, Saturday, June 25, 1910. [Part of Congressional Record.]

The Senate having under consideration a financial statement—
Mr. Shively said:

Mr. President—I have before me a duplicate of the financial statement in possession of the senior Senator from Maine [Mr. Hale], and I call the attention of the Senate to a few facts in connection with it. This statement sets out various items of appropriations, and makes the total for the fiscal year 1911 amount to \$1,026,537,500.44. I assume that these figures are correctly stated, but they by no means tell the whole story of the weight of the pecuniary charges fixed by Congress at its present session against the Federal Treasury.

At the close of the last Congress the appropriations for the last session of that Congress stood at \$1,044,401,857.12. At the first or extra session of the present Congress census and deficiency appropriations were made in the sum of \$11,261,410.76. By charging this item back upon and adding it to the \$1,044,401,857.12 the sum of \$1,055,663,267.88 becomes in this statement the basis of comparison as between the fiscal years 1910 and 1911. As a portion of the added item is being expended in the current fiscal year I do not say that this charge is erroneous. I only want the fact kept in mind when comparisons are made between the appropriations of the last and the present Congress.

But, Mr. President, I challenge the attention of the Senate and the country to a series of heavy and important charges created this session against the Federal Treasury, which are not disclosed by nor provided for in the statement in the hands of the Senator from Maine.

First. The public buildings bill recently passed authorizes the purchase of sites and contracts for the erection and completion of public buildings in the sum of \$27,000,000, for which no appropriation is made.

Second. The rivers and harbors bill authorizes contracts in the sum of \$10,618,605, for which no appropriation is made.

Third. The act for additional aids to navigation authorizes contracts in the sum of \$1,119,050, for which no appropriation is made.

Fourth. No appropriation is made to the national bank-notes redemption account, though the organic act creating such account clearly requires such appropriation. By the act of July 12, 1882, a national bank, on surrender of its charter or on renewal of its corporate existence, was required within a stated period to

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deposit in the United States Treasury lawful money in sufficient amount wherewith to redeem its then outstanding circulation. This money went into a special trust fund to be used only for such redemption purposes. By the act of July 14, 1890, this trust fund was abolished, and over \$50,000,000 on deposit therein was covered into the General Treasury to bridge the then widening gulf between federal receipts and federal expenditure.

By the latter act it was also provided that all deposits thereafter made by national banks for redemption purposes "shall be covered into the Treasury as a miscellaneous receipt;" that the Treasury shall redeem the circulating notes of such banks "from the general cash in the Treasury," and that the Treasury shall be reimbursed for such redemptions "from an appropriation hereby created, to be known as the 'National bank-notes redemption account.'"

This act is in full force and effect. It treats all deposits under it as miscellaneous receipts and carries them into the general fund. They become a part of the general cash assets of the Treasury as absolutely as do custom-house receipts or internal revenue. It is thus clear both from the nature of the case and the letter and spirit of the law that the appropriation must cover reimbursement, not merely for excess of redemptions over deposits, but for all redemptions, whether the sum be greater or less than the deposits. To this account was appropriated \$75,000,000 for 1908, \$43,937,843.50 in 1909, and \$30,000,000 for the fiscal year 1910. These sums appear in the permanent appropriation items for those years.

For all the purposes of comparison between the appropriations for the present and past sessions of Congress this item rightfully belongs under "permanent appropriations." Taking the lowest amount in any of the last three years, it would be \$30,000,000. The arbitrary omission of this item accounts for the apparent decrease under that head. To omit it in no sense reduces drafts on the Treasury. The Treasury must redeem the notes when presented, in any event, and the absence of a reimbursement appropriation this year will compel a proportionately increased appropriation next year.

These four items alone aggregate \$68,737,655 in authorized liabilities against the Treasury without appropriations made to meet them, and thus raise the sum of charges by the present session of Congress against the Treasury to \$1,095,275,155.44, or \$39,611,887.56 in excess of the appropriations of last year. And only this afternoon, and since the statement in the hands of the Senator from Maine was prepared, a joint resolution was passed appropriating \$1,000,000 to protect property in Imperial Valley on the Colorado River, which increases the total to \$1,096,275,155.44, or \$40,611,887.56 over the appropriations of last year.

I insert a tabulated statement showing the charges against the Treasury created by the legislation of the present session of Congress as compared with the appropriations of last year. The items down to and including "Permanent Annual Appropriations" are identical with and cover all the items incorporated in the statement to be presented by the Senator from Maine. All items following "Permanent Annual Appropriations" include

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the appropriation made to-day and not incorporated in the Senator's statement and items of authorized liabilities for which no appropriations are made. The \$11,261,410.76, census and deficiency appropriations made at the extra session of this Congress, are included under the title "Miscellaneous."

Title of bill.	Fiscal year 1910.	Fiscal year 1911.
Agriculture	\$12,995,036.00	\$13,487,636.00
Army	101,195,883.34	95,440,567.55
Diplomatic and consular.....	3,613,861.67	4,116,081.41
District of Columbia.....	10,699,531.49	10,608,045.99
Fortifications	8,170,111.00	5,617,200.00
Indian	11,854,982.48	9,266,528.00
Legislative, executive and judicial....	32,007,049.00	34,158,767.00
Military Academy.....	2,531,521.33	1,856,249.87
Navy	136,935,199.05	131,350,854.38
Pension	160,908,000.00	155,758,000.00
Postoffice	234,692,370.00	243,907,020.00
Rivers and harbors.....	9,435,750.00	41,329,113.50
Sundry civil.....	137,696,623.36	113,984,101.82
Deficiencies, 1910 and prior years....	20,310,339.92	12,722,739.80
Miscellaneous	12,520,926.72	2,000,000.00
Reclamation projects (reimbursable)..	.....	20,000,000.00
Permanent annual appropriations....	160,096,082.52	130,934,595.12
Imperial Valley appropriation.....	.....	1,000,000.00
Items authorized, but not appropriated for:		
Public buildings (contracts author- ized) .....	.....	27,000,000.00
Rivers and harbors (contracts authorized) .....	.....	10,618,605.00
Navigation (contracts authorized)..	.....	1,119,050.00
Bank-note redemption fund.....	.....	30,000,000.00
Total.....	\$1,055,663,267.88	\$1,096,275,155.44

The principal increases are in the legislative, executive, and judicial, the diplomatic and consular, the post-office, and rivers and harbors appropriations, and the unappropriated for charges against the Treasury in the four items I have enumerated. In his message to Congress this afternoon announcing his signature to the rivers and harbors bill, President Taft, speaking in round numbers, fixes the amount carried by that measure at \$52,000,000. The difference between the \$41,329,113.50 noted in the statement and the actual amount carried in the bill consists of the contract liabilities authorized, but not appropriated for.

The state of the public works may permit, and the exigencies of politics may require, postponement of appropriations to meet liabilities now authorized, but the reckoning will be on when we reassemble in December. When the ordeal of the coming elections throughout the country shall have passed, the increased burdens created by the present session will be indexed on the sundry civil and deficiency bills of the next session.

I have before me the tabulated statement entitled "Appropriations—Fiscal Years 1875 to 1910, Inclusive," prepared by the clerks of the Appropriation Committees of the Senate and House of Representatives. For the four fiscal years of Cleveland's first administration the aggregate of appropriations was \$1,491,406,466, while the aggregate of the appropriations for the four fiscal years of the Harrison administration immediately following was \$1,872,999,118, or an increase of \$381,592,652. For the four years of Cleveland's second administration the appropriations aggregated \$1,866,440,201, or \$6,558,917 less than under Harrison. For the four years under McKinley the appropriations were \$2,757,630,547, or \$891,190,346 increase over Cleveland's last four years, of which \$711,521,723 was "on account of expenses of war

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with Spain," including treaty obligations. For the last four fiscal years of the Roosevelt administration the appropriations were \$3,563,355,340, or \$1,696,915,139 more than for the last four years of Cleveland. For the third fiscal year of Cleveland's first administration the appropriations were \$359,011,523, or \$5.98 per capita. For the third fiscal year of Harrison's administration, the appropriations were \$514,424,019, or \$7.89 per capita. For the first fiscal year of Cleveland's second administration the appropriations were \$479,932,667, or \$7.08 per capita, and for the first fiscal year of President Taft's administration they were \$1,055,663,267, or \$11.74 per capita. The increase in the first year of the Taft administration over the corresponding year of Cleveland's last administration was \$575,730,600, or over 120 per cent.

These statistics disclose that under the one party the constant tendency is to increase not merely in the gross expense of Government, but actual increase in the per capita cost of Government, while under the administration of the other party the constant tendency is to arrest the gross expense and reduce the per capita cost of Government. They show the effort of the Democracy to retrace the line of expenditure back to the golden mean between the parsimony that dwarfs and the profligacy that debauches. They recall the temper and exemplify the principles of the old leaders of the Democracy that caused Blaine in his "Twenty Years in Congress" to say of them that—

During the long period of their domination they guarded the Treasury against every form of corruption and every attempt at extravagance.

In the summer of 1890 the country was amazed at the announcement of a billion-dollar Congress. Within twenty years thereafter the country witnessed a billion-dollar single session, and a more than two-billion-dollar Congress. There was no intervening exigency sufficient to justify or excuse the increase. The course is ominous of evil days. History furnishes no instance of a people ruined by low taxation or of a government destroyed by economy. History is much a tale of peoples ruined by oppressive taxation and governments destroyed by extravagance. "I have removed the bounds of the people, and have robbed their treasures," was the boast of that Assyrian monarch whose reign marked at once the splendor and decay of the dynasty and the ruin of his country.

Early in this session of Congress some interest was manifest among the leaders of the dominant party in this Chamber on the question of excessive expenditure. On page 1564 of the *Record* the senior Senator from Rhode Island [Mr. Aldrich] claims that from 10 to 20 per cent. of expenditure could be saved "by the adoption of improved methods." On page 2202 of the *Record*, the Senator claims that at least \$100,000,000 per year could be saved, and laments the wide duplication of work by different bureaus of the Government. On page 2203 he says:

If I were a business man and could be permitted to do it, I would undertake to run this Government for \$300,000,000 a year less than it is now run for.

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Yet for the past twelve years the Senator's party has been in undisputed control of every department of the Government. In view of this circumstance, these statements are as startling a confession of either faithlessness or incapacity, or both, as have ever been placed on record. They tell the story of a party leadership that has quickened into life and nourished into strength forces that have broken from control, and are making the Federal Government a riot of profligacy and waste. The record further discloses that no progress has been made at this session in correcting the evil.

Of course, Mr. President, political parties are human institutions, and no party is exempt from the infirmities attending human nature. But the principles of government and maxims of policy professed and taught by a party are decisive on its conduct in the use of power.

A party that believes and proclaims that the foreigner pays the tax is easily reconciled to the largest possible distribution of these alien gratuities among our own people. A party that knows and teaches that federal taxes in whatever form and under whatever name are paid only by the American people feels enjoined to expend the fruits of taxation with the frugality that minimizes its burdens.

A party that sees in the Treasury only a sort of good-natured cow, fed by the alien and milked by the citizen, experiences a sense of personal philanthropy in the offhand recklessness of its vicarious liberality in expending federal revenues. A party that sees in the Federal Treasury only the depository of the contributions of the citizen from his toil for the support of his government feels bound to vigilantly scrutinize and carefully guard federal expenditure.

A party that regards taxation as a wealth-producing force and expenditure as an agency of industrial prosperity views with complacency disbursements of money calling for the largest exercise of the taxing power. A party that knows that taxation, in whatever form, is a consuming force, a subtraction from earnings, from profits, from resources, feels under bond to hold expenditure within the narrowest limits consistent with efficient government.

A party that beholds in the Federal Government an expanding agency to be gradually resolved into the universal functions of a beatified St. Simonson may welcome a billion-dollar session of Congress as a triumph of constructive genius and sublimated statesmanship. A party that realizes that all good government is the shield, not the support, of society; that society bears the weight of the shield for the security it gives; that our Federal Government, like all governments, is essentially a consumer rather than a producer; that it can give only as it receives, and that to multiply its functions is to multiply its burdens, deprecates and condemns a billion-dollar session of Congress in time of peace as a stupendous misuse of power, the herald of impoverishment, the harbinger of decay. The doctrines of the one party tend as naturally and strongly toward reckless prodigality as the principles of the other toward careful supervision and judicious economy.

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Large Increase on Account of Public Expenditures—Half a Billion Dollars Spent for Militarism—Public Debt Increased—Treasury Drained for Army and Navy.

Speech of Hon. L. F. LIVINGSTON, of Georgia, in the House of Representatives, Saturday, June 25, 1910. [Part of Congressional Record.]

The House having under consideration the conference report on the general deficiency appropriation bill—

Mr. Livingston said:

Mr. Speaker—The appropriations made by Congress at this session amount to **\$1,027,133,446.44**. Again the high water mark of a billion dollars of expenditures is passed.

TOTAL APPROPRIATIONS AND AUTHORIZATIONS.

Add to this sum **\$20,000,000** authorized increased in the bonded indebtedness of the country in order to provide funds to carry out certain reclamation projects in the West, **\$10,618,605** for contract obligations for river and harbor work authorized in the River and Harbor act, **\$38,000,000** on account of contracts authorized and limits of cost fixed for public buildings, and **\$1,200,000** total authorized cost for certain light-houses, and we find that the direct and indirect appropriations for the session amount to **\$1,096,952,051.44**.

The total appropriations made at the last session of the last Congress, including **\$11,261,410.76** made during the recent extra session, and which may for the sake of argument be considered as chargeable back to the former session, was **\$1,055,663,267.88**; in addition to that sum contracts were authorized involving future appropriations of **\$26,080,875**, or a total of **\$1,081,744,142.88**. Therefore it will be seen that the appropriations and authorizations of this session exceed those of the last session of the last Congress by **\$15,207,908.56**.

MILITARISM ABSORBS HALF OF TOTAL REVENUES.

This enormous sum of public expenditures, nearly **\$1,100,000,000**, for which this Congress is responsible, includes **\$94,440,567.55** for the Army, **\$131,350,854.38** for the Navy, **\$5,617,200** for fortifications, **\$1,856,249.87** for the Military Academy, and **\$155,758,000** for the payments of pensions; in all **\$389,022,871.80** outright that is carried in supply bills devoted wholly to making provision for the military side of our Government. In addition there is carried under permanent annual appropriations **\$22,195,000** for interest, and **\$60,935,000** to meet the requirements of the sinking fund obligations on our outstanding public debt, substantially all of which represents war expenditures, **\$4,000,000** for arming and equipping the militia, and **\$2,120,000** for various objects pertaining to the Navy; the organization of the War and Navy Departments or offices at Washington, together with the salaries of the Pension Bureau, amount to **\$4,588,718** more, and in addition vari-

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ous sums are carried in the sundry civil act for soldiers' homes, armories and arsenals, and other military purposes amounting to \$8,226,310. These sums altogether make \$102,065,028, and added to the sum total of the five general appropriation bills that appropriate solely for expenditures relating to war, we ascertain that of all that vast sum carried in the direct appropriations made at this session there is devoted to purposes of war, and its pomp and splendor, and to its direct, mournful, and tragic results \$491,087,899.80, or considerably more than one-half of all that is appropriated for every conceivable ordinary operating expense of government for the next fiscal year.

The actual expenditures, as they have been ascertained each year for some time past, it may be added, show that the military expenses amount to considerably more than all of the rest of our federal expenditures put together, indeed that they approximate as much as 70 per centum. of all such expenses. I do not believe there ever was a military despotism on earth that took so large a toll from the taxes extorted from all of the people for purposes purely of war as is shown by this exhibit.

At the close of the fiscal year, when we shall pause to take stock of what we will have to show for all these hundreds of millions of dollars thus dissipated, we will find naught but memories of wages paid to and food and raiment bought for legions of men who are, by the nature of their trade, drones and nonproducers in the upbuilding of state and national prosperity; that a few more floating engines of war have been added to a fleet already so large we have not officers and men enough to keep any considerable portion of it in commission notwithstanding we have authorized this session an increase of 3,000 more enlisted men; that the fortifications on our seaboard and their costly armament and still more costly upkeep and equipment with officers and men are a year nearer to the rapidly approaching period when they will be pronounced obsolete and useless by our War Department experts, who will then proceed at once to the promotion of another and probably still more expensive system of war devices for our children to pay for.

SUBSTANTIAL SERVICE OF THE PEOPLE NEGLECTED.

On the other hand, out of all this enormous annual expenditure of public treasure, the most numerous and industrious class of our population receive, through the Agricultural Department, a paltry \$13,000,000 to foster and promote the advancement of agriculture.

For the rural free delivery service, that is calculated more than all else contributed by the Government to bring content and satisfaction to those who till the soil and endure the isolation and monotony of life on the farm, there is given only \$38,860,000, the same having been increased over the last appropriation only \$1,500,000, for the purpose of extending this benefit service to great areas of the country that have thus far been denied it.

For the improvement of the nation's waterways and harbors that are so important to our commerce in protecting it from unjust tribute and discrimination on the part of the transporta-

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tion lines, there is carried in the river and harbor bill only \$41,329,113.50 of direct appropriations.

For public buildings throughout the country for post-offices and other public purposes the whole sum actually appropriated this session is only \$6,180,420, and compared with the total amount of appropriations, considered in the light of the requirements of the service, the sum is grotesquely insignificant.

The analysis of the purposes of all this great mass of appropriations simply demonstrates that for the real everyday service of the people, and for the production of substantial things, such as public improvements that will endure even to generations that come after us, and that counts for national wealth, the amounts given are comparatively insignificant.

CASH FOR BATTLE SHIPS, INTEREST-BEARING DEBT FOR HOMES.

When this congress was confronted with the proposition of reclaiming arid lands in the West for sale to the hardy home-seekers among our citizens, it was proclaimed that there was no money in the Treasury to be advanced for so laudable a purpose, even on condition of its speedy return from the proceeds of sale of the land, therefore it was decreed by the party in control that interest-bearing bonds to the extent of \$20,000,000 be issued to constitute practically a lien on these lands that are so eagerly desired by those seeking homes; and within the selfsame twenty-four hours this House without batting an eye, so to speak, voted out of the Treasury more than \$33,000,000 for new battle ships and other engines of naval warfare. Thus we have a policy that stands for interest-bearing bonds issued against the humble homes of the settlers and the lavish handing out of millions upon tens of millions of dollars raised by onerous taxation of the people to satisfy the greed of shipbuilding and armor-plate contractors, and to maintain a national policy of pomp and warlike splendor.

DEMOCRATIC ECONOMY—REPUBLICAN EXTRAVAGANCE.

I will submit as a part of, and at the conclusion of my remarks, a table showing, by years and Congresses, the appropriations made during the four years 1895-1898 of the last administration of Mr. Cleveland, and the four years 1907-1910 of Mr. Roosevelt's last term as President. Every column of this interesting table and every summation of results in millions and billions of dollars which it exhibits is a declaration in favor of Democratic administration of government, if prudence and economy in public expenditures are to count for aught with the American people in their appraisal of political parties when intrusted with the responsibility of conducting the affairs of the Republic.

Under the last four years of a Democratic administration the total appropriations amounted to \$1,871,509,578.47. It might be observed in passing that the apparent increase of more than \$37,000,000 in the appropriations made during the last two years of this period over the first two years was made by Republicans,

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that party having unfortunately gained control in the fifty-fourth Congress and, as shown by this record, they could not restrain their propensity for piling up appropriations even under a Democratic administration of the Government.

It will be observed that during the first two years of the last quadrennial period of strenuous government under Mr. Roosevelt the appropriations by Congress jumped to a sum almost equaling those for the whole four years under Mr. Cleveland, and that for the whole of the last four-year period of Republican administration under Roosevelt it cost, measured by congressional appropriations, double, and yet more by nearly \$100,000,000, than did Mr. Cleveland's last term of four years. Nearly 4,000,000,000 for four years of Republicanism as compared with less than half that sum for the same period of government by a Democratic President.

Let us analyze briefly these stupendous figures and see where in this great difference in cost of government is made to appear; whether for all this enormous outlay in billions of dollars the country has attained to any substantial advance in material wealth.

Under the four years of Mr. Cleveland the army cost a total of \$93,253,239.80. Under Mr. Roosevelt's last four years the army cost in all \$347,029,878.78, an increase of \$253,776,638.98, or nearly four times as much as under the Democratic administration.

The navy cost during the first period mentioned \$118,309,267.17. Under Mr. Roosevelt the naval appropriations jumped to \$460,649,262.29, again almost quadrupling, as in the case of the army, the cost of our navy under Mr. Cleveland, and under whom it had attained that splendid efficiency that enabled our country to terminate so briefly and brilliantly our recent conflict with Spain and achieve the naval victories of Manila Bay and Santiago.

The total appropriations for our Army, our Navy, for fortifications, and for the Military Academy during the whole of Mr. Cleveland's last administration amounted to \$234,588,992.65.

When Mr. Roosevelt left the White House the last four years of his administration he had demanded of and received from Congress for the Army, the Navy, fortifications, and Military Academy \$844,089,568.36, nearly four times as much and \$609,500,575.71 more than was appropriated for them, as shown under the Democratic administration, a sum almost a third greater than the whole cost of the entire Government during any year under Mr. Cleveland's first term as President.

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Statement of appropriations made for the fiscal years 1895-1898, Mr. Cleveland's last administration, and for the fiscal years 1907-1910, Mr. Roosevelt's last administration.

Title.	Cleveland's Administration.			Roosevelt's Administration.		
	Fifty-third Congress.			Fifty-ninth Congress.		
	Appropriations, 1895.	Appropriations, 1896.	Appropriations, 1897.	Appropriations, 1907.	Appropriations, 1908.	Appropriations, 1909.
Agricultural	\$3,223,623 06	\$3,303,750 00	\$3,255,532 00	\$9,930,440 00	\$9,447,290 00	\$11,672,106 00
Army	23,592,884 68	23,252,608 09	23,278,402 73	71,817,165 08	78,634,582 75	95,382,247 61
Diplomatic and consular	1,563,918 76	1,574,468 76	1,642,568 76	3,091,094 17	3,092,333 72	3,613,861 67
District of Columbia	5,545,678 57	5,745,443 25	5,900,319 48	10,138,672 16	10,440,598 63	10,699,531 49
Fortifications	2,427,004 00	1,904,557 50	7,377,888 00	5,053,993 00	6,898,011 00	9,316,745 00
Indian	10,659,565 16	8,762,751 24	7,390,498 79	9,260,599 98	10,125,076 15	9,253,347 87
Legislative, etc.	21,305,583 29	21,891,718 08	21,519,324 71	29,681,919 30	32,126,333 80	32,007,049 00
Military Academy	406,535 08	464,291 66	449,525 61	1,664,707 67	1,939,703 42	845,634 87
Navy	25,327,126 72	29,416,245 31	30,562,660 95	102,091,670 27	98,958,507 50	122,623,885 47
Pension (including deficiencies therefor)	151,581,570 00	141,381,570 00	141,328,580 00	143,745,500 00	147,143,000 00	173,653,000 00
Postoffice	87,236,389 55	89,545,997 86	92,571,564 22	191,695,998 75	212,091,193 00	222,970,892 00
River and harbor (including amounts in sundry civil, deficiency, and special acts)	30,043,180 00	11,462,115 00	16,244,147 06	17,254,060 04	43,500,813 00	18,092,945 00
Sundry civil (exclusive of amounts for rivers and harbors)	25,853,775 55	35,106,045 40	29,812,113 19	81,284,720 26	104,376,481 30	93,885,143 23
Deficiencies (exclusive of amounts for pensions and rivers and harbors)	11,811,004 06	9,825,374 82	15,041,911 07	35,629,035 45	11,408,998 91	46,702,309 06
Total	390,578,048 48	383,636,896 97	396,375,024 51	712,339,566 15	770,172,923 18	850,191,911 18
Miscellaneous	577,956 55	297,697 37	416,010 06	27,173,269 01	738,900 62	4,011,337 26
Total regular annual appropriations	391,156,005 03	383,934,564 34	396,791,034 57	739,512,865 16	770,911,823 80	854,203,248 44
Permanent annual appropriations	68,769,173 59	73,153,780 38	72,762,975 84	131,528,982 24	147,450,505 27	154,194,285 12
(Grand total)	459,925,178 62	457,088,344 72	469,494,010 21	871,041,847 40	918,362,329 07	1,008,397,533 56
Total appropriations by Congresses	917,013,523 34	854,496,055 13	854,496,055 13	1,789,404,178 47	2,062,799,400 68	2,062,799,400 68
Total appropriations by administrations	1,871,509,578 47	1,871,509,578 47	1,871,509,578 47	3,842,203,577 15	3,842,203,577 15	3,842,203,577 15

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EXPENDITURES

Speech of Hon. LINCOLN DIXON, of Indiana, in the House of Representatives, Thursday, June 16, 1910. [Part of Congressional Record.]

Mr. Chairman—The Republican party in 1860, in its national platform, declared:

That the people justly view with alarm the reckless extravagance which pervades every department of the Federal Government; that a return to rigid economy and accountability is indispensable to arrest the systematic plunder of the Public Treasury by favored partisans.

That party has drifted far, far away from that early declaration. The reckless extravagance of the Federal Government while controlled by the Republican party has greatly exceeded that of 1860, which it denounced, and has exceeded the wildest dreams of the people of that day. The average ordinary expenses under Mr. Buchanan's administration, denounced by the Republicans in 1860, were \$65,291,452.40. The population at that time was 31,443,321, making the expense per capita \$2.08. The appropriations of the last session of the Sixtieth Congress for the year 1910 were \$1,044,401,857.12. The population was, in round numbers, 90,000,000, making the per capita expense \$11.60, and the population has increased 186 per cent. The expenses of the Government have increased over 550 per cent. Take from these appropriations the pensions and all expenses growing out of the civil war and the appropriations for 1910 are increased 475 per cent. above that of 1860.

But it may be said that conditions have changed since the civil war and more liberal appropriations are demanded. Compare the last Congress (Sixtieth), Republican, with the Fifty-third, under a Democratic administration, for the years 1895-6. The total appropriations of the Fifty-third Congress were \$917,013,523.34. The total appropriations of the Sixtieth Congress for the years 1909-10 were \$2,052,799,400.68. In the fourteen years the appropriations had grown until they were nearly three times as much. The population had increased about 30 per cent.; the appropriations for the Government had increased 116 per cent. The appropriations for the War Department passed by the Democratic Congress for the year ending June 30, 1896, were \$23,252,608.09. The appropriations by the last Congress for the same department ending June 30, 1910, were \$101,195,883.34. The population had increased about 30 per cent. The increase of appropriations for the War Department had increased 335 per cent.

The appropriations for the Navy Department had grown from \$29,416,245.31 for the first period to \$136,935,199.05 for 1910, an increase of 365 per cent.

The administration of Grover Cleveland was an oasis of frugality and economy in the desert of Republican extravagancies and profligacy.

The steady increase of expenditures, the creation of new bureaus and innumerable commissions, and the constant increase

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of the salaries of public officials have aroused the public to a realization of the universal drain upon the people for governmental expenses. There is a demand for greater watchfulness and more zealous guarding of the public interests against the incessant efforts to exploit the Treasury. The millions which have been drawn from the Treasury in wasteful expenditures and extravagance is a frightful picture for the people to gaze upon. But for the indomitable energy of our people and our great natural resources the maladministration of their affairs would have bankrupted the Nation. Economy and simplicity should characterize a republican government, and honesty and frugality should mark the character of public servants.

From the 4th day of March, 1789, the day the Federal Constitution went into operation, down to June 30, 1861, the entire net ordinary expenses of the Government amounted to \$1,581,706,195.34. This time embraced a period of more than seventy-two years, covering the war of 1812, the Indian wars, the Mexican war, the purchase of Louisiana, the great Northwest Territory, Texas, New Mexico, Arizona, and California. The last Congress appropriated \$471,093,205.34, more than the expenses of the Government for the first seventy-two years of its existence. The appropriations of \$1,044,401,857.12 for the present year, to June 30, 1910, amounts to \$2,861,380.43 per day, or \$110,890.85 per hour, or \$1,848.18 per minute.

Prior to appropriations of 1909 there was but one year in the history of the Nation when the expenses exceeded a billion dollars. That one was in 1865, when the country was in the midst of the civil war, when hundreds of thousands of men were in the field, and millions of money were necessary for military and naval supplies. That year the expenses were \$1,394,655,448. But of this sum \$1,030,690,400 were for the maintenance of the army.

The total expense of the Government during the four years of the civil war—1862-1865, inclusive—were \$3,394,830,931, yet the expense of that period, with the long, fierce, and bloody war, with its necessarily enormous expenses, were less than for the last four years. The appropriations for the last four years amount to \$3,842,203,877.15, or \$447,372,646.15 more than the expenses of the Government during the four years of the civil war.

When the Republicans took control of the Federal Government in 1861 the expenses of the Government were about \$65,000,000 annually. As Hon. James G. Blaine says in his *Twenty Years in Congress*

The leaders of the Democratic party had guarded the Treasury with unceasing vigilance against every attempt at extravagance or corruption—

and the result of this frugality and honesty was seen in the annual expenditures. Economy in public expenditures has always been a cardinal principle of the Democratic party. The appropriations for the four years of Cleveland's administration and the appropriations for the last four years are placed in parallel columns for comparison.

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Title.	Appropriations, 1894.	Appropriations, 1895.	Appropriations, 1896.	Appropriations, 1897.	Appropriations, 1907.	Appropriations, 1908.	Appropriations, 1909.	Appropriations, 1910
Agricultural.....	\$3,323,500 00	\$3,223,623 06	\$3,303,750 00	\$3,255,532 00	\$9,930,440 00	\$0,447,290 00	\$11,672,106 00	\$12,995,036 00
Army.....	24,225,639 78	23,592,884 68	23,232,908 09	23,275,402 73	71,817,165 08	78,634,532 75	96,382,247 61	101,195,883 34
Diplomatic and consular.....	1,557,445 00	1,503,918 76	1,574,458 76	1,642,558 76	3,091,094 17	3,092,333 72	3,538,552 72	3,613,861 87
District of Columbia.....	5,413,223 91	5,545,678 57	5,745,443 25	5,900,319 46	10,138,672 16	10,440,598 63	10,001,888 85	10,699,531 49
Fortifications.....	2,210,055 00	2,427,004 00	1,904,557 50	7,377,888 00	5,053,993 00	6,898,011 00	9,316,745 00	8,170,111 00
Indian.....	7,854,240 38	10,659,563 16	8,702,751 24	7,390,496 79	9,260,599 98	10,125,076 15	9,253,347 87	11,854,982 48
Legislative, etc.....	21,865,802 81	21,305,583 29	21,891,718 08	21,519,324 71	29,681,919 30	32,126,333 80	32,845,934 50	32,007,049 00
Military Academy.....	432,556 12	406,535 08	464,261 66	449,525 61	1,664,707 67	1,929,703 42	845,634 87	2,531,521 33
Navy.....	22,104,061 38	25,327,126 72	29,416,245 31	30,562,690 95	102,091,670 27	98,958,507 50	122,663,885 47	136,965,199 05
Pension.....	180,681,074 85	151,581,570 00	141,381,570 00	141,323,580 00	143,745,500 00	147,143,000 00	173,053,000 00	160,908,000 00
Postoffice.....	84,004,314 22	87,236,569 55	89,545,997 86	92,571,564 22	191,695,998 75	212,091,193 00	222,970,892 00	234,692,370 00
River and harbor.....	14,166,153 00	20,043,180 00	11,462,115 00	16,244,147 00	17,254,050 00	43,500,813 00	18,002,945 00	29,190,264 00
Sundry civil.....	27,550,158 15	25,853,775 55	35,106,045 40	29,812,113 19	81,284,730 28	104,376,431 30	93,865,143 23	117,942,109 36
Deficiencies.....	8,127,331 51	11,811,004 06	9,825,374 82	15,041,911 07	35,629,635 45	11,408,998 91	46,702,309 06	20,310,339 92
Total.....	403,515,586 11	390,578,048 48	383,636,896 97	396,375,024 51	712,339,566 15	770,172,923 18	850,191,911 18	883,046,258 64
Miscellaneous.....	520,499 18	577,956 55	297,667 37	416,010 06	27,173,299 01	738,900 62	4,011,337 26	1,259,515 96
Total regular annual appropriations.....	404,036,085 29	391,156,005 03	383,934,564 34	396,791,034 57	739,512,865 16	770,911,823 80	854,203,248 44	884,306,774 60
Permanent annual appropriations.....	75,396,581 79	68,769,173 59	73,153,780 38	72,702,975 84	131,528,982 24	147,450,505 27	154,194,295 12	160,096,082 52
Grand total.....	479,932,667 08	459,925,178 62	457,088,344 72	469,494,010 41	871,041,847 40	918,362,329 07	1,008,397,543 56	1,044,401,857 12
Total.....	\$1,896,440,200 83				\$3,842,203,577 15			

The permanent annual appropriations for 1909-10 are estimated, and these tables were prepared by the clerks of the Appropriations Committee.

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The expenses of the Executive Mansion have increased very rapidly within the last few years. The entire expenses during the four years of Mr. Buchanan's administration were \$213,028. That amount will not now pay one year's expense. The expenses of the White House under President Cleveland for 1896, including his salary, was \$132,200. The expenses for 1910 were \$329,420. Of this sum \$40,000 was for the construction of an addition, and should be subtracted, and this leaves \$289,420 for the ordinary expenses, an increase of 119 per cent. The expenses for 1894 and 1911 are submitted for comparison by items, the first under the administration of President Cleveland, the latter under that of President Taft:

Executive expenses.

	Fiscal year 1894.	Fiscal year 1911.
Salary of the President.....	\$50,000	\$75,000
Executive offices, salaries.....	35,200	70,560
Contingent expenses.....	8,000	25,000
Improvement of grounds of Executive Mansion.....	4,000	4,000
Improvement and maintenance of grounds within iron fence, Executive Mansion.....		4,000
Repair, care, furnishings, etc., Executive Mansion....	18,000	35,000
Fuel	3,000	6,000
Care and repair of greenhouses and conservatory, etc.	6,000	12,000
Lighting Executive Mansion.....	15,022	18,020
Traveling expenses of the President.....		25,000
Total.....	139,222	274,580
Increase, 1911 over 1894.....		135,358

The Sixtieth Congress not only appropriated such vast sums of money, but it created a large number of new offices and increased the salaries of a large number of public officials.

FIRST SESSION.

New offices created.....		16,824
Salaries for new officers.....	\$13,766,376.50	
Salaries for new officers, number offices, and each salary not specified.....	\$2,948,687.68	
Officials' salaries increased.....	129,928	
Amount for said increases.....	\$9,146,575.20	
Officials' salaries reduced.....	2	
Officials' salaries reduced, amount thus saved.....		\$420

SECOND SESSION.

New offices created.....		10,120
Salaries for new officers.....	\$11,176,899.60	
Salaries for new officers, number offices, and each salary not specified.....	\$2,418,853	
Officials' salaries increased.....	275	
Amount for said increases.....	\$113,368.20	
Officials' salaries reduced.....	5	
Amount thus saved.....		\$6,780

We thus see that the last Congress (Sixtieth), for new offices created and salaries increased, has added to the taxes paid by the people the stupendous sum of \$39,563,577.88.

There is no branch of our National Government but that needs reform and retrenchment in expenditures. Every dollar that is needed to run the Government should be supplied, all above these needs should remain in the pockets of the people. The Government has no right to demand more money than to pay the expenses of the Government economically administered.

The President in his annual message urged the necessity of economy, saying:

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Perhaps the most important question presented to the administration is that of economy in expenditures and sufficiency of revenue.

Senator Aldrich on February 21, 1910, in the Senate, when speaking on the subject of government expenses, said:

There is no intelligent observer in Congress or out of it who does not know that the executive departments of this Government are carried on either under obsolete business methods or without any business methods at all. There is no man who has given this subject any attention whatever who does not know or believe that at least 10 per cent. of the thousand million dollars which we are appropriating annually can be saved by the adoption of business methods. This question of saving \$100,000,000 per year—and it can be demonstrated, in my judgment, that the saving will be much more than that—is a matter that should receive the serious attention of Congress. If I were a business man and could be permitted to do it, I would undertake to run this Government for \$300,000,000 less than it is now run for.

That is not only an indictment against the party in power for its wasteful and reckless extravagance, but is a plea of guilty to said indictment made by the recognized leaders of that party. If the sum of \$300,000,000 a year has been taken unnecessarily from the pockets of the taxpayers to be squandered, what hope is there that such business methods will be changed? If this amount was collected from the people by direct taxation, the people would throw the party responsible therefor out of power. While this sum is raised by indirect taxation, by means of tariff laws, many millions more are secured by the manufacturers in order to secure this sum for the Federal Treasury.

The Republican party is always about to retrench expenses and reform abuses. The party is always long on promises, but invariably short on performances. The strong message of the President and the open and frank declaration of Senator Aldrich would ordinarily receive attention by the party responsible for the appropriations. But the present session of Congress will, before adjournment, appropriate over \$1,000,000,000 for the next year's expenses; economy seems to be antagonistic to that organization. The only hope of the people for relief from wastefulness and extravagance is by the success of the Democratic party.

Public expenditures must be diminished, official accountability lost in the mazes of Republican misrule must be reclaimed by the people and restored to the Government. Economy must be reinstated. We must return to the simple principles of Jefferson and the honest practices of Jackson.

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THE BALANCE SHEET—EXPENDITURES AND EXTRAVAGANCES OF THE REPUBLICAN PARTY

Speech of Hon. CHARLES H. WEISSE, of Wisconsin, in the House of Representatives, Monday, April 25, 1910. [Part of Congressional Record.]

Mr. Weisse said:

Mr. Speaker—I submit the following as a part of my remarks:

In order that the enormity of misappropriations may be fully understood, I present a statement made by the ranking Member of the Democratic party on the Committee on Appropriations of the House of Representatives as made March 4, 1909, on the floor of the House of Representatives, which was not disputed then nor has it been disputed since. It is a comparison of the second Cleveland administration with the second Roosevelt administration, or four years, 1894-1897, with four years, 1907-1910.

Department.	Fiscal years 1894-1897.	Fiscal years 1907-1910.
Agriculture	\$13,106,405.06	\$44,044,872.00
Army	94,349,535.28	347,031,465.78
Diplomatic and consular.....	6,338,381.28	13,339,744.49
District of Columbia.....	22,604,665.21	41,260,305.13
Fortifications	13,919,504.50	29,438,800.00
Indian	34,667,053.57	39,273,952.00
Legislative, executive, and judicial..	86,582,428.89	126,619,650.60
Military Academy.....	1,752,878.47	6,971,567.29
Navy	107,410,094.36	460,649,500.00
Pensions	614,972,794.85	610,349,500.00
Post-Office	353,358,475.85	861,720,453.75
River and harbor.....	61,915,595.00	46,543,833.00
Sundry civil.....	118,322,092.29	458,875,976.78
Deficiencies	44,805,651.46	128,503,173.11
Total.....	\$1,574,105,556.07	\$3,214,993,198.97

Or \$1,640,000,000 more for the last four years of Roosevelt than for "four years more of Grover." Nearly 105 per cent. more to-day than fourteen years ago, although the population has increased but about 32 per cent. When people doubt their expenditure, either their wealth has doubled or they are living on borrowed money. Our national wealth in the second four years increased possibly 20 per cent. over that of the first four years, so that our increased expenditures are not properly chargeable to a corresponding increase of wealth. The plutocrats have increased in the same ratio as our expenditures, and so have the trusts, but the wealth of the common people has not kept pace, while the earning power of the industrial class has been crippled and to a large extent destroyed. By this showing the Republicans have expended \$1,640,000,000 more under Roosevelt than Cleveland, which means that instead of squandering \$300,000,000 a year the real misappropriation has been \$410,000,000 a year. Evidently the Senator from Rhode Island knew what he was talking about.

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INDEBTEDNESS OF INDUSTRIAL CORPORATIONS.

From the official listings of the bonded indebtedness of all industrial corporations in the United States it appears that they owe in bonds \$8,442,051,000; the stocks average fully twice as much, \$16,884,102,000; in all, \$25,326,153,000.

INDEBTEDNESS OF OUR RAILROADS.

In addition to the above the railroad corporations owed in 1909, according to the report of the Commerce Commission:

In bonds.....	\$9,394,332,504
In stocks.....	7,373,212,323
In all.....	\$16,767,544,827

INDEBTEDNESS OF LIFE INSURANCE COMPANIES.

The insurance in force of 20 leading life insurance companies in 1909 was \$12,626,700,000; for all other life companies, \$6,000,000,000; in all, \$18,626,700,000; the various building and loan associations, \$519,000,000.

TOTAL INDEBTEDNESS.

National, state, and county.....	\$5,478,810,000
Bank indebtedness.....	13,474,491,000
Industrial corporations.....	25,326,153,000
Railroads.....	16,767,544,000
Life insurance companies.....	18,626,700,000
Building and loan associations.....	519,000,000
Total.....	\$80,192,698,000

There are several other forms of indebtedness, as notes to private individuals and open accounts in stores, for which no estimate can be made. It is nevertheless a very large amount, and were it known would add materially to the above total.

Republican literature and oratory in order to swell the appearance of our prosperity place our national wealth at from \$107,000,000,000 to \$120,000,000,000. Taking things at their face value, stocks saturated with water, property listed at boom prices, and we have clear of debt from \$27,000,000,000 to \$40,000,000,000 as our apparent national wealth. But were all the water squeezed out our gross wealth would drop to \$80,000,000,000, or a sum less than our total indebtedness.

Were we called on to-morrow to settle up, our entire assets would not be sufficient to pay our indebtedness. Republicans gauge prosperity by an ability to borrow rather than an ability to pay. They also gauge prosperity by the condition of the creditor class, and make laws not only in the interest of that class, but against the real and just interests of the debtor class. The whole protective-tariff legislation favors one set of people to the injury of all others. The national-bank laws favor and protect the large money interests at the expense of all others. Taxes for the most part are on consumption and not on wealth. Those best able to pay are taxed least or not at all, while those least able to pay carry the burdens.

In European countries the land and homes are usually owned by the wealthy landowners, who rent them to the farmers and

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laborers. At times they have a great deal of trouble in getting them to work hard, faithfully, and to produce all they possibly can.

In this country, however, this same class operate under a different system, but which attains the same end. They sell the land and houses to this class and in return take mortgages upon the property, placing the title in the hands of the so-called owner, who, in order that he may retain it, must pay the taxes and interest. He, having personal pride in not losing his home, will work much harder for the interest and taxes than he would if he were a hired man. Through this process the money classes are able to get a great deal larger net income out of their property than in any country in Europe.

As a direct result of Republican mismanagement we had 15,242 failures in 1893. Cleveland inherited the disaster wrought by Republican laws and management. Long before he was sworn in in 1893 the failures were alarming, and long before the Democratic tariff of 1894 more than 20,000 failures had occurred. In 1893 there were 15,242 failures, and the Democratic tariff bill was not law before August 27, 1894. The cause of the disaster, then, roots back of the Democratic tariff into the mismanagement of Republicans, who for nearly thirty years had been in absolute control of Government.

Senator Dolliver, a leading Republican from Iowa, in a speech on the floor of the Senate on June 10, 1909, said:

Not only have I succeeded in acquiring some little knowledge about these matters since the Dingley tariff law was framed, but I have also acquired a rather more generous interpretation of the industrial and commercial situation of 1897 than I was accustomed in those days to put into my speeches either in the House of Representatives or upon the stump.

If I were called upon now, in the calm light of twelve years' reflection, to say that putting wool on the free list resulted in closing factories and destroying the flocks of the country and ruining the business of the country, I should hesitate to do it. It is a very wise man who can tell what was the cause of the industrial depression which burst in a panic upon the United States in all departments of its affairs in 1893. I have become satisfied that we, as Republican partisans, finding the argument too convenient, have exaggerated the relation of the tariff controversy to that great industrial crisis. It always was a little difficult to connect the panic of 1893 with the tariff act of 1894, in view of the fact that the event seemed to precede the cause in such a way as to put almost any ordinary man upon suspicion. So I am not going to discuss that question, except to say that we have already had two or three mistakes made in this bill by misinterpreting the industrial conditions of 1894, 1895, 1896, and 1897.

But what shall we say of the failures of 1908? Republicans say that the fear of what Democrats would do in 1892 made Republicans go into bankruptcy long before the Democrats actually did anything. What were they afraid of in 1908?

There were but 15,242 failures in 1893, while in 1908 the failures numbered 15,690. It was not fear of what the Democrats would do that caused the failures either in 1908 or 1893, but a direct result of what Republicans had done prior to 1893 and from 1897 to 1908.

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REPUBLICAN EXTRAVAGANCE

THE UNEMPLOYED WORKINGMEN OF THE UNITED STATES.

But of what use is an increase of wages for a few millions are out of work? The following table prepared by Mr. Stoddel for the Ethical Social League of New York and printed in the Washington Post of April 7, 1908, will show the number of unemployed. Mr. Stoddel says:

According to the reports from our organizers and representatives in the various States the number of unemployed up to date are:

California	95,000	Illinois	300,000
Connecticut	55,000	Missouri	85,000
Massachusetts	95,000	Rhode Island.....	30,000
Montana	18,000	Pennsylvania	350,000
New York.....	750,000	Michigan	135,000
Ohio	200,000	Delaware	30,000
New Jersey.....	80,000	Virginia	42,000
Maryland	75,000	North Carolina.....	38,000
West Virginia.....	40,000	Georgia	27,000
South Carolina.....	30,000	Oregon	51,000
Florida	45,000	Idaho	26,000
Washington	44,000	Arizona	12,000
Nevada	14,000	The Dakotas.....	26,000
Nebraska	19,500	Wisconsin	92,000
Minnesota	43,000	Kentucky	36,000
Indiana	60,000	Arkansas	21,000
Tennessee	23,000	Texas	40,000
Louisiana	47,000		
Alabama	39,000		
Colorado	46,500		
		Total.....	3,160,000

This is a fearful record. A greater number of unemployed than ever before shown in the history of our country. In the Republican campaign text-book for 1900 we find a statement from Mr. Gompers, to be used as thunder against the Democratic party, that he estimated the unemployed of 1893 at from 2,000,000 to 2,500,000. The unemployed then owed their condition to Republican mismanagement, but Republican orators tried to shift the responsibility because a Democrat had just been placed in power. No Democrat has been in power since 1897, and the Democrats have had control of neither House of Congress since that time. Yet, in 1908, we find 3,160,000 men out of work—3,160,000 men begging for bread while Republican prosperity covers the land.

Prosperity has blessed those who use and squander \$300,000,000 per annum of the people's money, but it has not helped the millions who live by labor and whose reward averages but \$1.50 a day. Prosperity has come to those who clip the coupons from bonds, but has not shown her face to the millions who earn the money by hard labor with which to pay the interest on those bonds.

Prosperity has come to tariff-bred trusts who by unlawful combinations have controlled prices to their own advantage, but has not come to the millions who consume these trust-made goods at prices so ruinously high as to make it necessary for them to curtail their use of the necessaries of life, and to absolutely absolve themselves from all luxuries.

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CHARITY REACHES 913,701—ONE-THIRD OF MASSACHUSETTS' POPULATION AIDED BY VARIOUS SOCIETIES.

[Special to the Washington Post.]

BOSTON, MASS., April 26

That 913,701 persons, nearly one-third of the entire population of the State of Massachusetts, were beneficiaries of charitable corporations is one of the most striking forces brought out in the annual report just published by the State board of charity for 1910.

Of this number 171,672 were aided free, the remaining 742,029 paying in whole or in part for the services rendered. In addition to the individual beneficiaries are 4,486 families. These figures are derived from the returns of 516 of the 583 of such corporations in the State. Their total valuation is reported as \$56,370,865 and their disbursements \$7,856,363. Of the 516 nearly half, or 245, are located in Boston. The 189 city and town almshouses had 10,025 inmates during the year.

The annual cost of all paupers, State and town in Massachusetts, has increased from \$2,338,578 in 1889 to \$5,806,188 in 1909, or from \$1.06 to \$1.93 per capita. The number of vagrants has diminished.

Remarks of Hon. ROBERT BRUCE MACON, of Arkansas. [Part of Congressional Record, May 26.]

Mr. Macon—Mr. Chairman, when I reserved the point of order upon this paragraph I did not know I was going to open up such a wide range of debate upon the propriety of this appropriation.

My point of order was made against the provision because the President has already had \$25,000 for the fiscal year 1910, that was duly appropriated and placed in his hands to pay his traveling expenses for that period of time. This appropriation, which provides that it shall be immediately available, carries upon its face the idea that \$25,000 has been exhausted, that the President has expended the entire amount, and now he is to receive an additional \$25,000 for traveling expenses. Sir, that would make \$50,000 appropriated for his traveling expenses during the fiscal year of 1910, when the law provides for an appropriation of only \$25,000 for that purpose.

The Speaker of the House, in his remarks a few moments ago, said he thought the President ought to have a salary of \$100,000 a year; but he did not say he thought he ought to have \$25,000 in addition thereto for traveling expenses.

The President has already had his \$100,000 for the fiscal year 1910—his salary of \$75,000 and his traveling expenses of \$25,000—and I think the advocates of this appropriation are going too far when they insist upon an appropriation of \$25,000 more for the traveling expenses of the President this year. It has been suggested that politics have had something to do with the traveling of the gentleman who now occupies the White House as the Chief Executive of this Union. I will read an editorial from the New York World of Monday, March 21, 1910, and I think you will observe that the President does have something to do with politics and politicians when he is away on his trips. It reads:

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WHY TRAVEL.

Another excellent reason why Presidents of the United States should remain at the seat of government is furnished by two widely separated paragraphs in the news columns of the World on Saturday.

One of them, appearing in a telegram from Rochester, N. Y., was as follows:

"After his address President Taft had a friendly visit with Republican State Committeeman George W. Aldridge, and it is understood that the political situation in the State was touched on. Mr. Aldridge is looked upon as the logical successor to the late James Breck Perkins as Representative from this district."

The other, referring to the testimony in New York City of Elijah R. Kennedy, a broker who disbursed the corruption funds of the fire insurance companies at Albany in 1901, was this:

"Finally Kennedy said that about \$5,000 went for presents to political leaders who had helped him, but the only name he said he could recall was that of George W. Aldridge, of Rochester. He gave Aldridge a check for \$500." [It was \$1,000.]

Why will not Presidents of the United States stay at home and attend to business?

EXTRAVAGANCE

Speech of Hon. MARTIN DIES, of Texas, in the House of Representatives, Thursday, February 17, 1910. [Part of Congressional Record.]

Mr. Dies said:

Mr. Chairman—I only allude to these items as illustrations of the spirit which permeates the official atmosphere at the Nation's capital. The Chief Executive and the Congress are directly responsible to the people, the chosen guardians of the people's rights. If these elected and trusted agents of the people do not exercise prudence and care in the discharge of their duties, what can be expected of the appointed heads of departments and those appointed under them? Of what avail will be the Executive's precept if his example is one of extravagance? With what grace can Congress undertake to cleanse the Augean stables in the departments if we have not swept around our own door? The appointive employees of the Government are responsible only to their chiefs and superiors. Can they be expected to conserve the people's treasure if we who are elected by the people and directly responsible to the people deal with a lax and wasteful hand?

I do not pretend an intimate knowledge of the ramified system of our large appropriations and expenditures. I do not know where all these vast millions go. I have never yet found a man who pretends to that knowledge. The system of auditing the public accounts is complex, and only an expert is able to trace the tortuous course of the money from the pocket of the taxpayer to its ultimate destination. But from that which I do know and am able to comprehend I am thoroughly assured that the sense of official responsibility and accountability rests

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lightly upon the shoulders of at least some of those whom the people have chosen to administer the affairs of this Government.

At this very hour there are many millions in our country who feel the pinch of high living expenses. They witness an increase in the price of food and clothing. The struggle for existence is harder. They wonder why. In the midst of this wonder and perplexity Republican statesmen gravely assure the people that the tariff has nothing to do with the increased cost of living. Oh, tempora! oh, mores! Do the confiding public believe that the Government can take toll from all they buy to eat and wear without increasing the difficulties of making a living? If 15,000,000 men must work one-fifth of their time to support the Government, do they imagine that they will not be compelled to work harder or eat and wear less to make up for the time thus spent? If the people do not pay these millions collected in a tariff tax, then who does pay the bill? Is there some mysterious Monte Cristo who supplies the Government from a fabled cave? No, Mr. Chairman; the people pay it. Not directly, it is true. But they pay it either in a poorer quality or a reduced quantity of the things they eat and wear.

The Republican party is just now proposing a ceremonious and sanctimonious investigation of the increased cost of living. Let them behold the work of their own hands. Let them scan the schedules of the Payne-Aldrich tariff bill, a political crazy quilt of iniquity and inequality. In the lap of this political Delilah the people have been denuded of their strength and their substance has been wasted. Worse than wasted, Mr. Chairman, because under this insidious and hypocritical system of taxation only one dollar in every six taken from the people ever finds its way into the Public Treasury.

EXTRAVAGANCE

Speech of Hon. JAMES L. SLAYDEN, of Texas, in the House of Representatives, May 26, 1910. [Part of Congressional Record.]

Mr. Slayden said:

Mr. Chairman—I move to strike out the last two words. Mr. Chairman, I am gratified that the gentleman from New York [Mr. Fitzgerald] has called attention to certain of these military items and has indicated the sham of the economy in some instances. It is a mixture of real and of sham economy the administration has been practicing. A few weeks ago when the army appropriation bill was under consideration I called the attention of the House to the fact that there were many items of reduced expenditures which inevitably and clearly indicated large deficiencies at a later date. For example, there was less money provided for in that bill than was necessary, according to the experts in the bureau of the Commissary-General, to provide food for the soldiers. The ration had risen—for what

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reason we have never yet been able to learn, because I believe the inquiry as to the cost of living has not been answered—but the ration had risen until it was nearly 23 cents.

The Commissary-General and the Quartermaster-General both indicated that there would have to be larger appropriations at a later period, because of the fact that they had been cut out this year in order to make a showing—well, I do not want to convey the impression that they said it was necessary in order to make a showing before the country—but they said that larger appropriations at a later date would be entailed by the fact that they had been unreasonably cut this year. One of the wise economies provided for was the reduction in the cost of commissioned officers' quarters. There had grown up a custom of designing and constructing buildings for officers, ranging in rank from second lieutenants up, out of all proportion to the incomes provided by the Government for those gentlemen. That has been largely corrected, but my attention has been called within the last twenty-four hours to the fact that at West Point there is now in contemplation the construction of five residences for officers to cost the minimum, if I quote my informant correctly, of \$75,000 for each house. Mr. Chairman, those items of expenditure do not figure in the appropriations for the current year, but they are coming, and yesterday the Quartermaster-General advised me that it would be necessary next year, the most remote period to which it is possible to delay it, to provide many million dollars for the construction of barracks and quarters in the Philippine Islands. My impression now is that he told me \$10,000,000 would be required for that necessary provision for the comfort and housing of the troops. That mixture of true economy and false economy, with the false preponderating, has characterized every appropriation bill that has been presented here this year, and the gentleman from New York does the country a real service in calling attention to it.

EXTRAVAGANT APPROPRIATIONS

Speech of Hon. WILLIAM A. CULLOP, of Indiana, in the House of Representatives, Tuesday, March 1, 1910. [Part of Congressional Record.]

Mr. Cullop said:

Mr. Chairman—On the 21st day of February, 1910, Senator Aldrich, the leader of the Republican party on the floor of the United States Senate, said:

If I were a business man, and could be permitted to do it, I would undertake to run this Government for \$300,000,000 a year less than it is run for.

This Mr. Chairman, is a plea of guilty to the charge of extravagance and incompetency which the Democratic party has

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preferred against the Republican party in the last three national campaigns. [Applause on the Democratic side.]

It is a fair and frank admission that \$300,000,000 a year, an enormous sum of the people's money, is wasted by the reckless management of the party in power; that appropriations exceed the needed amounts for the Government by this great sum; that the party in power annually appropriates this amount more than it ought to. In other words, 30 per cent. of all the appropriations is absolutely thrown away. This sum is equivalent to three and one-third dollars for every individual, large and small, old and young, in the Republic.

The appropriations of the Sixtieth Congress, by their enormity, shocked the public and angered the people. At the last session of that Congress there was appropriated to defray the annual operating expenses of the Government for the year ending June 30, 1910, the enormous sum of \$1,044,014,298.23. This is a sum equal to \$12.50 for every person in the Republic, a sum which is more than equal to \$1 per minute for every minute of time which has elapsed since Christ was born up to the present hour, \$1 for every minute of time of the one thousand nine hundred and ten years constituting the entire Christian era. [Applause on Democratic side.]

The amount paid by the Government to the railroads in another branch of the service is a flagrant example of official extravagance and mismanagement which demands the attention of the country at this time. In the last eleven years the Government has paid for transporting the army and its supplies enormous sums in proportion to the number of enlisted men and the amount paid them for service. I submit for consideration the following authentic statement from the records:

Year.	Number of enlisted men.	Pay of same.	Transportation of army and supplies.
1899.....	95,426	\$4,961,172.00	\$61,301,474.98
1900.....	94,940	14,225,000.00	26,000,895.97
1901.....	81,235	16,020,846.00	29,900,000.00
1902.....	59,866	15,000,000.00	34,000,000.00
1903.....	55,500	12,462,492.00	25,189,415.00
1904.....	65,940	10,000,000.00	15,625,583.02
1905.....	63,022	10,288,650.00	15,062,471.61
1906.....	63,402	10,500,000.00	12,042,279.19
1907.....	55,108	9,956,570.25	12,651,560.16
1908.....	77,457	11,178,304.00	17,159,091.44
1909.....	80,897	11,206,000.00	11,250,000.00
Total.....		\$125,799,234.25	\$280,186,271.37

More than twice as much, as the records show, was paid the railroads for transportation of the enlisted men and their supplies than was paid the men for their services. The men who put their lives in jeopardy, the men who carried the musket and faced the enemy, the men who stood ready and willing for battle, did not receive one-half as much for their patriotic service as did the railroads for carrying them and their supplies during the above period of time. An unreasonable proposition, but nevertheless true. Economy in this matter could be used to good advantage, and very profitably so, without crippling the service.

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What is true of the army in this respect is true of the naval department, and I here submit a statement from the records for the last twelve years:

Naval establishment.

Year.	Strength.	Pay of navy.	Total appropriation.
1899.....	13,750	\$9,125,460.00	\$148,396,525.27
1900.....	20,000	13,500,171.00	54,548,798.96
1901.....	20,000	12,810,000.00	70,623,717.99
1902.....	20,050	15,200,284.00	82,477,649.78
1903.....	28,000	16,138,199.00	85,137,123.93
1904.....	31,000	17,706,099.00	84,672,048.73
1905.....	34,000	19,324,093.00	103,633,115.40
1906.....	37,000	17,500,000.00	115,420,997.75
1907.....	37,000	20,269,637.00	104,508,719.83
1908.....	38,500	21,000,000.00	99,693,298.32
1909.....	44,500	30,979,225.00	129,974,371.95
1910.....	44,500	32,803,486.72	139,216,545.02
Total.....		\$226,356,654.72	\$1,218,303,092.93

The total cost of maintenance of the naval establishment from 1899 to 1910, inclusive, has been \$1,218,303,092.93.

Mr. Chairman, performance is a better guaranty on any proposition than promise. The party in power talks economy, but votes for extravagance; it promises to lighten the burdens, but increases the load under which the citizens groan; it raises the rate and widens the inequalities of federal taxation; it levies a 10 per cent. duty on the diamonds of the rich and 160 per cent. on the blankets of the poor; it fixes a high duty on the raiment of the laborer and a low duty on the jewels of the idler. [Great applause on the Democratic side.]

EXTRAVAGANCE

Speech of Hon. JOHN A. M. ADAIR, of Indiana, in the House of Representatives, Tuesday, January 4, 1910. [Part of Congressional Record.]

Mr. Adair said:

Mr. Speaker—No greater responsibility rests upon Members of Congress than the duty imposed upon them of appropriating the revenues derived from taxes collected from the people to pay government expenses. Our first duty is to fix our expenses at the lowest possible figure consistent with the necessities for good government. Our second duty is to provide a means of raising the necessary revenue to meet our expenditures. Our third duty is to keep our appropriations within the revenue collected.

Let us look for one moment into the cost of maintaining the executive department of our Government. In what I shall say about this department do not understand that I am criticising the President, for I am not. He is accepting and using nothing, so far as I know, that he is not legally entitled to, but I contend the expenses of that department are beyond all reason and

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should be greatly reduced. The following statement of appropriations for the fiscal year ending June 30, 1910, shows the enormous expense attached to the White House:

Salary and allowances of the President, taken from the appropriation bills for 1909.

President's salary.....	\$75,000
Secretaries, clerks, etc.....	69,920
Contingent fund.....	25,000
Traveling expenses.....	25,000
For vehicles, stables, etc.....	35,000
For additional improvements to White House.....	40,000
For furnishings, draperies, etc.....	15,000
For care of grounds.....	5,000
Fuel for White House and stables.....	6,000
Care of greenhouse.....	9,000
Repairs to greenhouse.....	3,000
Printing.....	2,000
Lighting White House and public grounds.....	19,500

Total for Executive Department for one year..... \$329,420

Now, Mr. Speaker, deduct from the above total the sum of \$40,000 used for building the addition to the White House, which will not be an annual expense in the future, and you have the sum of \$289,420 it costs annually to maintain this department. No nation in the world appropriates half this amount for the use of its chief executive, and it is a serious object lesson to the other departments of our Government for the Executive Department to set such an example.

Just a few years ago a few hundred men were employed in the government detective service, but now the number on the pay roll runs into the thousands. Recently our appropriation bills, as shown by the distinguished head of the Appropriation Committee [Mr. Tawney], has carried allowances for detective service as follows:

Appropriations for government detectives.

Post-office detectives.....	\$1,105,000
Internal-revenue detectives.....	125,000
Customs-frauds detectives.....	200,000
Counterfeiter detectives.....	115,000
Bureau of Corporations detectives.....	175,000
Interstate-commerce detectives.....	450,000
Public-land detectives.....	500,000
Antitrust-law detectives.....	250,000
Pension-Bureau detectives.....	380,000
Meat-inspection detectives.....	3,000,000
Pure-food detectives.....	826,000

Total appropriation for detectives..... \$7,126,000

Think of it, Mr. Speaker, \$7,126,000 of the people's money spent in the detective service, and outside of the benefits derived from the meat and pure-food inspectors, the balance of the service amounts to but very little. Over a million dollars paid to the post-office detectives each year, and we have no record of their having discovered or detected anything that resulted in any great benefit to the Government. Under civil-service rules a postmaster is not permitted to take active part in politics, yet everybody knows his appointment was probably due to his activity in politics and he was recommended for the place because the Congressman naming him believed he could render valuable political service when the time came for his reelection. But notwithstanding this common knowledge, no post-office detective

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has yet ever been able to detect a single postmaster who takes any part in politics.

We have been paying \$200,000 a year to custom-fraud detectives, but they failed to detect the sugar trust robbing the Government of nearly \$3,000,000, and had it not been for some of the employees of the sugar trust we would know nothing about it now. We are paying \$500,000 a year to government land detectives, and all they have ever saved the Government would not buy enough land at \$2 per acre to bury a mule. It seems to me the biggest joke of all is the fact that we pay \$250,000 a year to the antitrust detectives, and up to this time they have not been able to discover a single trust. Then we pay \$380,000 a year to pension detectives, who seldom ever detect anything of importance to the Pension Bureau. How much better it would be to pay this vast sum of money to the ex-soldiers in the way of increased pensions.

EXTRAVAGANCE

Speech of Hon. WILLIAM E. COX, of Indiana, in the House of Representatives, Monday, June 13, 1910. [Part of Congressional Record.]

Mr. Cox of Indiana said:

Mr. Chairman—The people believed when they elected the present incumbent of the White House as their Chief Executive, that they elected a stalwart, a well equipped, all-round man for this important position, but it looks like he is but a weakling, unable to cope even with the question of economy.

Mr. Chairman, some reason exists for this deplorable condition of affairs. What is it? Is it due to an utter lack of knowledge on the part of the party in power, or have they been so faithless to their trust in their desperate attempt to hold on to their lease of power that they have neglected to give the proper amount of study to the question of public economy? At the closing hour of the Sixtieth Congress, March, 1909, the salary of the President was increased from \$50,000 to \$75,000 per year, with the distinct understanding at the time that this increase of salary should be in lieu of the \$25,000 which had been allowed the President since 1906 for traveling expenses. But before the special session of the Sixty-first Congress closed—last August—an act was passed appropriating \$25,000 to defray the traveling expenses of the President, and since then, at the expense of the people, he has well earned the title of "the traveling President." Mr. Chairman, in my judgment, instead of traveling over this country from the Atlantic to the Pacific, at the expense of the people, defending the iniquities of the Payne-Aldrich Act, "declaring it to be the best act ever," thereby attempting to perpetuate his party in power—if he and his Cabinet would remain at

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home, devoting themselves to a study of the questions of public economy, we would not witness the weak and asinine attempt on the part of the President in asking the people to pay him \$100,000 more to enable him to employ persons not connected with the government service to teach him something about the simple law of economy in the administration of the affairs of the Government. The urgent deficiency bill last August carried two items of \$6,000 each for the purchase of two automobiles, one for the Speaker and one for the Vice-President of the United States, and in the legislative bill passed this House a few days ago it carried an item of \$2,500 for the maintenance of the Vice-President's automobile and \$2,500 for the maintenance of the Speaker's automobile, although, be it remembered, that his (Speaker) salary is \$12,000 per year; and when this item of \$2,500 was under debate the Speaker vacated the chair, took the floor in its defense, and ridiculed the idea of economy in the fight which the Democrats and insurgent Republicans were making against it; and in the course of his remarks he took occasion to ridicule and laugh at the acts of Hon. James Williams, ex-Member of Congress and ex-governor of the State of Indiana—now deceased—with whom the Speaker said he served in the Forty-third Congress. And in his criticism of "Blue Jeans" Williams the Speaker said:

I have seen in former days, in the Forty-third Congress, the country, by the aid of the press, greatly wrought up concerning the expenditure of the contingent fund of the House. I saw a Member of the majority party in the Forty-third Congress—Democratic—the late Governor Williams, called "Blue Jeans" Williams by his friends, and who was elected Governor of Indiana, stand here on this floor as chairman of the Committee on Accounts, with a fan in his hand that retailed at a nickel, when the weather was almost as hot as Tophet. During that long summer, when iced tea and lemonade were served in the cloak-rooms, and received universal applause on that side of the House—Democratic side—and universal applause on bringing about a great national issue, when he held up the fan and said: "Great heavens, fans furnished from the contingent fund of the House!"

Mr. Chairman, it is not my purpose to enter upon a defense of "Blue Jeans" Williams, he needs none. He was one of Indiana's great men; along by the side of Voorhees, Hendricks, McDonald, Turpie, and Gray he traveled. By his upright and honorable course in life he earned for himself, both imperishable fame and name, among all who knew him. He was one of the men who believed that a public office was a public trust, and that a public officer was a public servant, and along these lines he lived his life, and now that he has gone to his reward while the Speaker may doubt his policy of economy as being the part of wisdom, but he can not doubt his consistency. And if there was a "Blue Jeans" Williams occupying the White House and one at the head of every department of the Government, I am absolutely sure that the people would not be asked for \$175,000 to enable them to learn the road to economy, and I am equally sure that if "Blue Jeans" Williams had been Speaker of this House we would not have witnessed the spectacle of the Speaker

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vacating his chair, taking the floor in defense of the item, that no one can find any warrant in law for, whatever.

Let us see which one of these men hewed the closest to the lines of economy; the Speaker in accepting a \$6,000 automobile from the Government last year and defending a \$2,500 item for its maintenance, or "Blue Jeans" Williams in his criticism upon Congress for appropriating money to buy fans which retailed at a nickel apiece. The Forty-third Congress, in which Mr. Williams served, was a Democratic Congress, and it appropriated (two years) \$653,794,991.21, or \$326,897,495.10 per year. Mr. Cannon was elected Speaker of the House in the Fifty-eighth Congress and reelected in the Fifty-ninth, Sixtieth, and Sixty-first Congresses. The Fifty-eighth Congress (two years) appropriated \$1,497,751,476.90, or \$748,375,738.45 per year. The Fifty-ninth Congress (two years) appropriated \$1,789,404,176.47, or \$894,702,088.23 per year. The Sixtieth Congress (two years) appropriated \$2,052,799,400.68, or \$1,026,399,700 per year, or three and one-tenth times more per year than was appropriated during the Forty-third Congress. The total appropriations for the first session of the Sixty-first Congress are not yet made, but I imagine they will reach a figure as startling in magnitude as were the appropriations during the Sixtieth Congress. If we had a few more men in the House like "Blue Jeans" Williams who would constantly call the attention of the country to the wasteful extravagance of the people's money, not in buying fans that retail at a nickel apiece, but in buying automobiles at the rate of \$6,000 each for the Speaker, the Vice-President, the President, members of the President's Cabinet, and the appropriations of thousands of dollars each year for their maintenance, I believe that the country would thoroughly approve of Mr. Williams' course instead of the course pursued by the Speaker. I am willing to submit the controversy between the present Speaker and Mr. Williams to an unbiased jury, 14,000,000 strong, at the coming November election, and let this jury determine the question as to which one of these men served the people best.

Speech of Hon. COURTNEY W. HAMLIN, of Missouri, in the House of Representatives, Friday, March 11, 1910. [Part of Congressional Record.]

Mr. Hamlin said:

Mr. Chairman—I move to strike out the last word for the purpose of asking a question of the gentleman in charge of this bill. In this paragraph to appropriate \$8,000 to cover the expenses of the following items for the incoming fiscal year, to wit:

Including the purchase, care, and subsistence of horses to be used only for official purposes, repair of wagons, carriages, and harness, rent of stable, telegraph and electrical apparatus and repairs to the same, and other items not included in the foregoing, \$8,000.

In making up this item, has the gentleman any statement showing how he reached the conclusion that \$8,000 would be

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needed for this purpose? How much, for instance, of the \$8,000 is to be used for the subsistence and care of horses?

* * * * *

Mr. Chairman, I now have in my hand the printed report of the Secretary of State covering the items about which I have been speaking, and I will read each item, with the amount he claims to have expended last year for the purposes indicated:

Repairs of harness.....	\$15.60
Horseshoeing	237.66
Forage	594.88
Repair mail wagon and vehicles.....	589.00
Rent of stables.....	720.00
Pasturing horses.....	62.83
Stable supplies.....	15.40
Harness and stable supplies.....	430.00
Painting vehicles.....	125.25
Repairing vehicles.....	28.75
Total.....	\$3,419.37

Now, I submit to the House that this is a pretty large sum to be used in keeping four horses—or even six horses—one mail wagon, and one carriage for one year.

That we may understand this a little better, let me figure it down a little closer.

We have one mail wagon with two horses and one carriage with two horses. Then, it cost the Government last year \$3,419.37 to keep these two teams, or \$284.95 per month, or \$9.50 per day.

When I consider that our committee has just begun this investigation, and yet we find this reckless extravagance, I believe that it demonstrates the importance of a most thorough investigation of this department. This, I hope, we may make. Gentlemen on that side may regard this as too small and trivial a matter to notice and may speak of it contemptuously, if they will, but I want to say to you that the people of this country who pay the taxes will not so consider it, for they realize that the small continued leakage will ultimately wreck the strongest financial institution in the world.

Let me remind you that it is the small leaks that sink the ship; the small drops of water that make the ocean. It is often the small sins that damn the soul.

Mr. Chairman, I am conscious of this fact, that if I can only be instrumental in stopping the little leaks I will save this Government infinitely more money than will gentlemen who can not deign to take notice of the little leaks, but who pretend to be continually hunting for large ones, but always hunting in the dark without a lantern.

* * * * *

LEGISLATIVE, EXECUTIVE, AND JUDICIAL APPROPRIATION BILL

Speech of Hon. JOHN J. FITZGERALD, of New York, in the House of Representatives, Friday, June 10, 1910. [Part of Congressional Record.]

Had Democrats originated the contention that \$100,000,000 a year more is being expended by the Federal Government than is required by proper and efficient methods of government, the administration would treat the assertion with contempt. But this is the declaration of the President, the official head of the Government, and the leader of the Republican party which has had absolute and uninterrupted control of the Government for the past thirteen years.

But what has the Republican party been doing during those thirteen years it has been in absolute control of the Government? Squandering with a lavish hand; ridiculing those who have protested against its extravagances; deaf to all demands for reform and economies awakened to its own profligacy only by a depleted Treasury and a continuing deficit.

Mr. Fitzgerald said:

Mr. Speaker—In his annual report for the fiscal year ending June 30, 1910, made to the Congress under date of December 6, 1909, the Secretary of the Treasury says:

It is a favorable opportunity—partly created by the influence of the deficit—to consider the Government's outgo, not alone in its totals, but in its details, and to institute proper economies. The time is clearly ripe for wise and judicious savings in federal expenditures, and if this should be successfully accomplished, there is a prospect that the example would influence the overhauling of state and municipal expenditures, to the great advantage of the Nation.

This statement of the Secretary of the Treasury was the beginning of a number of astonishing admissions from the responsible officials of the administration that "extravagance, waste, inefficiency, and poor administration" had marked the conduct of the public affairs under the present Republican regime.

In his annual message to Congress, under date of December 7, 1909, President Taft said:

Perhaps the most important question presented to this administration is that of economy in expenditures and sufficiency of revenue. The deficit of the last fiscal year, and the certain deficit of the current year, prompted Congress to throw a greater responsibility on the Executive and the Secretary of the Treasury than had heretofore been declared by statute.

Several facts must be borne in mind in considering these statements of the President and the Secretary of the Treasury.

The Republican party, of which they are the chief spokesmen, has been in absolute and uninterrupted control of the Govern-

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ment for more than thirteen years; and within four months of these assertions the Congress had enacted a tariff law declared by the President to be the best tariff act ever framed.

The necessities for economy, whether due to inadequate revenues or to wanton extravagances, are directly chargeable either to the inability of the Republican party to raise sufficient revenue under its peculiar financial policy or to its inability to curb its greed for appropriations so long as there is in the Treasury money unappropriated.

The Treasury operations for the fiscal year ending June 30, 1910, have been published.

The excess of expenditures over receipts for the year is \$25,884,644.31. This is the amount of the deficit for the fiscal year just closed.

At the beginning of the fiscal year the Secretary of the Treasury changed the form of "The Daily Statement" of the Treasury Department. Prior thereto, in stating the result of the operations of the Treasury Department for any fiscal year, the receipts and disbursements for all purposes were combined so that the final statement each year disclosed the entire receipts and disbursements of the Government and the exact surplus or deficit for the fiscal year.

The statement now, however, segregates what are denominated "ordinary" receipts and disbursements from the disbursements for the Panama Canal and the public debt, the latter inclusive of money received and paid for the retirement of the national-bank notes.

While the segregation serves a useful purpose in enabling more accurate and definite information to be obtained from the Daily Statement, the attempt to eliminate from the final statement all disbursements other than those characterized as "ordinary" is misleading and unwarranted.

Omitting these disbursements, however, the Treasury Department proclaims for the year which ended June 30, 1910, a surplus of receipts amounting to \$9,402,432.06 instead of the actual deficit of \$25,884,644.31.

Included in the total receipts for the fiscal year 1910 is \$17,363,815.19, collected from corporations under the corporation-tax feature of the Payne-tariff law.

If this sum be eliminated the apparent surplus of \$9,402,432.06 claimed by the Treasury Department turns into an actual deficit of "ordinary" receipts and expenditures of \$7,960,383.13, and the real deficit for the year becomes \$25,884,644.31 plus \$17,362,815.19, or in all, \$43,247,459.50.

The last tariff act enacted under Democratic auspices was the Wilson Act of August 24, 1894. For many years Republicans have entertained themselves with reiterated statements that the Democratic tariff act failed to produce adequate revenue for the necessities of the Government. Upon that assertion they have argued that the Democratic party is incompetent to frame properly a tariff law which will yield revenue adequate for the demands upon the Treasury. In the Wilson Act provision was made for a tax upon incomes. The estimated revenue from that

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source was \$10,000,000 annually. The Supreme Court of the United States held the income-tax feature of the Wilson Act unconstitutional, and the anticipated revenue from such source was never obtained.

In enacting the Payne-Aldrich tariff act the Republicans followed the example of a Democratic Congress. In addition to the duties levied upon certain imports a tax was laid upon certain corporate earnings. During the year just closed \$17,362,815.19 were collected under the corporation-tax provisions of the Payne-Aldrich Act. The constitutionality of the corporation tax, however, has been challenged. The cases have been argued and submitted. That the questions involved are not free from doubt is apparent from the action of the Supreme Court in ordering a reargument of the cases. Unfortunately the decision can not be made prior to the election.

In the event, however, of the Supreme Court deciding the corporation tax unconstitutional, it will be demonstrated that the Republican party in the enactment of the Payne-Aldrich tariff act has been guilty of every offense for which they condemned, so severely the Democratic party in 1894, and, in addition, of many iniquities which an examination of the Payne Act discloses. Then, too, despite the ingenious rearrangement of the Treasury daily statement, a very pronounced deficit will exist for the fiscal year just closed in the so-called "ordinary receipts and disbursements" of the Government, instead of the surplus, as claimed, and the Payne-Aldrich tariff act will have failed to produce sufficient revenue even to meet the "ordinary" Republican expenditures.

The estimates submitted to the Congress during the present session aggregate \$1,028,125,769.28. Under various laws certain sums are appropriated annually for definite services and purposes without action by the Congress. These appropriations are known as "permanent appropriations." For the fiscal year 1910, just ended, the estimate of permanent appropriations was \$160,096,082.52. For the fiscal year 1911 the estimate of permanent appropriations submitted by the Secretary of the Treasury is \$130,934,595.12, a difference of \$29,161,487.40.

The total appropriations for the fiscal year 1910 made during the second session of the Sixtieth Congress were \$1,044,401,857.12, and during the extra session of the Sixty-first Congress additional appropriations aggregating \$11,261,410.76, in all \$1,055,663,267.88, and for the fiscal year 1911, as appears from the statement prepared by the clerks to the Committees on Appropriations of the Senate and House of Representatives, \$1,027,133,446.44, an apparent difference in favor of the fiscal year 1911 of \$28,529,821.44.

The act of July 12, 1882, required national banks on the surrender of their charters or on the renewal of their corporate existence to deposit in the United States Treasury sufficient lawful money to redeem their then outstanding circulation. All such deposits constituted a trust fund available only for such redemptions. By the act of July 14, 1890, this trust fund was abolished, and over \$50,000,000 then on deposit therein was covered into the general fund of the Treasury.

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The act also provided that all deposits thereafter made by national banks for redemption purposes should be covered into the Treasury as miscellaneous receipts; that the Treasury should redeem the circulating notes of such banks from the general cash in the Treasury, and that the Treasury should be reimbursed for such redemptions "from an appropriation hereby created, to be known as the 'national bank notes redemption account.'"

To reimburse this account there was appropriated, upon the estimate of the Secretary of the Treasury, \$75,000,000 in 1908. \$43,937,843.50 in 1909, and \$30,000,000 in 1910. The daily statement of the Treasury Department for June 30, 1910, discloses that the exact sum required for the purpose during the fiscal year 1910 was \$31,674,292.50.

The Secretary of the Treasury in submitting his estimates for the fiscal year 1911 made no estimate for this purpose. The appropriation is made automatically under the law regardless of the action of the Secretary. The only effect of the omission to submit the estimate is to eliminate the amount required from the total of the appropriations for the fiscal year 1911. If instead of taking the average appropriation for the three preceding fiscal years, the least amount required for any one of them, \$30,000,000, be considered as necessary for the fiscal year 1911, then the apparent difference between the appropriations for 1910 and 1911 of \$28,529,821.44 disappears and the appropriations for the fiscal year 1911 are in excess of those for 1910.

The omission of the estimate for the reimbursement on account of redemptions of national-bank notes has not been explained in the report of the Secretary of the Treasury nor in any document to which I have had my attention called. The Secretary might just as readily have eliminated the estimate of \$60,935,000 to meet the requirements of the sinking fund, and the result would have been doubly gratifying from the standpoint of the administration. The omission is all the more striking since it is apparent that the deposits to be made by the banks and credited to the general fund of the Treasury, as required by law, are included in the estimated miscellaneous receipts for the fiscal year 1911, aggregating \$47,000,000.

The importance of the elimination of this estimate of \$30,000,000 is apparent, if a statement made by the gentleman from Minnesota [Mr. Tawney] in his review of the appropriations for the fiscal year 1911 be considered and analyzed. He says that—

The revenues for the fiscal year 1911 will exceed the total ordinary expenditures of the Government, authorized under appropriations made at this session for the fiscal year 1911, by at least \$11,937,811.73.

Included in the estimated receipts, as part of the miscellaneous receipts, are the payments to be made by the banks, and excluded from the "ordinary" disbursements are the appropriations to reimburse the general fund of the Treasury. In addition there is included in the estimated receipts the sum of \$25,000,000, proceeds from the corporation tax, the validity of which still hangs in the balance awaiting the decision of the

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Supreme Court upon the reargument heretofore ordered. Include the \$30,000,000 to be required to reimburse the general fund in the disbursements, or exclude a similar amount from the estimated miscellaneous receipts for 1911, and instead of a prospective surplus for the year in the "ordinary" receipts and disbursements there is a prospective deficit of \$18,062,188.27, with the possibility of its increase by \$25,000,000 if the decision of the Supreme Court is unfavorable to the Government in the corporation-tax cases.

Despite the admitted waste and extravagance in the administration of the public affairs, and in face of repeated warnings and exhortations, the Republican party has demonstrated its utter incapacity to curtail legitimately the public expenditures.

Two years ago I pointed out the amazing and unjustifiable increase in the cost of administering the affairs of the Federal Government under the Republican party. It will be instructive to repeat some of the figures to which I called attention at that time. Until the fiscal year 1909 the expenditures of the Federal Government had exceeded the billion-dollar mark but once in our history. In 1865, with 350,000 armed men in the field, the expenditures amounted to the enormous sum of \$1,394,655,448. Of this sum, however, \$1,030,690,400 was for the maintenance of the army.

The total expenditures during the Buchanan administration (four fiscal years, 1858 to 1861) were \$305,149,822.

During the four fiscal years ending in 1865, with the civil war raging, the total expenditures were \$3,394,830,931.

In the four fiscal years ending in 1869 the total expenditures were \$1,621,652,538.

In the four fiscal years ending in 1873 the total expenditures were \$1,217,337,854.

In the four fiscal years ending in 1877 the total expenditures were \$1,191,735,968.

In the four fiscal years ending in 1881 the total expenditures were \$1,157,831,864.

In the four fiscal years ending in 1885 the total expenditures were \$1,201,014,662.

In the four fiscal years ending in 1889 the total expenditures were \$1,253,722,713.

In the four fiscal years ending in 1893 the total expenditures were \$1,655,241,809.

In the four fiscal years ending in 1897 the total expenditures were \$1,758,902,462.

In the four fiscal years ending in 1901 the total expenditures were \$2,444,141,683. During these four years the war with Spain was conducted, and large expenditures necessarily made by reason thereof.

The expenditures during the four fiscal years ending in 1869, immediately after the civil war, were \$1,773,178,393 less than during 1862 to 1865, a reduction of about 50 per cent.

The second four-year period after the civil war, ending in 1873, saw a reduction from the expenditures of the preceding

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four years of \$404,000,000, or about 25 per cent. of the reduced expenditures during the four years ending in 1869.

In the four fiscal years ending in 1905 the total expenditures were \$2,679,452,799. These were the first four years of President Roosevelt's administration. The expenditures during these four years were \$235,000,000 in excess of the expenditures during the preceding four years, when the cost of the war with Spain had to be met. After the civil war the cost of conducting the Government for the four years that followed was 50 per cent. less than during the four years of the war.

After the war with Spain, under the Presidency of Theodore Roosevelt, the cost of maintaining the Government for the four following years was 10 per cent. greater than during the same period when the war was waged.

During the civil-war years 1862 to 1865 the total expenditures were \$3,394,830,931. Under President Roosevelt the expenditures in the fiscal year 1906 were \$736,717,582; 1907, \$762,488,752; appropriations for 1908, \$920,798,143; for 1909, \$1,008,804,894; grand total, \$3,428,809,371—\$33,978,440 more than was expended during the four years of the civil war. -

It would have been supposed that the flood tide of appropriations had occurred in 1909; but the truth is that the appetite of the Republican party had only been whetted, not satisfied. So in the second regular session of the Sixtieth Congress the appropriations aggregated \$1,022,832,001.24 with deficiencies of \$20,310,339.92, and miscellaneous appropriations of \$1,259,515.96; and at the extraordinary session of the Sixty-first Congress \$11,261,410.76 additional was appropriated for the fiscal year 1910, making in all \$1,055,663,267.88. During this session, as has already been pointed out by elimination from the calculations of a permanent appropriation of at least \$30,000,000, an apparent reduction of \$28,529,821.44 is shown; while if the \$30,000,000 required to reimburse the general fund of the Treasury be included in the total of appropriations, as it should and must be, the appropriations for the fiscal year 1911 aggregate \$1,057,133,446.44, and exceed those of 1910 by \$1,470,178.56.

Some years ago the Congress realized its apparent helplessness to stem the rising tide of public expenditures under Republican administrations. To stop if possible the unauthorized and illegal action of the executive departments in incurring obligations unauthorized and not contemplated by Congress, the first so-called antideficiency act was incorporated in the general deficiency act of March 3, 1905. Its provisions were unavailing to curtail the departments in their defiance of the will of Congress, and expenditures were continued, and obligations were incurred with a supreme contempt for the action of Congress in refusing the appropriations and authorization for which the expenditures were made or the obligations incurred.

* * * * *

Such results were wholly unexpected by the administration; they are conclusive that no effective pruning of appropriations

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is possible until the Republican party has been ousted and a Democratic House returned.

In the June number of McClure's Magazine appears an interview with President Taft. It is interesting to compare his assertions of what would be done with what has actually happened. He said that—

In the year ending 1911 we expect to have a surplus of \$35,000,000 in our ordinary operations. Much of this is to be secured by cutting expenditures.

The appropriations for the fiscal year 1911 are the largest in our history.

The gentleman from Minnesota, after scrutinizing the appropriations made during the session, is unable to predict a surplus for the year 1911 in excess of \$11,937,811.73, while, as I have heretofore pointed out, the figures demonstrate that in all probability there will be a deficit in the "ordinary" operations of the Treasury of \$18,062,188.27.

Attention was called by the President to the fact that the appropriations during the past ten years for ordinary expenses have increased an average of \$20,000,000 a year; that the appropriations for 1910 had already been made when he took office; that his Cabinet immediately concentrated their efforts upon reducing estimates, and that a very material reduction in estimates had been made. Yet the appropriations made for the first year of his administration, with all of its efforts concentrated to bring about reductions, are the largest in our history; larger than those for the fiscal year 1910, made before he took office and included among which was an extraordinary appropriation of \$10,000,000 for the Thirteenth Census.

The President said further:

The United States now has an expenditure all told of over \$1,000,000,000 a year. The savings that have been reported as possible by the different departments in various branches of the work run from 5 to 40 per cent. Men who have been active in the administration's efforts for economy in the departments estimate that if Congress will co-operate in the employment of experts, probably \$100,000,000 a year can be cut off from public expenditures simply by doing the same amount of work that we now accomplish by better business methods. This means that the cost of government can be reduced by more than the entire cost of the Federal Government in any year before the civil war. As an annual saving this is an immense prize, and is worthy of the concentrated efforts of the entire administration.

If such assertions were made by political opponents of the administration they would be ridiculed and treated as unfounded partisan charges made merely for political effect. Had Democrats originated the contention that \$100,000,000 a year more is being expended by the Federal Government than is required by proper and efficient methods of government, the administration would treat the assertion with contempt. But this is the declaration of the President, the official head of the Government, and the leader of the Republican party which has had absolute and uninterrupted control of the Government for the past thirteen years.

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Some incredulous and uninformed persons may doubt the accuracy of the President's statement, or may imagine that it has been unwittingly exaggerated. Such might well be believed were it not that it is merely the expression of the conviction of some of the best-informed Republicans in public life.

On February 21, 1910, Senator Aldrich said:

There is no intelligent observer in Congress or out of it who does not know that the executive departments of this Government are carried on either under obsolete business methods or without any business methods at all. There is no man who has given this subject any attention whatever who does not know or believe that at least 10 per cent. of the thousand million dollars which we are appropriating annually can be saved by the adoption of business methods. This question of saving \$100,000,000 per year—and it can be demonstrated, in my judgment, that the saving will be much more than that—is a matter that should receive the serious consideration of Congress. If I were a business man and could be permitted to do it, I would undertake to run this Government for \$300,000,000 less than it is run now.

Congress has been attempting, somewhat feebly, it is true, to keep down the expenditures. At this session it has appropriated \$200,000 to permit the employment of experts by the President to have overhauled the departments. But what has the Republican party been doing during the thirteen years it has been in absolute control of the Government? Squandering with a lavish hand; ridiculing those who have protested against its extravagances; deaf to all demands for reforms and economies; awakened to its own profligacy only by a depleted Treasury and a continuing deficit.

The President has voiced the most conclusive indictment yet uttered against the Republican party. The condition of which he speaks is not of a moment's existence; if it has existed for but five of the thirteen years of Republican control, it means that \$500,000,000 has unnecessarily been expended, unnecessarily collected from the people, contributing materially to the distressing cost of living which daily plagues us.

It is not surprising that the Secretary of the Treasury, in his latest annual report to the Congress, stated that—

extravagance, waste, inefficiency, and poor administration on the one hand, and too hurried or too expensive development of governmental activities on the other hand, can afford savings to the advantage of everybody.

The administration will probably urge that the concededly imperative reforms be made by "the friends of the extravagance, waste, inefficiency, and poor administration" which prevail. The American people, however, have just witnessed "a revision of the tariff by its friends," at the solicitation of the same Republican party now clamoring for reform in expenditures. The result has not been of that satisfactory character which justifies a repetition of the experiment in another field of governmental activity.

The gentleman from Minnesota [Mr. Tawney], in a review of the appropriations made at this session of Congress, states that—

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the 12 regular appropriation acts that provide for the annual expenses of the Government appropriate in all for the conduct of the Government during the fiscal year ending June 30, 1911, \$819,647,052.02, which sum is \$8,506,085.44 less than the regular estimates therefor submitted to Congress at the beginning of the session in December last, and \$44,914,527.46 less than was carried in the corresponding acts, including amounts appropriated at the extra session for the fiscal year 1910.

I desire to point out several facts in connection with this statement which may prevent erroneous conclusions by the uninitiated.

The appropriations for the Isthmian Canal are carried in the sundry civil appropriation act, one of the twelve regular appropriation acts mentioned by the gentleman from Minnesota [Mr. Tawney].

The estimated amount required for the fiscal year 1911 for the Isthmian Canal was \$48,063,524.70. The amount appropriated is \$37,859,890, a difference between the estimate and appropriation in this one item alone of \$10,203,634.70, more than the difference between the estimates and appropriations mentioned. This item of \$10,203,634.70 is not a saving; it is merely deferring to another day an appropriation which must be made. Knowledge of the fact, however, will prevent the hasty conclusion that a reduction has been effected. The truth is that if the canal estimates and appropriations be excluded, appropriations in the twelve acts just mentioned exceed the estimates by \$1,697,549.26.

As to the statement that the amounts carried in the acts of this session are \$44,914,527.46 less than the total of the same acts for the fiscal year 1910, certain other facts must be considered.

In the sundry civil act carrying appropriations for 1910 \$19,754,514 was carried for river and harbor work and \$19,015,450.60 for public buildings, together making \$38,769,964.60. In the sundry civil act carrying appropriations for 1911 there is appropriated for river and harbor work \$8,051,428 and for public buildings \$6,145,420, together making \$14,196,848, or \$24,573,116.60 less than for the fiscal year 1910. The river and harbor act for 1910 carried \$9,435,750 in addition to the amount in the sundry civil act, while the river and harbor act just enacted makes available \$41,329,113.50, an increase over last year's bill of \$31,893,363.50, which more than offsets the difference of \$24,573,116.60 heretofore shown. Appropriations to carry out the authorized contracts for river and harbor work and public buildings are carried in the sundry civil act, so that comparisons of total appropriations in years when river and harbor and public building acts are enacted must be carefully made and analyzed to prevent erroneous deductions highly favorable to the party in power when desirous of making a commendable showing prior to election.

There are some other phases of the financial operations of the Republican party that must awaken the concern of every thoughtful citizen. Its profligate extravagances have so piled appropriations as to alarm the entire administration; with equal in-

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difference, however, they have mortgaged the future, and make well-nigh impossible reductions in expenditures by reason of the obligations which have either been incurred or authorized.

No satisfactory explanation has ever been given of the action of Congress during this administration of President Taft increasing the amount of certificates of indebtedness which may be issued bearing interest at the rate of 3 per cent.

Growing out of the war with Spain the so-called war-revenue act (act of June 30, 1898) authorized the borrowing of not exceeding \$100,000,000 upon certificates of indebtedness bearing interest at 3 per cent. and payable at not exceeding one year from the date of issue. The purpose of the authority was to enable the Government to anticipate the additional revenues to be obtained from the burdens imposed to defray the expenses of the war. By section 40 of the Payne-Aldrich tariff act the amount of such certificates which may be issued to enable the Secretary of the Treasury to borrow money to meet public expenditures is increased from \$100,000,000 to \$200,000,000. A device resorted to as a necessary means of obtaining money quickly to meet the imperative demands for the public defense is now adopted by the Republican party as part of its fiscal policy during times of peace.

In the same act—the Payne-Aldrich—another provision was included that will saddle an additional burden of \$145,184,500 upon the people.

Under the so-called Spooner Act, approved June 20, 1902, contracts were authorized for the building of the Isthmian Canal to the amount of \$135,000,000 and bonds were authorized to be issued for \$130,000,000 bearing interest at 2 per cent., and payable any time after ten years from date of their issue. In addition to the \$130,000,000 of bonds, Congress had appropriated in all \$50,000,000 to acquire rights, property, and franchises and to begin the work.

At various times the estimate of the cost of the canal has been increased, and the limit of its cost has been changed by Congress. In the Payne-Aldrich tariff act authority is given to issue \$290,569,000 of bonds in addition to the \$84,631,900 theretofore issued to reimburse the Treasury for expenditures made on behalf of the construction of the canal. The \$84,631,900 of bonds already issued bear interest at 2 per cent. and are payable any time after ten years of the date of issue; the \$290,569,000 authorized by the Payne-Aldrich tariff act are to bear interest at not exceeding 3 per cent., and are not redeemable within fifty years of issue unless the Government should go into the market and pay the premiums which such bonds will naturally command. These bonds will probably be issued bearing 3 per cent. interest. The increased expenditure on account of the canal resulting from this increase in rate of interest on these bonds amounts to \$145,184,500.

The original intention of Congress was to pay about one-third of the cost of the canal from the current revenues and the balance from the proceeds of 2 per cent. bonds. The unparalleled extravagance of recent Republican Congresses, however, has

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made impossible the fulfillment of the original design. Let posterity pay for the canal is now the slogan, and apparently the Republican party in adding to the burdens of posterity acts with the same contempt and indifference to the future as Lord North displayed when he inquired "What has posterity ever done for us?"

The administration has justified the increased rate of interest on these bonds by the assertion that there is no market for 2 per cent. bonds, and an issue of them can not be marketed.

The interest-bearing debt of the United States amounted on June 30, 1909, to \$913,317,490. To secure national bank note circulation United States bonds to the amount of \$660,753,070 were pledged in the Treasury, and \$81,244,071.10 other bonds and securities were held to secure public deposits in national banks.

The United States bonds pledged to secure circulation and deposits on June 30, 1909, were equal to 78 per cent. of the total bonds outstanding. In other words, the national banks of the country have deposited in the Treasury for various purposes at least 78 per cent. of the interest-bearing obligations of the Government. The assertion that there is no market for 2 per cent. bonds is equivalent to a statement that the banks desire no more bonds of this character. No other civilized nation, probably, can assert that the banking interests hold so large a proportion of its securities and the people so small a part. The increase of the rate of interest on the additional \$290,000,000 of Panama bonds is clearly in the interest of the banks and the great financial interests of the country. The ordinary citizens have been put in a different category than that occupied by the bond-holding banks. Under the postal savings-depository act 2 per cent. is to be paid upon the deposits of the poor. Should the depositors so desire they may surrender their deposits, under certain conditions, and obtain instead registered or coupon bonds bearing interest at the rate of $2\frac{1}{2}$ per cent. and payable after one year from the date of issue at the pleasure of the United States, although the Isthmian Canal bonds may bear interest at 3 per cent. and are to run fifty years from the date of issue. No banking institution nor prominent financier has been heard to criticize the suggestion of the Secretary of the Treasury that the proceeds of these bonds above par should be utilized to redeem the 2 per cent. bonds now held by the banks to prevent them incurring loss. The banks have already profited handsomely from the issuance of the 2 per cent. bonds, and they will not be found to complain that the financial operations of the Government be so conducted as to make impossible any loss by them.

In addition to these burdens placed upon an elusive and accommodating posterity, this Congress has authorized river and harbor contracts which will require \$10,618,605, public-building contracts requiring \$27,000,000, and additional aids to navigation amounting to \$1,119,050; in all, \$48,837,655, for which no appropriations have yet been made and none will be made prior to the coming election. While it is proper to exclude these sums

REPUBLICAN EXTRAVAGANCE

from the amount of appropriations actually made, it is not possible to ignore them in any review of the fiscal policy of the Government as controlled by the Republican party.

It appears from a review of the work of Congress at this session that there has been a complete failure in at least one important phase of "conservation." With the influence of the administration openly exerted to keep appropriations within sharply reduced estimates the attempt to make even a commendable showing has not succeeded. The working balance in the Treasury is reduced to the lowest point possible for the convenient fiscal operations of the Government; Congress has again reveled in extravagance. Not satisfied with authorizing expenditures in excess of those during the past few years of reckless extravagances, obligations have been incurred, and changes have been made in our fiscal policy that not only demand sacrifices in the future of revenue to pay the debts now incurred but which will tend to increase the inordinate influence of the financial and banking interests of the country in our fiscal affairs.

It has been somewhat feebly intimated that Democrats are equally responsible with Republicans for the indefensible extravagances of Congress. Futile as such attempts to avoid the responsibility which belongs to the Republican party. Enthusiastic claims are being made of the "accomplishments" of this Congress. Eloquent addresses have been prepared by prominent Republicans picturing the benefits to be derived by the country as the results of legislation enacted by a Republican Congress. Controlling both Houses of Congress by substantial majorities, the responsibility for the appropriations belongs to the Republicans. Try as they may they can not be other than "wasteful, extravagant, inefficient." Admitted by the President that \$100,000,000 a year should be saved, his party increases rather than reduces appropriations.

There can be no hope for any reductions from the Republican party. The best interests of the country and of the people demand a Democratic House. In no other way can expenditures be brought back to normal levels, taxes levied and collected for the sole purpose of defraying the legitimate expenses of the Government economically administered, and the imperative examination and investigation of all branches of the public service thoroughly, efficiently, and honestly made by those, having no friends to protect from the consequences of their rascalities, indiscretions, or incompetency, desire only to promote the welfare of the people by improving the administration of the public affairs.

REPUBLICAN EXTRAVAGANCE

Chronological history of appropriation bills, second session of the Sixty-first Congress; estimates and appropriations for the fiscal year 1910-11, and appropriations for the fiscal year 1909-10.

[Prepared by the clerks to the Committees on Appropriations of the Senate and House of Representatives.]

Title.	Estimates, 1911.	Reported to the House.	Passed the House.	Reported to the Senate.	Passed the Senate.	Law, 1910-11.	Law, 1909-10.
Agriculture.....	\$13,377,136 00	\$13,417,136 00	\$13,330,276 00	\$13,522,636 00	\$13,487,636 00	\$12,995,036 00	\$12,995,036 00
Army.....	94,799,067 55	95,322,707 55	95,297,707 55	95,440,567 55	95,440,567 55	95,440,567 55	101,196,863 34
Diplomatic and consular.....	4,133,581 41	3,986,981 41	3,731,981 41	4,119,481 41	4,116,081 41	4,116,081 41	3,613,861 67
District of Columbia.....	11,180,628 49	10,285,907 99	10,258,067 99	10,946,960 99	11,012,960 99	10,608,045 99	10,689,531 49
Fortification.....	6,726,724 56	5,617,200 00	5,617,200 00	5,817,200 00	5,817,200 00	5,617,200 00	8,170,111 00
Indian.....	8,988,262 90	8,513,757 90	8,798,478 00	9,920,334 68	9,891,934 68	9,266,528 00	11,854,982 48
Legislative, etc.....	34,237,069 00	33,897,815 00	33,853,295 00	34,044,357 00	34,207,617 00	34,158,767 00	32,007,049 00
Military Academy.....	1,876,332 37	1,855,249 87	1,855,249 87	1,856,649 87	1,856,649 87	1,856,249 87	2,531,521 33
Navy.....	126,907,536 38	129,037,602 93	127,829,602 93	130,737,934 38	131,679,854 38	131,350,854 38	136,935,199 05
Pension.....	155,858,000 00	155,674,000 00	155,674,000 00	155,758,000 00	155,758,000 00	156,758,000 00	160,908,000 00
Postoffice.....	243,692,695 00	239,812,195 00	243,907,020 00	243,907,020 00	243,907,020 00	243,907,020 00	234,692,370 00
River and harbor.....	19,038,037 00	35,173,846 50	35,351,746 50	41,732,313 50	41,819,113 50	41,329,113 50	9,435,750 00
Sundry civil.....	126,376,103 80	111,804,838 82	112,302,541 82	117,408,970 02	117,618,320 02	114,080,101 82	137,696,623 36
Total.....	847,191,174 46	844,399,238 97	847,807,167 07	865,203,025 40	866,737,355 40	860,976,165 52	862,735,918 72
Urgent deficiency, 1910 and prior years.....	15,500,000 00	5,013,836 03	5,116,325 73	5,713,124 79	5,768,409 65	5,767,699 22	20,310,339 92
Deficiency, 1910 and prior years.....	}	5,737,412 09	6,264,601 47	7,946,946 58	8,338,490 14	6,954,886 58	}
Miscellaneous.....	862,691,174 46	855,150,487 09	859,188,094 27	878,803,096 77	880,844,255 19	873,698,851 32	883,046,258 64
Advances to reclamation fund, reimbursable from receipts of reclamation fund.....	14,500,000 00	.....	.....	.....	.....	2,500,000 00	1,259,515 96
Total.....	20,000,000 00	.....	.....	.....	.....	20,000,000 00	.....
Total, regular annual appropriations.....	897,191,174 46	.....	.....	.....	.....	896,198,851 32	884,305,774 60
Permanent annual appropriations.....	130,994,595 12	.....	.....	.....	.....	130,934,595 12	160,996,082 52
Grand total, regular and permanent annual appropriations.....	1,028,125,769 58	.....	.....	.....	.....	1,027,133,446 44	1,044,401,857 12
Miscellaneous appropriations (Thirteenth Census, etc., for 1910), first session, Sixty-first Congress.....	.....	.....	.....	.....	.....	.....	\$11,261,410.76
Amount of estimated revenues for fiscal year 1911.....	.....	.....	.....	.....	.....	.....	672,000,000.00
Amount of estimated postal revenues for fiscal year 1911.....	233,058,572.37
Total of estimated revenues for fiscal year 1911.....	\$905,058,572.37

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CANNONISM AND THE ALDRICH-PAYNE TARIFF ACT.

Speech of Hon. CLAUDE KITCHIN, of North Carolina, in the House of Representatives, Friday, February 25, 1910. [Part of Congressional Record.]

Mr. Kitchin said:

Mr. Chairman—It was indeed a beautiful sight yesterday afternoon to see the patriotic band of stalwart “regulars” hanging upon the lips of the eloquent speech of the distinguished gentleman from Massachusetts. It was a more beautiful sight to behold the distinguished Speaker of the House melting at the pathos, chuckling at the wit, and held absolutely entranced and captivated by the eloquence and logic of the same distinguished gentleman, the illustrious insurgent from the State of Massachusetts, the Hon. Augustus Peabody Gardner. [Laughter.]

Let us hope that this presages the dawn of a happier and brighter day for the reign of peace on that side of the Chamber. I trust that I shall not say one word to mar even the beginning of the loving harmony which will hereafter prevail over there. [Laughter.]

The membership of the House is to be commended for the good nature and courtesy that have marked its discussions during this session. I hope I shall not disturb the amenities of debate; but, of course, my friends of the majority, you appreciate how difficult it is for one to discuss with the whole truth your record and at the same time be entirely parliamentary. [Laughter.] The older we grow the more softened becomes our partisan feeling. I reckon I used to have as much of it as anybody, but since my service here I have met so many good Republicans that I have long ago reached the conclusion that a Republican is never dangerous to a Democrat except in elections and is never harmful to the public except in office. [Laughter.]

I have said during this session that there is not a Republican in this House that had the nerve to defend boldly and openly upon this floor the Aldrich-Payne Act, but when I heard that the distinguished gentleman from Massachusetts [Mr. Gardner] was going to make a speech, I said to my comrades here, “There is one man, an insurgent at that, the regulars are going to ‘gold brick’ into undertaking the hopeless task.” Imagine my disappointment when out of the hour and ten minutes speech on the tariff and high prices not one single reference was made

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to the unfortunate act. Yet it was said that he was going to defend the Aldrich-Payne Act. He did defend it in the only way that any Republican can defend it. The entire strength of his defense lay not only in the failure to say one good word for it, but in the absolute failure to even mention it. [Applause on the Democratic side.] But there is one man on that side of the House who has had the courage, or rather audacity, to attempt a defense of it, as I recollect now, and that was the distinguished gentleman from Illinois, my friend Mr. Boutell. At the very time he was delivering his speech every newspaper was burdened and every telegraphic wire was trembling with the deplorable news that the laboring people and others by the hundreds of thousands throughout the protected sections of the country were entering into solemn agreements to half starve themselves and their wives and children in order to get relief from the results of Republican legislation and the failure to enforce the antitrust laws by a Republican administration. [Applause on the Democratic side.]

As my friend was speaking I was in a quandary whether more to admire his daring audacity or to pity his poor judgment in reminding the House and the country afresh, with commending praise, of the Payne Act, when every other Republican inside of the Capitol was trying to forget that there ever was such a thing as a Payne Act [applause on the Democratic side], and was praying that every Republican outside of the Capitol would forget that one of them ever participated in the passage of such an act. [Applause on the Democratic side.]

I wish to acknowledge my debt of gratitude and thanks to the gentleman from Illinois for paying the splendid tribute to the South, in unfolding here the story of her marvelous growth. As he attributed that growth and prosperity to protection, let me remind him and the House that the products on which rests her prosperity go out by land and sea into the marts of the world, unaffected by the tariff except by its burdens, and meet the competition of all the nations. In spite of a mistaken view, as I believe, of some of her patriotic people, in my judgment the best thought, the best integrity, the best sense of fairness in the South demand for her industries, whether of mine or field or factory, no tariff protection.

She does not seek to place burdens upon the backs of any of the American people for her profit and benefit. [Applause on the Democratic side.] Subject only to revenue, limited to the necessities of government, she is content, sir, that Congress leave her to the laws of trade and the mercy of God, and then, relying upon her own resources and industry, she is ready and willing to work out her commercial destiny in the contest of trade against a competing world. [Applause on the Democratic side.] With this policy to the forefront, with her state governments in the hands of men of integrity, of prudence and economy, knowing neither favoritism nor greed nor graft, every southern heart thrills with conscious pride as he points to that young commercial empire lying south of the Potomac as the

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fairest and the happiest portion of the globe. [Applause on the Democratic side.]

Mr. Chairman, the gentleman from Illinois charged that Democrats always applauded distress, and complained that, as the gentleman from Texas [Mr. Henry], in his admirable speech some days ago, described the pitiable conditions of the school children in the city of Chicago, applause came from this side of the Chamber. He assumes to mistake a demonstration of protest for an applause of approval. As we listened with pain to the heartrending story revealed in the report of the public-school officials in Chicago of the thousands of little children daily going to school breakfastless and often to bed supperless; of their going about the streets hunting for the fallen crumbs of food and fishing through the garbage piles for scraps of refuse meat to keep their little souls and bodies together, if, sir, I had failed to join with my colleagues on this side in a storm of protest against those distressing conditions, I would have been less than human. [Applause on the Democratic side.]

My only regret is that the storm of protest was not loud enough and strong enough to reach with quickening effect the heart and conscience of every man in civil or social life responsible for such horrible conditions. [Applause on the Democratic side.] My surprise was that as I looked across this Chamber I saw more than a hundred of you Members sitting there unmoved and untouched, with an indifference as stoic as marble.

But the gentleman from Illinois said that it was denied that those conditions existed in 1908 or that they exist now. However, I understand the superintendent of schools wrote here after Mr. Henry's speech and gave out an interview in the Chicago papers declaring that the pity of it was that this tale of woe was too true. The very day, the very moment that my friend Mr. Boutell was making his speech the papers of his city were bringing the news that not only among the children but among the laboring people there was actual suffering. I read from the Chicago Record-Herald:

Alderman Thomas F. Scully announced yesterday that on next Monday night he will introduce an order in the city council asking that body to take official cognizance of the prevailing high prices of food products, and to grant permission to investigate. "Something must be done," said Alderman Scully; "out in my ward and in many of the sections of the city the working people are actually suffering."

The prices of food products are so high in the protected city of Chicago that according to the report of the food commissioner the poor people and laboring people are being fed on old, maimed, worn-out horses. I read the other day in the papers that the children in New York City were hunting through the streets and garbage piles, picking up scraps of everything they could get, even to cigar bands, and making soup out of them—and this under the Aldrich-Payne bill! [Laughter.]

And I read, too, that the food commissioners of some of the States in the protected section were discussing whether or not they should allow the poor people to buy billy-goat meat as mutton. My friends, you may talk about the hard times under the

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Wilson-Gorman Act, but I will be blessed if the people ever got down to eating old worn-out horses and billy goats and making soup out of cigar bands in order to keep from perishing. [Laughter.]

Relative to the present conditions in Chicago, I find in another Republican paper, the Chicago Tribune, of January 28, 1910, the day after the first speech of the gentleman, the following:

CHILDREN FORCED TO WORK.

High cost of living is blamed by Supt. Robert I. White, of the Elgin public schools, for a noticeable increase in the number of children under 16 years of age who have left the schools and gone into factories and shops. Seventy-five students, between the ages of 14 and 16, left the schools at the opening of the second semester this week. Of this number 22 are girls. Each case was investigated, and it was found necessary that the students work to assist in the support of their families.

And this under the Aldrich-Payne Act!

Think of it. Out in the protected city of Chicago, where the meat trust and the steel trust hold sway, even the children of their labor must leave the schools and dedicate their little tender bodies to the shop machine to supplement the wages of their parents in order to keep the family from perishing—under the Aldrich-Payne Act!

Such conditions prevail not only in Chicago, but throughout the protected sections of the country. Here is an item from the Duluth Herald, in the State of Minnesota, of February 1, 1910, another good Republican paper:

WAGES FOR WORKINGMEN NOT EQUAL TO COST OF LIVING—CHARITABLE ORGANIZATIONS HAVE TO HELP FAMILIES OF MEN WITH JOBS.

Miss Jean Poirer, State factory inspector, says: "At the present time much suffering exists in families where the father is constantly at work. * * * The situation is really alarming when a man can not earn enough to feed and keep his family in comfort. There is no end to these cases. * * *

"The problem is a serious one to all those that labor for a living, and it seems to be growing more serious every day. It has been brought home more forcibly the last few weeks when applications to charitable organizations have been received for assistance from the families of men with steady jobs."

In the protective-tariff State of Minnesota, men who have steady jobs, to supplement their scant wages, must seek charitable institutions and beg alms to help support their wives and children—and this under the Aldrich-Payne Act!

Let us now turn from this picture of gloom and distress to one of brightness and cheer and happiness. In the very issue of the Chicago paper that tells us of the "actual suffering" of the laboring people we read in another column with flaming, jubilant headlines:

PAY EXTRA ON STEEL—PROFIT SHOWS A TREMENDOUS GAIN.

The statement of the corporation's net earnings for the final quarter of 1909 showed a total of \$40,971,309. This brought the earnings for the full year up to \$131,479,975, as compared with \$91,826,520 in 1908.

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The dispatches of a few days thereafter brought the still more cheering news that Armour & Co., head of the meat trust, for the last year, according to its report, had made 35 per cent. dividend.

And yet the very laboring men that helped them make these immense profits must take their little children out of school to supplement their wages and must apply to charitable institutions in order to keep the wolf of want and hunger from the door. And this under the Aldrich-Payne Act, that no Republican on that side has got the courage to openly defend. [Applause on the Democratic side.]

I was a little amused at the gentleman from Illinois [Mr. Boutell] persisting, in his two speeches, in calling this act the "Payne Act." And I wondered what he must have had against the gentleman from New York [Mr. Payne] that caused him to shoulder upon him the sole responsibility for this legislative curse. I had supposed that its name was the "Aldrich-Payne Act." And I believe the gentleman from New York [Mr. Payne] is willing for somebody else to help him shoulder the responsibility of that act. [Applause on the Democratic side.]

Mr. Payne—I want to say that "the gentleman from New York" will be very happy to shoulder the entire responsibility for the recent tariff bill. [Applause on the Republican side.]

Mr. Kitchin—Then I can only say to the gentleman that he is willing to tote more than any man I have ever seen. [Laughter.]

Now, if he will permit me, I will say further that if the "near insurgents" are successful in the plot to which I shall hereafter allude, they are not going to let him have a chance to shoulder any more responsibility in this House. [Laughter and applause on the Democratic side.]

Well, now, gentlemen, the country has understood the act was the Aldrich-Payne Act. I can not see why any man in the world in the face of present conditions should want to be proud to have that offspring named after him. [Laughter on the Democratic side.] The newspapers, the periodicals, and the people of the country know it as the Aldrich-Payne Act. When we contemplate the actual suffering of the laboring people and the hungered condition of their children throughout the protected sections on the one hand, and the immense profits and dividends of the steel trust and the meat trust on the other, all must admit that its name is most appropriate—the "All-rich-Pain Act." [Laughter and applause on the Democratic side.] It bears the right name. It has brought what the Democrats predicted: Blessings to the all-rich, and the pain of hunger to millions of the poor. [Applause on the Democratic side.] The present conditions of the country stamp that name upon it. [Applause on the Democratic side.]

The gentleman from Massachusetts attempted to relieve the gloom of the present situation by a discussion of conditions in 1908 and the prices of food products, especially meat products, in this and foreign countries in the summer of 1908 and in some previous years. He produced here a chart of prices made by

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some American ship in its travels during the summer of 1908, showing the prices of beef at Boston to be 9 cents, at Copenhagen, Denmark, 13 cents, at Stockholm, Sweden, 11 cents, and so forth. He was "conspicuously absent" in his discussion of the prices existing now and since the enactment of the Aldrich-Payne Act.

Mr. Gardner of Massachusetts—Will the gentleman allow me?

Mr. Kitchin—Why, certainly.

Mr. Gardner of Massachusetts—The gentleman did not hear me quote from Mr. Gomper's report the conditions since the Payne bill?

Mr. Kitchin—No; I did not; but I did hear—

Mr. Payne—You ought to read that.

Mr. Kitchin—I believe Mr. Gompers' article was written a very short time after the Aldrich-Payne Act, and the distinguished Senator from Massachusetts, whose name is familiar to my friend, as I recall put it in a speech which he made during the last tariff bill discussion in the Senate.

Mr. Gardner of Massachusetts—Now, Mr. Chairman, I am sure the gentleman does not want to make a misstatement to this House. The Senator from Massachusetts did nothing of the sort. He put in the speech on January 31, this January; and in the very opening, in the words which I read from Mr. Gompers, he will find the account of the British Trade Congress at Ipswich, in September, after the passage of the Payne bill.

Mr. Kitchin—Well, now, is not that a pretty good time to see the effect of the Payne Act—one month? [Laughter on the Democratic side.] Just one month! I am talking about six months afterwards. The laboring people as well as other citizens in the city of Boston met a few weeks ago in Faneuil Hall, with an ex-governor of the State presiding, to protest against the hunger and suffering produced by the existing hard times and high prices in this country, and to seek a remedy for relief. I want to ask my friend seriously what consolation is it to a poor fellow in Boston, who is now hungry and half-starved because of high prices put upon meat products by the meat trust under the tariff, to produce charts and statistics to prove to him that in July, 1908, he could buy beef in Boston at 9 cents, but would have to pay 11 cents in Stockholm, Sweden? What he wants to know is how about beef and bacon in this country in January and February, 1910.

My friend reads with approval something from Mr. Gompers. I believe he has not heretofore entertained a very high regard for this gentleman. He says that Mr. Gompers found when in Europe that meat was from 25 to 100 per cent. higher than in America. Is that what he said?

Mr. Gardner of Massachusetts—Does the gentleman want what Mr. Gompers did say?

Mr. Kitchin—Yes.

Mr. Gardner of Massachusetts—Mr. Gompers says:

How often do these people eat meat is a question the American in Europe finds himself asking when looking among the wage-earners. Meat is usually from 25 to 100 per cent. higher in price than in the United States.

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Mr. Kitchin—The statistics you produced yesterday, if correct, condemn the figures of Mr. Gompers as untrue. There seems to be a conflict between you and Mr. Gompers as to meat prices. According to the statistics contained in the speech of the Senator referred to, the poor man can buy in Europe for 10 or 12 cents as much loaf bread as he can get here for 20 or 25 cents.

Perhaps, you will find some places in Europe where meat may be a little higher than in some places here, but Mr. Gompers did not tell you what kind of meat it was. I notice that statistics show that horse meat is twice as high in some places in Europe as it is in Chicago and Boston. [Applause and laughter on the Democratic side.]

Mr. Gardner of Massachusetts. Does the gentleman mean the House to infer that Mr. Gompers made any report on the cost of horse meat?

Mr. Kitchin—He must do it, if the figures that you gave yesterday are correct. I believe it is the first time in several years that any Republican has quoted or applauded with approval anything that Mr. Gompers has said or done. [Laughter and applause on the Democratic side.] And I believe you are trying now to atone for his jail sentence, for which, in the final analysis, the policies of you standpatters are responsible. [Applause on the Democratic side.]

But you must take your choice between Mr. Gompers and a Republican. I do not know what Mr. Gompers said or what he meant, but I do know that there is one distinguished Republican in this country who, as an authority on the subject, no Republican will dispute. He is at the head of a great department in this Government, twelve years a member of a Republican Cabinet, hailing from the great agricultural State of Iowa, Mr. Wilson, Secretary of Agriculture. I do know that after Mr. Gompers wrote that article Mr. Wilson testified here before the District of Columbia Committee, on January 24 of this year, that the beef trust were selling meats to Europe and the foreigners cheaper than they were selling meat to the starving people in this country. [Applause on the Democratic side.] I am going to read what Mr. Wilson testified to just a few days ago, and then I want to see whether you Republicans will continue to applaud our friend Mr. Gompers and sit in silent contempt of what Mr. Wilson said. You may take your choice. [Applause on the Democratic side.] I hold in my hand his testimony. He said:

The food products of the American farmer are being sold in foreign countries to the consumers abroad for less than they are being sold to consumers at home.

Being asked what products he was talking about, he answered:
Meat products.

[Applause.]

Now, whom are you going to believe, and whom are you going to applaud? Who do you believe knew more about it? The gentleman from Illinois and the two gentlemen from Massachu-

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setts who spoke yesterday asked, "How can you have low-price beef when you have high-price cattle?" Why, they want us to believe that the farmer is getting the benefit of these prices. They want us to believe that the farmer has created these distressing conditions by demanding high prices for his product. If it be true, as you claim, and I deny, that the farmer, the producer, is responsible for the high cost of living and is getting the benefit of the high prices, is it not mighty strange that when the steel-trust goods, the woolen-trust goods, and all other trust-made articles were soaring sky high, not a Republican in this Nation suggested an investigation of their high prices, but just as soon as they thought the farmers' products were too high then resolution after resolution, at both ends of the Capitol, are introduced to investigate the cause of these high prices and find a remedy to lower them? The beef trust first raised the cry that the farmer, the producer, was responsible. It declared that the farmer was in a trust to put up the price of cattle, hogs, and sheep. Then every defender and apologist of the trusts began to declare that the present suffering was to be attributed to the high prices demanded by the farmer for his product. Members of this House and Republicans elsewhere in this Capitol are now taking up the complaint started by the beef trust that the farmers in this country are responsible for the deplorable conditions of suffering and hunger prevailing among the laboring people and the children in our cities. In the name of the farmers of this country I protest against this outrageous libel upon them. The farmer, the cattle producer, is not getting the benefit of the high prices.

Mr. Wallace, the president of the Association of Meat Producers in the West, declared the other day that the farmer was not getting the benefit of these high prices. A good Republican paper in the city of Pittsburg declares:

While in the course of a decade the market value of live stock has remained almost unchanged, the price of meat has been arbitrarily forced up to the present standard, under which positive suffering is inflicted upon the people in this country.

Mr. Bates—May I ask the gentleman a question?

Mr. Kitchin—I will yield to the gentleman from Pennsylvania.

Mr. Bates—Does the gentleman undertake to inform this House and the country that the farmers' products are bringing them no higher prices to-day than they were ten years ago?

Mr. Kitchin—I do not know—

Mr. Bates—I understood the gentleman to make that statement.

Mr. Kitchin—I do not know of my own knowledge. I did not raise beef ten years ago, and we are talking about beef products; but I want to tell the gentleman one thing, the highest Republican authority in this country says they are not, and that is James Wilson, Secretary of Agriculture.

Mr. Bates—I ask the gentleman—I am not going to bother him, and I apologize for interrupting him—

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Mr. Kitchin—The gentleman does not interrupt me. [Laughter.]

Mr. Bates—Is it not a fact that fifteen or sixteen years ago—

Mr. Kitchin—The gentleman said “ten years ago.”

Mr. Bates—Or ten years ago that the price of live hogs was only about one-half of what it is to-day. They sold yesterday for 9½ and 10 cents, live weight. Did the gentleman ever know farmers to obtain such prices as that ten or fifteen or twenty years ago?

Mr. Kitchin—We were discussing cattle and beef products prices. But about live hogs; statistics show that in 1893, under Cleveland's administration, the farmer of the West got more for his live hogs than he has since. But let us get back to beef and meat.

Mr. Robinson—Will the gentleman yield for a question?

Mr. Kitchin—I will yield to the gentleman.

Mr. Robinson—I want to ask the gentleman from North Carolina if it is not a fact that Secretary Wilson stated in his testimony that the price of stock cattle, the cattle that the farmer sells to the feeders, is no higher now than it was ten years ago?

Mr. Kitchin—The gentleman is correct. I have Secretary Wilson's testimony right here, and I will read it for the benefit of the gentleman from Pennsylvania.

Mr. Bates—If the prices are no higher now than they were, what is the gentleman complaining about?

Mr. Kitchin—We say that the beef on the hoof, the farmer's product, is no higher now than it was then, but after it gets into the hands of the Beef trust, with the cent and half and 2-cent tariff, they control the price of the dressed product absolutely, and they have put up the price to the consumer until now it is 50 per cent. higher than it was ten years ago. That is our complaint against you; you have not divided the spoils with the farmer; you have taken it all for the trust. [Applause on the Democratic side.] Now, let me read what Secretary Wilson said on January 24, in his testimony:

We inquired into the prices that the farmer gets on the farm to ascertain whether the farmer was getting all the money of the country for the sale of his meat. We found that the stock steer on the farm, a 2-year-old steer, is not a particle dearer now than it was twelve years ago. You can buy them just as cheap now as you could twelve years ago.

But the product of the steer after it gets into the hands of the Armour, Swift, and Morris combine has been increased nearly 50 per cent. The very ground of the present prosecution of the Beef trust in Chicago by the Government is that the big packers combine and fix absolutely the price to be paid the farmer for his live stock, to which he is forced to yield, and then in turn fix the price for the dressed product to which the dealer must yield. And thus the farmer, the retailer, and consumer are all sandbagged by the trust.

Recalling the introduction recently of two bills to remove the tariff from meat products, respectively, by two high-tariff Republicans prompts me to remind the House of a few significant

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acts passed by former Republican Congresses. When distress and want has seized the country, the Republican party has often resorted to Democratic policies in order to relieve that distress.

In 1866, when Portland, Me., was devastated by fire and her people were made homeless, a Republican Congress at once invoked a Democratic policy to relieve her unfortunate people, and placed for one year lumber and building materials on the free list. When, in 1871, the great fire in Chicago swept thousands of her people shelterless into the streets, again a Republican Congress vindicated a Democratic policy by removing the tariff for one year on building materials. It is still fresh in the minds of us all, when the coal trust, taking advantage of the great strike in the winter of 1903, were plundering by monopoly prices a suffering people, a Republican Congress, to relieve the distress, again resorted to a Democratic measure by removing for one year the tariff on coal; and now when millions of people, and especially the laboring people and their families, are suffering with hunger on account of the high cost of living exacted by the meat trust, at least two protective-tariff Republicans, to relieve the distress, are asking a Republican Congress to again adopt a Democratic theory of the tariff by putting upon the free list meat products. Now, I put this to your conscience and judgment: If it was a good thing to relieve the freezing people from the avarice and greed of the coal cormorants in 1903 by putting coal on the free list for a year, why would it not be a good thing to make this Democratic measure permanent, in order to forever hereafter prevent the coal barons forcing the people to the freezing point? If the enactment into law of a Democratic measure was a wise and good thing for a year to relieve the suffering and distress of the people of the cities of Portland and Chicago and help them to rebuild their homes, why would it not be wise and good and just to crystallize that policy into a permanent statute to help millions of our homeless people to build their first homes? [Applause on the Democratic side.]

Mr. Dawson—Will the gentleman give us his opinion as to what chance the proposition for free building material would stand at this time, particularly upon the Democratic side of the aisle?

Mr. Kitchin—We are not discussing free building materials now. We are talking about keeping the fellows from starving out in your State, in Illinois, Minnesota, and the other protected States; and I want to tell you right now, every Democrat on the Ways and Means Committee, every Democrat in this House, will vote for either one of these free meat-product bills, if you will give us an opportunity, to help relieve a suffering people. [Applause on the Democratic side.]

Mr. Dawson—There are no starving people in Iowa, let me say to the gentleman. I understood the gentleman was discussing free lumber, and I would like to ask him—

Mr. Kitchin—Now, the gentleman is getting away from the subject.

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Mr. Dawson—How many on that side, I would like to ask, would vote for it now?

Mr. Kitchin—The gentleman asks now how free lumber would stand on this side of the House. I will tell the gentleman. It would get an overwhelming majority, as it did in the last session, and I will ask him now how would a bill to put meat products on the free list to feed the hungry people of the country stand on the Republican side of the House? [Applause on the Democratic side.] I will anticipate the question that the gentleman from New York [Mr. Payne] is about to ask. Lumber was not put on the free list in the case of the Chicago fire.

All other building materials were. The little lumber trust in Chicago, even at that time, had influence enough with a Republican Congress to prevent that.

Again, I put it to your conscience and judgment: If a protective tariff is a blessing to all the people, as you always argue, and not to the few only, and you are honest and sincere in the argument, then why, in the name of common sense and common humanity, in order to relieve the distress caused by the Portland and Chicago fires, instead of removing the tariff on building materials did you not increase it? If protection is a blessing, why did you not increase the protection in order to increase the blessing and thereby more easily relieve the distress? [Applause on the Democratic side.]

When the people were freezing in 1903, if protection was a great blessing to the people of this country, instead of putting coal on the free list, why did you not increase the protection on coal in order to multiply the blessings to the people and thereby relieve the suffering. [Applause on the Democratic side.]

If protection is a blessing to the people, why did not my protective-tariff friends, Mr. Garner of Pennsylvania and Mr. Foelker of New York, introduce bills to raise the tariff on food products instead of removing it in order to relieve the present distress? [Applause on the Democratic side.] Gentlemen, your conduct and your record are against your sincerity or against the soundness of your argument.

Mr. Chairman, I want my friend Mr. Boutell and my other friends across the aisle to go back and tell the people of Boston and Pittsburg and Philadelphia and New York and Chicago that two bills are now pending before the Ways and Means Committee, each of which was introduced by a protective-tariff Republican, promising to give some relief to the people of this country by removing the high tariff on meat products, and that not a Republican on that committee will dare attempt to bring it out and give the House a chance to vote on it. Tell them that a Republican committee and a Republican House refused even to consider a measure for their relief.

But the standpatters now say that the tariff does not and can not affect one way or the other the price of food products.

In fact the gentleman from Massachusetts [Mr. Gardner] attempted to show, amid Republican applause, by his charts and statistics that food products, especially meat products, were much cheaper in this country than in any other country in the

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world. I need not suggest the ridiculous position in which this argument puts the high-tariff standpatters. In every tariff debate for the last forty years protection advocates have based their argument and appeal for high tariff on the fact that the prices were higher in this country than anywhere else, and that the high tariff was necessary to maintain such prices and to prevent other countries competing with us with their cheaper goods. And now after the new high tariff has been enacted and the people are complaining of the excessively high prices under this tariff, the standpatters are now answering their complaints by declaring and attempting to prove that the necessities of life—food products—are cheaper here than in any other nation of the world. If it be true that the tariff has nothing to do with the prices of meat products, why is it that the Aldrich-Payne Act levies a tariff of 4 cents per pound on hams and 4 cents per pound on bacon and 1½ cents per pound on beef and from 15 per cent. to 30 per cent. on fish? If the tariff does not affect it, then you levied that tariff and retain it for the purpose of deceiving the supposed beneficiaries. But we know and the country knows that you put this tariff upon the meat products for the purpose of building a wall behind which to shelter the meat trust in plundering the people. Does the tariff upon meat products affect or raise the prices? Let Republican witnesses answer. Prof. William B. Guthrie, of the chair of economics in the College of the City of New York, a Republican, in an article in the Philadelphia North American, a Republican paper, of date January 23, 1910, says:

The tariff is one of the major influences in the rise of food products.

Mr. Byers, attorney-general of the State of Iowa, a Republican, in an interview published in the Des Moines Capital, on January 31, 1910, a Republican paper, in fixing the blame for the present high prices of food products declared that—

the responsibility for the high prices lies wholly upon the trusts, the excessive tariff, the exorbitant transportation charges, the stock and grain gambling, and if any one is more to blame than the other of these I would fix their responsibility about in the order I have named.

The New York Journal of Commerce and Commercial Bulletin, a Republican paper, in its issue of January 24, 1910, asserting that the tariff and trusts are the main causes of the high prices of food products, said:

The matter can not be normally regulated either by boycott or by prosecution, but only by the unfettered law of supply and demand.

The Pittsburg Leader, a Republican paper, of issue of January 26, 1910, said:

According to Secretary Wilson, exported meat is sold for far less abroad than is demanded at home for identically the same cuts. In short, in order to maintain low prices abroad, open robbery is practiced on the markets at home. The bill introduced to remove duties on meat products should be passed, and speedily, for at present the tariff goes beyond its intended use—

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fulness by safeguarding the packers and retailers, and making it impossible for the public to get a square deal. If Congress does not do it, Taft should have it done. Let the President remember that every day he delays he is making countless thousands suffer.

The Harrisburg Star, Republican, of January 26, 1910, says:

Let the Government "bust" one of the mammoth trusts and prices will drop, because the big fellows are keeping them up. Let the Government take every cent of protection off such products as are sold more cheaply to the foreign than the domestic consumer, and prices will fall.

But however great may be the demand, the people need not expect relief by removal or reduction of the tariff on food products. Not a Republican member of the Ways and Means Committee will dare move to report out any such bill, though many are now pending before it, unless the meat trust consents.

With the permission of the House, I now desire to advert to the distress which prevails among our friends across the way. If a high protective tariff is a blessing producer and a suffering reliever, the Aldrich-Payne Act surely ought to be putting in its good work over on that side. If it is really a measure of relief, the Speaker's room ought to be plastered all over with Aldrich-Payne acts. [Laughter.] Much has been said here pro and con about the groanings of the people under this blessed act. The gentleman from Illinois [Mr. Boutell] declared that there were no groanings down in Texas, and the gentleman from Texas [Mr. Henry] said there were lots of groanings out in Chicago. I do not know about this, but I believe I know where there has been some groaning since the recent passage of the Norris resolution, which no man will dispute. They tell me that in the Speaker's room the groanings have been so loud and so long as to find expression in such emphatic nouns and adjectives that to repeat them here would be most unparliamentary. [Laughter and applause on Democratic side.] I see in the Republican press that the Speaker is inclined to question a man's Republicanism if he groans any under the recent tariff act. When the Republican congressional committee met here some time ago, the latter part of January, it is said that one of my near-insurgent friends—the term "near-insurgent," gentlemen, describes that class of Republican Members who are always talking against Cannonism and the rules and always voting for Cannonism and the rules [laughter and applause on Democratic side]—my good friend from Michigan [Mr. Hamilton], so goes the report, arose in the meeting (and, gentlemen, I am just quoting, you know, from Republican sources—the Republican organs of the country—and, of course, you understand, I can not vouch for their character for exact truth) [laughter], and looking around to see that the doors were shut and all the windows down—he did not want it to get out—said:

Gentlemen, you can say just what you please, but there are two things that we have got to go up against out in Michigan.

Being asked what they were, he answered:

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First, Cannonism; second, high prices of living among the poor people and the laboring people under this here Aldrich-Payne tariff.

[Laughter.]

The Speaker did not mind the "Cannonism" suggestion, but that any Republican—and a Representative at that—should be groaning under the Aldrich-Payne Act aroused him, and he up and said:

This Aldrich-Payne Act is the best tariff act ever put upon the statute books. It is a party measure, and it is the duty of every good Republican to stand by it—

And he did not want any groaning around here under it either. [Laughter.] Whereupon the gentleman from Michigan meekly arose and said:

Well, Mr. Speaker, I am just as good a Republican as you are, but—I did not mean to groan; I did not go to do it, but the people out in my district have been groaning so loud under this here tariff act, that I was just bound to groan a little through sympathy.

[Loud laughter and applause.]

After the Speaker was assured that it was only a sympathetic and not a personal groan, it is said that he was willing to leave the staunchness of their respective Republicanism to an umpire, who decided it was a tie between them. [Laughter.]

With much pain and sorrow, I proceed now to reveal to the House the horrible conspiracy which is slowly but surely advancing here against the head of the king.

I read from the New York Tribune, the great Republican organ:

A number of the regulars in the House of Representatives, conservative men, and little prone to political hysteria, have arrived at the conclusion that not only must Speaker Cannon abdicate his throne, but that there must be a change in the leadership of the lower body. These regulars are all part of the so-called Cannon machine in the House, and have been for years earnest laborers for the success of the Republican party, and men who concern themselves deeply lest it should make a mistake at a critical moment.

* * * * *

They feel that in order to insure an increase in the Republican majority in the House they will have to announce their unwillingness to vote again for Speaker Cannon. They feel that it would be wise to announce his withdrawal before the campaign begins.

[Laughter.]

And in another issue:

While those regulars in the House who place their wishes for the success of the Republican party above their desire to gratify Mr. Cannon still hope that the Speaker will soon announce his withdrawal from the field, preparations are being made to eliminate him from the present dangerous situation.

[Laughter.]

If necessary, by compulsion. Each day the ranks of those who admit that "Cannonism" and the high cost of living are the

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only two issues which the Republicans need fear in the next campaign are increasing. To-day, for the first time, definite plans for the removal of the former issue were discussed by regular Republicans. Several plans are talked of, which may not be carried out for several weeks, but it is practically assured that before the close of the present Congress a great number of Republicans will put themselves on record as opposed to Mr. Cannon's reelection to his present position.

[Laughter on the Democratic side.]

Mr. Chairman, for eight years I have seen in this House a strong man, an intellectual giant, riding the very whirlwinds and directing the storms for his party. I have seen this remarkable man, who is called a "king," a "czar," an "autocrat," wield more power than the President. I have seen his party in the House erect for him a throne, and he has sat as its undisputed ruler. He has controlled his party. He has controlled legislation. He has stood here for nearly forty years a bulwark of strength for his party. He has been the very god of the standpatter's idolatry. For Republican policies he has behind him a proud record and a great service, and to them he has given active loyalty. For long years he has been the central figure of the Nation's Capitol. But, alas, no more!

I have touched the highest point of all my greatness,
And from that full meridian of my glory
I haste now to my setting.

* * * * *
Farewell, a long farewell, to all my greatness.

This sad retrospect is being pressed to his lips.

My friends, my heart is crushed with grief as I contemplate this powerful man writhing, helpless and hopeless, in the hands of the conspirators, his former friends and followers. I see him driven from the throne, repudiated and condemned. I see his head falling from the block and dangling at their belt.

Let us read on:

That these men have not gone about openly expressing their opinions is due not only to their desire that no impression of discord should go abroad, but to their extreme regard and loyalty to Mr. Cannon, whom they feel to be more the victim of unfortunate circumstances and frequent misrepresentation than of deserved and intelligent criticism. In a personal way it is probable that Speaker Cannon is more popular and respected at the Capitol to-day than at any other time in his career.

Now they are letting him down easy, bending his head for the ax, just as tenderly and lovingly as possible. [Laughter and applause.]

No friends are more unsparing in their praise and more lenient in their criticism than the men who now feel compelled to admit that Mr. Cannon's present determination will be a detriment to the party in the coming congressional campaign.

I do not see, to save my life, with such pathetic appeals for the grand old party, how any man who has been Speaker for seven or eight years and a Member of the House for thirty-six years can help making the sacrifice and get out of the way, in order to give the Republicans a majority in the next House. [Laughter.]

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Again I read, and just listen at the wooings of the conspirators:

All possible deference will be paid to the feelings of the Speaker, and it will be made clear that the Republican party has entire confidence in his sincerity and honesty of purpose and a grateful appreciation of his efforts in the past.

[Laughter.]

"Oh, yes, Mr. Speaker," they say, "we are willing to concede you every virtue and write for you a most splendid epitaph. In your execution we are going to be just as gentle and tender and loving as possible; but you, of course, understand that, in order to keep our heads on, it is necessary to lop your head off." [Laughter and applause on the Democratic side.]

I will now read from the Republican papers the honor roll of these conspirators [laughter], men by whom the Speaker has always stood, and who, by his grace and strong right arm, have been lifted into favor and prominence. Here is the list of the honor-roll men, who are going to help assassinate the great Caesar [laughter]:

Foster of Vermont [laughter], Ames, Barclay, Barnard, Cassidy, Cocks of New York, Cole, Crumpbacker, Davidson, Diekema—

[Laughter.]

And here I am reminded of a little incident I saw in a Republican paper the other day, which is too good to keep. As the story goes, the whip for the majority, the popular gentleman from New York [Mr. Dwight], approached his floor leader and said:

Mr. Payne, they are going to try to get Mr. Cannon to decline to be a candidate for the Speakership in the next Congress, and I understand that if he does decline, Diekema is going to be a candidate to succeed him.

The serene gentleman from New York, with a frown of the forehead and a scratch of the head, replied:

Diekema, Diekema! Why who is Diekema, and where did he come from?

[Great laughter.]

The Chairman—The time of the gentleman has expired.

Mr. Diekema—May I ask that the gentleman's time be extended indefinitely? [Great laughter and applause.]

The Chairman—The time is under the control of the gentleman from Tennessee.

Mr. Moon of Tennessee—I yield the gentleman fifteen minutes more.

Mr. Kitchin—I am certainly under obligations to my friend Mr. Diekema, in asking that I have unlimited time.

Mr. Diekema—The gentleman is under obligation to the gentleman for his free advertising. [Laughter.]

Mr. Kitchin—I would advise the gentleman never to take the advertising of an adversary. [Laughter.]

I return to the list of honor men:

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Hanna, Henry, Gillett, Hubbard of West Virginia, Johnson of Ohio, Lafean, Loud, McKinley of Illinois, McLaughlin of Michigan, Moon, Moore, Nye, Prince, and Scott—

And my good friend Townsend, they get him in twice. [Laughter.]

When and how will the "deep damnation of his taking off" occur?

I quote again from the Tribune:

The plan now talked of is to call a caucus within a few weeks, or when a majority of the Republicans in the House have approved the idea, to make some minor changes in the rules and in some diplomatic manner to put the caucus on record as opposed to Speaker Cannon's reelection. Several of the regulars to-day made the prediction that a majority of the Republicans were now ready to take some such action, but that it might require several weeks of persuasion before they would be willing to enter such a caucus.

The plan will be prepared by the regulars, and the insurgents will be merely auxiliaries.

* * * * *
They do not believe that such a moment has arrived.

Not ready for the blow yet. Careful preparation must be made for the successful execution of the awful deed. Why postpone the tragedy? Gentlemen, you ought, like bold assassina-tors, strike the fatal blow at once. It is cruel to torture him with this long, hard, writhing, lingering death. [Laughter.]

Why, even the cruel Macbeth, in pondering the murder of Duncan, felt compassion for his victim:

If it were done, when 'tis done, then 'twere well it were done quickly.

[Laughter.]

I commend to you conspirators, you near-insurgents and deserting regulars, the humanity of murderous Macbeth. [Laughter.]

History tells us that the men who caused the execution of Louis of France ordered that he be hurried to the block and that the ax fall quickly, to save him pain and humiliation. My friends, if it must be done, let it be done quickly. Permit me to read a few head lines in different Republican papers:

Cannon has got to go!
No more of Cannonism.
Don't want any more of Uncle Joe.

And here comes the Ohio State Journal headlining my friend Taylor thus:

Taylor of Ohio says he is done with Uncle Joe.

[Laughter and applause.]

And my good young friend Cole shouts: "Me, too!" [Loud laughter and applause.]

It is said that the whole Ohio Republican delegation has prayerfully come to the conclusion that it is best for the country, best for legislative reform, best for the promotion of Republican policies, best for the success of the Grand Old Party that we have no more of Uncle Joe! [Laughter on the Demo-

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cratic side.] I need not remind gentlemen that no delegation in Congress for the last eight years has done more to fasten Cannonism and the system on the House and the country than the Republican membership from Ohio.

Let me ask my Ohio friends and my friend from Michigan and my friend from Vermont and my other friends of the "honor roll" to get up in this House and point out one single measure the Speaker has ever advocated since they entered this body that they did not advocate. [Loud applause on the Democratic side.] Let them name one measure the Speaker ever opposed that they did not oppose. Let them mention one single policy the Speaker has ever pursued that they did not indorse. I challenge them to get up before us, who know their record and votes, and tell their constituents and the people of the country what rule or rules has Cannon or Cannonism ever presented to the House that they did not vociferously advocate and vote for? [Loud applause on the Democratic side.] These good Republican friends from Ohio and Vermont and Michigan and elsewhere can play Murdock and Cooper and Norris and other progressive Republicans back home among their people, but they can not play their parts before us who know their records. [Laughter and applause on the Democratic side.] You can not powder and wig up like the Murdocks and the Coopers and the Norrises and the Lindburghs and come out and make your speeches before us. [Laughter.]

We see you behind the curtains making up. You can not strut the stage with such indignant reforming air here before us with straight faces. We know you, and you know that we know you are playing. [Laughter and applause on the Democratic side.] You may be able to fool the folks at home, but in justice to the Speaker, in justice to your constituents, in justice to the country, you ought to rise in your seats here, before these gentlemen who know your records and your votes, and specify on what particular measure or policy or method or rule you have ever differed with the Speaker since you have been a Member of this House and when and where you have ever failed to follow or indorse him. [Applause on the Democratic side.]

Oh, yes; Uncle Joe has just got to go, for the good of the grand old party. Now, let me ask you, suppose the Speaker does go, what are you willing to promise your constituents at home? Are you willing to pledge them that you will elect as Speaker one of these 25 or 30 real, progressive insurgents who have been against Cannonism and the rules for years and, at times, too, when it meant ostracism by their colleagues, or will you help put in somebody just as near like Uncle Joe as possible? Unless you promise your constituents that if you are elected you will not only not vote for the Speaker to succeed himself, but that you will not vote for any one of the 185 Cannonites over there, you will do nothing to promote legislative reform.

If you are sincerely opposed to Cannonism and its system; if you desire to see the one-man power destroyed in this House; if you wish to put beyond the power of the Speaker the naming

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of the Rules Committee; if you wish to prevent him from packing committees to keep in or bring out such measures as he wills; if you wish the majority of the House to have power to legislate when and on what it desires, then, sirs, you should be willing to pledge your constituents that, if elected, you will vote neither for Canon nor a Cannonite either in the caucus or in the House for Speaker; that you will vote only for one who by his record here has proven his earnest opposition to Cannonism.

But, Uncle Joe has got to go! My friends, I do not know how he feels about it, but when I see gentlemen who have always been regulars and who have always received the Speaker's smiles deserting him now one by one, there comes to my mind the thought of the poet:

The wretch whom gratitude once fails to bind,
To truth, to honor, to virtue let him lay no claim,
But stand confessed before the world the brute disguised in man.

I commend it to the Speaker. [Laughter.]

I can see how a Republican Member, who is simply a humble subject, can desert his king under stress of circumstances for the good of the Grand Old Party, but how gentlemen whom he has lifted out of the ordinary into prominence and given chairmanships of committees can turn their backs upon him I can not understand.

I have forgotten which one of Milton's works this is in, but I bet the Speaker can tell me: [Laughter.]

Swinish gluttony ne'er looks to heaven
Amidst his gorgeous feast;
But with besotted, base ingratitude
Crams and crams, then turns to blaspheme his feeder.

[Laughter and applause.]

After feasting at the hands of the Speaker's generosity, now they turn to condemn him. I will not venture even to guess how often of late he has repeated these words. As I said, the Speaker can refer you to the page. [Applause and laughter.]

It is but fair to the distinguished gentleman from New York [Mr. Payne] to notify him that this terrible plot encompasses his overthrow as floor leader. In the closed-door meeting of the Republican congressional committee, according to the Republican organ, one of my near-insurgent friends—

Intimated also that the floor leader, Representative Sereno Payne of New York, should relinquish that position at the end of this Congress, so that a younger and more agile man might take his place.

[Laughter.]

Let me read further:

Some of them, however, agreed that Mr. Payne should relinquish the floor leadership to a younger man. It has not been suggested that he withdraw from the inner councils of the organization, for on all sides he is recognized as a most sagacious and sane of advisers—

Oh—

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Thou cutt'st my head off with a golden ax!

[Laughter.]

but it is believed by a number of his friends that he should be supplanted by a man who is more in touch with the Republican Members, who comes into contact with the entire majority.

He keeps himself, they say, too much in cold storage. [Laughter.] He does not mix with "the boys," and smoke and joke and pat them on the back enough. He does not jolly them like my good friend, Hon. Joe Gaines [laughter]—

and whose perspective has not, perhaps, been blurred by viewing for many years the Republican membership from a niche in the Speaker's anteroom—

[Laughter.]

* * * * *

Oh, just listen, if you please:

In the opinion of those who desire some change he should be reserved as a piece of heavy artillery which can be brought into the legislative fight after the more modern and sprightly sharpshooters have found the enemy.

[Much laughter and applause.]

The Chairman—The time of the gentleman from North Carolina has again expired.

Mr. Underwood—Mr. Chairman, I ask unanimous consent that the gentleman from North Carolina may have time to conclude his remarks.

Mr. Moon of Tennessee. Of course, Mr. Chairman, the Committee of the Whole can not give unanimous consent, but I will yield fifteen minutes more to the gentleman.

Mr. Kitchin—Mr. Chairman, I am certainly gratified to know that these gentlemen who desire to get rid of my distinguished friend from New York and reserve him as a piece of "heavy artillery" are giving a very fine excuse for him to voluntarily retire under fire. [Laughter.] They say the gentleman from New York—and in my opinion he physically and intellectually is one of the most vigorous and strongest men here—is too old, and that when forced out he can console his pride with this explanation. My friends, I do not believe the gentleman from New York is much older than he was when you passed the act now called by you the Payne Act. I do not believe it is the age of the gentleman from New York that is troubling Members who want to behead him, but it is the age of the act, of which he is half father, that is getting too old for the judgment and consciences of your constituency and the people. [Applause on the Democratic side.]

Another gentleman comes out, saying that he thinks more of the Speaker than anybody else in the world, but the only reason he has for being against him is that "Uncle Joe is getting too old." Now, gentlemen, if you have ever seen a younger man in all your life—well, I never have. [Laughter.] I want to tell these men who are putting up that excuse that he is but a few days older than when you stood loyally by him on the Norris

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resolution and tried to fasten with a tighter hold Cannonism on the House. [Applause on the Democratic side.] He is only a few months older than when he, with your aid and consent, named the Rules Committee, with himself as chairman, and—I do not want to say “packed,” but I do not know any better word—he is not much older than when he fixed up the committees of this House so that legislation could be kept in or brought out according to his will. It is not the age of the Speaker, gentlemen, but it is the constituency back yonder at home that is worrying you. [Applause on the Democratic side.]

But Uncle Joe has got to go!

And you are asking your people to send you back to fight and destroy the Speaker and his system.

Mr. Chairman, some years ago I was in New York and I went to hear Joe Jefferson play Rip Van Winkle. As I saw him in rags and tatters and heard him tell his pathetic story, a pitiless, friendless, helpless, hopeless wreck, I found myself with my handkerchief to my face wiping away the tears. I looked about me and saw 5,000 others doing the same thing. Then I caught myself and said: “What a fool I am, crying here over that miserable fellow of the stage, when the man behind those rags is a millionaire and never felt the want of a luxury! He is acting, simply acting!” And back went the handkerchief into my pocket. Then I sat there and knew it was Joe Jefferson playing instead of Rip Van Winkle living.

When I think, Mr. Chairman, of how these militant gentlemen are going to vote against Uncle Joe, how they are going to repudiate him, how they are going to send him out of the Capitol, drive him out of the city back to Danville, a political outcast, and picture him as he sits at the car window on his way homeward, peering into space, repudiated, “unwept, unhonored, and unsung,” murmuring to himself:

* * * My way of life
Is fallen into the sere, the yellow leaf;
And that which should accompany old age,
As honor, love, obedience, troops of friends,
I must not look to have, but in their stead
Curses, deep-mouthed curses—

when I see him stepping off the train at Danville, stretching out his hand to his people, pleading with the pathos of the fallen cardinal:

An old man broken with the storms of state
Is come to lay his weary bones among ye—

O Mr. Chairman, when I contemplate this pitiable picture I am overwhelmed with saddest emotion, my heart melts, my eyes fill with tears, and—I catch myself again and say: “What a fool I am! Why, Foster and Hamilton and Cole and Taylor and the whole hosts of near-insurgents are acting, acting, simply acting!” [Prolonged applause and laughter on the Democratic side.]

Yes, Mr. Chairman, they are coming back to fight mightily against Uncle Joe. What are you going to do? “Oh, I am

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coming back here to Washington and I am going to fight him." Where? "I am going to fight him in the caucus." How? I will tell you. They are going into the caucus, as they always have, but this time with blood in their eye, until the door is shut, and then they are going to stretch out their hands, with a knowing wink, to the gentleman from Pennsylvania [Mr. Dalzell] and the gentleman from New York [Mr. Dwight] and the gentleman from New Hampshire [Mr. Currier], and others of the House machine, and say, "Tie tight; tie good." [Laughter.] And while they are being tied, I know them so well, I fancy I can hear them say, "You are tickling; you are tickling." [Prolonged laughter.] Then after it is all over and Uncle Joe is the caucus nominee and again Speaker by their vote in the House, they will sob and say, "I could not help it; I had to stand by my party; it made me do it." [Applause on the Democratic side.] Yes, I see them tying my friends from Ohio and Vermont and Michigan and all of these other near insurgents, tying them good; and then I see them sitting there voting against Uncle Joe, when they knew at the very time they entered the caucus that three-fourths of the Republicans in that caucus were for Uncle Joe. [Loud applause on the Democratic side.] When their constituents ask, "What did you do that for?" they are going to say, "Oh, I could not help it; see how they bound me; I had to be a Republican or a Democrat; but you just send me back one more time and I will go into the caucus and fight him again in the same old way." [Laughter.] Now, gentlemen, they are not fooling me; they are not fooling anybody on this side; and I know that there is one man in this House that they can not fool, and that is the Speaker himself. [Laughter.] There never was a more complacent countenance upon any man than the Speaker, although the papers have been full of abuse and criticism, and, I may say, sometimes of slander against him. I knew they were playing and the regulars knew they were playing, or else they were the biggest cowards in the world. For two months and a half the papers and periodicals in this country have raked in most scathing terms the Speaker, his rules, and his system, and yet not one single Republican on that side has had the nerve or the gratitude to say one defending word for the Speaker, except the Speaker himself. [Laughter and applause on the Democratic side.]

Gentlemen, let us be honest and candid. You know and we know that the Speaker represents and typifies the political sentiments and principles of more than three-fourths of the Republican membership in this House and in the Senate. He stood with you on the passage of the Aldrich-Payne Act. He stands, and so do four-fifths of you, for a tariff wall behind which to shelter the trusts in plundering the people. He is in favor, and so are four-fifths of you, of the protected barons writing the schedules of the tariff instead of the representatives of the people. He favors, as do four-fifths of you, ship subsidy—granting to the ship syndicate the right to plunge its hands into the Federal Treasury and take the people's contributions to satisfy its passion for profits. He favors, as do four-fifths of you, power in the Speaker to name the Rules Committee, with himself as chair-

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man. He favors, as do four-fifths of you, packing committees to defeat or enact measures as the Speaker wills. He favors, as do four-fifths of you, making the Speaker the autocrat of the House. He represents the policies of the Republican party as interpreted by a vast majority of its membership in Congress for the last ten years. These policies, with the fundamental idea of protection and favoritism to the few at the expense of the many, demand Cannonism at the Capitol. Organized privilege could not exist twenty-four hours unless it had the system which prevails and has prevailed in this House. [Applause on the Democratic side.]

The system outside of the Capitol must have a system inside of it. Let us not mistake the situation. The Speaker is no better and no worse than the 185 Cannonites here. Cannonism is no better and no worse than the Republicanism that has held sway in Congress for a decade. The way to destroy Cannonism in the House is to defeat the men responsible for Cannonism.

Brutus, when he assassinated Cæsar, promised the Roman people a better than a Cæsar. I remind the people that his conspiring friends, in the contemplated assassination of the Speaker, make no promise of a better, but only of a weaker, than a Cannon.

If the people in the coming election shall again return to Washington a Republican House, and we must have a one-man power; if the Republican who occupies that chair must be an autocrat; if we must have a Cannonite as Speaker, then, sir, having some pride in the intellectuality and the courage of this body, I would prefer to see Mr. Cannon in the chair. I had rather see a giant there than a weakling. I would rather have a lion there than a fox. [Loud and prolonged applause on the Democratic side.]

THE RULES

Speech of Hon. OSCAR UNDERWOOD, of Alabama, in the House of Representatives, March 17, 1910. [Part of Congressional Record.]

Mr. Norris—Mr. Speaker, I present a resolution made privileged by the Constitution.

The Speaker—If it is a resolution made privileged by the Constitution, the gentleman will present it. [Laughter.]

The Clerk will report the resolution.

The Clerk read as follows:

Resolved, That the rules of the House be amended as follows: "The Committee on Rules shall consist of 15 members, 9 of whom shall be members of the majority party and 6 of whom shall be members of the minority party, to be selected as follows:

"The States of the Union shall be divided by a committee of three, elected by the House for that purpose, into nine groups, each group containing, as near as may be, an equal number of Members belonging to the majority party. The States of the

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Union shall likewise be divided into six groups, each group containing, as near as may be, an equal number of Members belonging to the minority party.

"At 10 o'clock A. M. of the day following the adoption of the report of said committee each of said groups shall meet and select one of its number a member of the Committee on Rules. The place of meeting for each of said groups shall be designated by the said committee of three in its report. Each of said groups shall report to the House the name of the member selected for membership on the Committee on Rules.

"The Committee on Rules shall select its own chairman.

"The Speaker shall not be eligible to membership on said committee.

"All rules or parts thereof inconsistent with the foregoing resolution are hereby repealed."

Mr. Dalzell—I make the point of order that that is not in order. It is not privileged.

Mr. Norris—On that point of order I want to be heard, Mr. Speaker.

* * * * *

Mr. Underwood—Mr. Speaker, some of my friends on the floor of the House have quoted me in reference to my interpretation of the Constitution to-day. I will not attempt to say what in the haste of debate I might have said, or how the reporter may have caught my language; but what I did say, or intended to say, in reference to the Constitution was that, so far as the rules are concerned, we are not governed by the Constitution in applying the rules, except so far as this House determines to act.

Mr. Dalzell—I trust the gentleman from Alabama will acquit me of any intention of misquoting him.

Mr. Underwood—I do; because I may in the haste of debate have said just what the gentleman said. We sometimes leave out a word here and there, and give a wrong impression by our language. Now, I say again, in reference to this proposition pending before the House right now, we are not bound by the Constitution, so far as our rules are concerned, except so far as this House chooses to make the rules.

Now, as to whether the proposition of the gentleman from Nebraska is in order or not, I want to say this: This House, day after day and year after year, makes things in order that are contrary to the written rules of this House. The reason that the proposition offered by the gentleman from Indiana an hour ago was in order was not because it was referred to in the Constitution, but because the House years ago established a precedent saying that it should be in order, and therefore the precedent was followed from time to time, and it became a precedent of this House that it should be privileged and be in order.

An easy illustration of how this House makes its rules or amends its rules without a direct vote on the subject is illustrated in the way that we have built the present navy.

Up to 1886 it was held, under Rule XXI, which forbids that new legislation shall be made on an appropriation bill, that it was not in order to provide for the building of a battle ship on a naval appropriation bill, because it was new legislation, and

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therefore was not in order. But in 1886 the distinguished gentleman from Kentucky [Mr. McCreary] offered an amendment to a naval appropriation bill providing for the building of a battle ship. The chairman held that that amendment was not in order, that it was contrary to Rule XXI, which prohibited new legislation on an appropriation bill. The gentleman from Kentucky appealed from the ruling of the Chair. The House overruled the Chair and held the amendment to be in order, and from that day to this it has been held in order to provide for the building of battle ships on appropriation bills, notwithstanding Rule XXI, and so that proposition has really been made a part of the rules of this House. Now, that is simply one way the House exercises its power of determining what shall be in order and what is a matter of the highest privilege. Waiving aside all rules and everything else, I say that the House to-day should make the proposition of the gentleman from Nebraska by its vote here on the floor a matter of the highest privilege. [Applause.]

The time has come to act. You know and I know that we can not amend these rules by introducing a resolution and referring it to the Rules Committee. The Speaker himself has repeatedly said to this House that he rules by the will of the majority. The majority of this House to-day can make this a matter of privilege—the question of amending the rules of the House by a majority vote. I have no doubt that the Speaker will follow the precedents and hold that the proposition of the gentleman from Nebraska is not in order, but the House can establish a precedent and make it in order. [Applause.] The time has come, gentlemen, if you propose to amend these rules, to vote to make a proposition to amend them in order.

Now that is the issue before the House. [Applause on the Democratic side.] We can not disguise it. There is no use in attempting to engage in any learned debate as to whether the matter is in order or not. The Speaker has said that he holds the power by the will of the majority. He will decide the question according to the precedents, but if you wish to abandon the precedents and make a new rule here and make this of the highest privilege, it is within your power to do so.

There is nothing revolutionary in it; there is nothing unusual in it. You have done the same thing a thousand times before, and you can do it to-day if you want to amend the rules. So when the Speaker decides this question and the gentleman from Nebraska, if the question is decided against him, appeals to the House, the issue is whether by a majority vote in this House you shall make this question of amending the rules a matter of the highest privilege, and that will be the only and sole question that will be presented to you.

As for myself, I do not believe in allowing a set of rules to bind my hands when that set of rules is no longer of benefit to my constituency and the American people. [Applause.]

So far as I am concerned, I am prepared to set the precedent to-day and say that the proposition to amend the rules of this House shall be of the highest privilege and in order at any time. [Applause.]

CANNONISM

Speech of Hon. HENRY A. BARNHART, of Indiana, in the House of Representatives, Tuesday, March 17, 1910. [Part of Congressional Record.]

Let me inquire if each and every one of us were called upon to express in one composite word the principal objections of the masses to National Government at this time, what would it be? "Cannonism"—so called because its derivative, the Mr. Speaker of the House, stands sponsor **for** the modern Republican party idea of the centralization of power and for the arbitrary enactment or defeat of legislation at the behest of party managers. And this autocratic administration of power is the attribute of odious Cannonism. It is the system that makes it what it is rather than the man, and the defeat of the man will mean nothing if the system be not overthrown.

Personally our fierce and famous Speaker is not the incarnation of all wrongdoing by his party, and neither is he of the terror type that eats 'em alive. Instead, he is a bold, lion-like executive of the plans of his party leaders, an agent to "deliver the goods" in the House of Congress, and he does it with a master hand. Incidentally he is willingly and skillfully indorsed by practically all of those elected with him; and if Mr. Roosevelt or President Taft are not in harmony with him, they are long on silence and short on show. If the President and the leader of the Senate and the leader of the House are not a congenial and devoted political family, their nearest neighbors and friends know nothing of it; and indeed they seem to be so friendly that if one should toss a ball of chalk at any one of them it would make white spots on the noses of all three. Ah, my Republican friends, all of the sins of omission and commission of Republican party management can not be unloaded on this one man, as many are trying to do. [Applause on the Democratic side.] Manifestly the Speaker is just what the acknowledged leader of the Senate is in that body and what the President is as Executive in Chief. He frankly declares he is carrying out the policies of his party organization, which means keeping faith with the powerful interests that direct legislation and help to supply advisers for the administration.

Did you ever stop to think who it is that advises the President as his Cabinet? Wickersham, Dickinson, Nagel, and Ballinger are corporation and trust attorneys and promoters. Hitchcock, Myer, and Knox are professional politicians, and McVeagh and Dickinson are self-professed Democrats, who have never voted their party tickets since it declared against criminal combinations of capital and opposed a system of government which fosters millionaire making at the unholy expense of the toiling millions. [Applause.]

Surrounded by such influences in his Cabinet and arm in arm with the leadership of the House and Senate, which he asks to have continued, the President finds it necessary to joy

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ride, at government expense, all over the country—when he ought to be in Washington attending to business—to try to allay discontent, bolster up the cause of his party, and forestall so-called “insurgency.” And what is insurgency? It is mostly outcry against the present policy of the powers of government to shape the legislative, executive, and judicial functions in favor of special interests as against the general welfare. But insurgency of the kind and quality we find among the people of the shop, the field, and the home is not quite the same insurgency we hear much of among political leaders. Political insurgents are of two classes. One is, evidently, such because of conviction and the other because of policy.

What are the President’s policies? One of them is a suggestion that postage rates ought to be raised. Another is a postal savings-bank system with three administration officials in control, who shall have the authority to direct which favored metropolitan banks shall have the postal deposits. Another is the railway regulation bill, which the President’s Attorney-General drafted after a conference with J. P. Morgan and other speculative magnates, and who have not uttered a word, so far as I have heard, against the provisions of the administration bill. Another is a subsidy for shipowners, which has exploded in scandal. And still another is a commission, at an expense of a quarter of a million dollars a year, to figure out and inform the President what is the matter with the tariff.

We all know these are, or were, the administration’s policies, and we all see how they are denounced by the country at large, and how they are repudiated by the masses as promptly as they go to the polls.

Do you believe that if a majority of the next Congress is politically affiliated with President Taft and his party that present methods will be changed and machine rule will be supplanted by a progressive policy in Congress? Manifestly you can not. If Congress is controlled by a majority of the followers of Taft in the next term, a caucus will most likely re-nominate the present Speaker, and he will be elected; but if perchance he should not be, his successor will be one of his kind with possibly less courage and more cunning in his make-up, and, repeating what has already been eloquently said on this floor, as between a lion or a fox at the head of Congress, the country prefers a lion, and the only way for the people to avoid both is to vote Cannonism out of power at the polls by sending men to Congress in no way obligated to its influences.

I am opposed to so-called Cannonism, not because Mr. Cannon, an out-in-the-open standpatter, is Speaker of the House, but because I believe that the ideas of one-man power which his party associates approve by their votes on this floor, are tremendously wrong. I further believe that the question as to whether we can exist half slave and half free is eternally settled in this country; and that there is no consistent middle ground on which insurgents can stand against Cannonism to-day and for it to-morrow. Neither do I believe that Representatives can consistently oppose Cannonism and favor its twin consort, “Taft policies,” at the same time.

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In the language of an illustrious American, there is no "twilight zone" on this important question. The line of demarcation between Cannonism and its adversary is plainly drawn. If "a tree is known by its fruits" and "men are judged by the company they keep," the people will either vote for Cannonism or its outspoken opponents, and no political straddling by campaign subterfuge will be tolerated. The day of the politician riding two horses in opposite directions at the same time to get into office is past. Voters are wise enough to see which way candidates for public trust are riding, and they are bold enough to tell the ones going wrong to get off until they get right. The country is either for Cannonism or against it, and those in favor of continuing its power will vote the Republican ticket this year, while those opposed will not.

REPUBLICAN PARTY CRUMBLING TO PIECES

Speech of Hon. Scott Ferris, of Oklahoma, in the House of Representatives, Thursday, June 9, 1910. [Part of Congressional Record.]

* * * * *

Mr. Ferris said:

Mr. Chairman—The national Republican party is now crumbling to pieces from a famine of initiative and a dearth of progression. They have war, discord, and insurgency within their camps by reason of their unwillingness to do and crystallize into law public sentiment, public good, and public demand. The real patriots in the Republican party to-day are the insurgents, and because they dare to think, to act, and to do for and in behalf of their constituency, they must have the executioner's ax applied to their heads, as "shooting is too good for them," in the language of Uncle Joe.

The patriotic Lincoln with all his statesmanship and honor, the sainted McKinley, and the tender memories and references to them both will not longer hold together a party of retrogression, diseased with Cannonism, Aldrichism, and standpatism. The American people do not like men who only live in the yesterday, and the day before. They love, support, and affiliate with men and parties who live in the to-days and the to-morrows. They hate drones, laggards, and reactionaries. They admire the toiler who each night returns with something accomplished, something done, each day moving to loftier and better things. The bright new star may suffer without the state temporarily for the vile slander and libel of the disgruntled and subservient press, but it can not long endure. While slander of our homes, our state constitution, our laws, and our people rage without, within the State we are each day marching on to better and

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nobler deeds. We are an industrious, self-reliant people, who dare to do right at the expense of popularity. Our cities and towns are growing like seed planted in fallow soil. Our institutions are dally reaching out and expanding as if by magic. Our schoolhouses are more commodious and our church spires higher, our people more industrious, our ambitions loftier. She has increased in wealth and population in the last ten years beyond the expectations of the most exuberant. Her destiny can be crowned with naught but victory, and no crown shall adorn her brow but of success and success alone. Her progress is assured. Oklahoma will grow, not by reason of their slanders, but in spite of them.

To bring in vogue the tender memories of the patriotic and farseeing Lincoln or the heartaches for the untimely end of the sainted McKinley will not longer hold together an irresponsive party of standpatters who are recreant to duty and the peoples' rights. You shall not in silence and unmolested by high-tariff burdens and high cost of living drive virtuous women to shame. You shall not install discontent in the breasts of the otherwise contended. You shall not so dethrone virtue and install vice in its stead. You shall not inflict wounds upon youthful ambition by unduly protecting the strong at the expense of the weak. You shall not longer close the door of opportunity to the American youth under guise of protection to home industries, which the manufacturers do not need and should not enjoy.

You may slander her without and wound her pride within, but you can not snatch from her that priceless gem called success. You may tear and tug at her heartstrings, but you shall not mar her progress and advancement while our heads contain reason, our consciences remain clear, and our ambitious natures and desires will lead on to success and victory. Your vile slanders will live to haunt you by day and by night as the last agonizing words of a deceased stares like a skull and crossbones into the eyes of the assassin who took the life.

You plunderers of good names, you befoulers of your own homes, you unfaithful spouse who neither knows, cares, nor observes morals or decency—you shall not go with faces covered and consciences seared. The masks shall be torn from your hardened faces, the light of truth shall be turned upon you, that your virtues and your vices may be viewed under the same glass.

I again repeat, her vile slanders will turn to the richest applause, for surely she is arrayed in the armor of a righteous cause, which vile tongues can not tarnish or befoul.

CANNONISM

Speech of Hon. DORSEY W. SHACKLEFORD, of Missouri, in the House of Representatives, Tuesday, March 22, 1910. [Part of Congressional Record.]

Mr. Shackelford said:

Mr. Chairman—We are now considering a bill making appropriations for pensions. I come from a State which furnished a large proportion of the soldiers who fought for the cause of the Union. There is a large number in my State who enlisted under the banner of the Republic whose names are not carried on the pension rolls, as they ought to be. I refer to the Missouri State Militia, Missouri Enrolled Militia, and other Missouri military organizations who enlisted in the civil war.

For ten years I have been asking to be heard in behalf of these old soldiers. Ever since I have been in Congress there has been a bill in their behalf pending here, but we have never been able to get it reported out of the committee or to bring it to a vote. These old men, tottering now on the brink of the grave, are entitled to consideration at the hands of Congress. Mr. Chairman, they could get favorable consideration if only we could bring their bill to a vote. If I or any of my colleagues from Missouri were now allowed to move that the Committee on Pensions be discharged from the consideration of this bill and that it be taken up in the House, looking into the faces of the Representatives sitting around me whom I know, I confidently assert that we could pass it by three-fourths majority.

These old men have been clamoring for their just rights for a long time. Most of them have fallen by the wayside. The remnant remaining are weakly struggling against old age and asking us for the relief which I know this House would give if it had the opportunity. For ten years I have been begging for a vote on this measure. Why have we not had a vote? Why has not some of us Missourians—every Missourian here favors their bill—why has not one of us been permitted to at least bring the bill to a vote? Sir, it is not the desire of those who control the organization of this House that this bill shall pass. They therefore deny us a vote.

We have just passed through a revolution in this House which will accentuate what is the difficulty with the bill for the relief of these old soldiers. Their bill does not lack merit. That is not the trouble. Sir, the trouble is that there is in this House too much of what has come to be known the country over as "Cannonism." It has been said that "Cannonism" has been wiped out and is no longer an issue before the country. It can not be said that "Cannonism" is destroyed as long as Mr. Cannon keeps the gavel. It can not be truthfully said that "Cannonism" has been swept away until a representative of the people, coming with a bill such as I am now advocating for these old soldiers.

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shall be able to call it to a vote and let it be passed or defeated as a majority may deem wise. Some desiring to be extremely complimentary have said the trouble is not with the Speaker nor the rules, but the system. I deny it. There never was a more rigorous, harsh code of rules on earth than those in force in this House. But, Mr. Chairman, if those rules were fairly enforced—if the Speaker lived up to those rules in letter and in spirit, as in loyalty to our country he is bound to do, we could still enact some legislation for the people in spite of the rules. But when I rise in my place on this floor and say "Mr. Speaker," that gentleman assumes a repellent aspect, brandishes his gavel, and in repressive tones demands: "For what purpose does the gentleman arise?" I state my purpose. The Speaker again brandishes his gavel and ejaculates: "The gentleman can not be recognized for that purpose." [Applause and laughter on the Democratic side.]

Mr. Chairman, not only "Cannonism," but Mr. Cannon, stifles the voice of the people as it is sought to be uttered here by their chosen representatives.

Mr. Ashbrook—Will the gentleman yield?

Mr. Shackelford—Yes.

Mr. Ashbrook—I would like to ask the gentleman whether he believes that in the so-called "victory" of the insurgents and the Democrats of the last week "Cannonism" has been destroyed and put out?

Mr. Shackelford—Not as long as Mr. Cannon holds the gavel. As long as the bill for the relief of these Missouri soldiers—a bill which has the solid support of the Missouri delegation—can not be brought up for consideration, the fact is patent upon the face of the record that "Cannonism" still survives.

Mr. Langley—Will the gentleman yield to me?

Mr. Shackelford—Yes.

Mr. Langley—Mr. Chairman, I am just as anxious to get legislation for the relief of the Kentucky Militia as is the gentleman to get legislation for the relief of the Missouri Militia. We are soon to hold caucuses of the respective parties to select a new Committee on Rules. Will the gentleman promise to use his influence in the Democratic caucus in an effort to get some friends of the soldier on the new Committee on Rules who will aid in bringing a vote on a bill of this character? I desire, in advance of his answer to the question, to assure him that I will use what little influence I have to get such representation in the Republican membership of that committee.

Mr. Shackelford—The gentleman says he is in favor of a Committee on Rules that will report this measure to the House. The gentleman from Kentucky knows that the reason I can not call up this bill—the reason that no friend of these old soldiers can call up this bill—is because the gentleman from Kentucky and others like him have elected a Speaker who denies us our rights.

Mr. Sulloway—I would like to ask the gentleman a question.

Mr. Shackelford—I yield.

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Mr. Sulloway—I would like to know how many times this bill, or any similar bill, was reported under the Crisp or Carlisle rules.

Mr. Shackelford—Mr. Chairman, I was not here under Mr. Crisp's or Mr. Carlisle's administration. But I want to say for the edification of the gentleman, and for the edification of every other gentleman who turns to the past record of the Democratic party for the defects found there to urge them as excuses for the course of wickedness pursued here now, that such an appeal to me is in vain. We stand in the bright light of the present. It is up to us to do that which is right, no matter what may have been done in days gone by. I recall that in the past Members of all parties sat here, refusing to vote, and claiming that they could not be counted as present for the purpose of making a quorum. That was not proper conduct. I reflect with sorrow that some Democrats took that position, but I rejoice to remember that among the first men of prominence to call attention to that practice as an abuse, and ask that it cease, was the illustrious Democrat, John Randolph Tucker of Virginia.

But I am not speaking now as a Democrat. I am speaking, Mr. Chairman, as an American. I am a Democrat. My friend Victor Murdock is a Republican. I believe in the principles of my party. He believes that the principles of his party lie at the very foundation of good government. Mr. Murdock and I are willing to enter the arena and fight it out upon the principles of our parties and go to the people for vindication. But, Mr. Chairman, before we can conduct that fight "Cannonism" must be swept away. It is an obstruction to all consideration, to all reform. It is an obstruction in the way of human progress and the evolution of good government.

Cato, the Roman patriot, knowing the deadly hatred of the Carthaginians for the Romans—conscious that as long as Carthage should stand it meant peril for Rome—set about to stir his countrymen to the destruction of Carthage. He never delivered a speech anywhere or upon any subject which he did not finish in the fateful words: "I vote that Carthage shall be destroyed." The Roman people at last gave heed; Carthage was swept away and Rome endured. When in the Fifty-ninth Congress I began here a battle against Cannonism, I was ridiculed by Republicans and pitied by Democrats. Nobody believed that "Cannonism" could be shaken. But, Mr. Chairman, the slogan of Cato leveled Carthage in ashes, and I now see Speaker Cannon's gavel crumbling to dust in his hands. [Applause on the Democratic side.]

We are told that Mr. Cannon's rule is as good as that of any other would be who might hold the position. If that be true, then Heavenly Father look in mercy on us when we shall fall into the hands of a worse. [Laughter and applause on the Democratic side.] I have called attention to our inability to get consideration of our bill. Innumerable other bills have shared the same fate. The talented gentleman from Nebraska [Mr. Hitchcock] for several sessions has been waging a fight for his proposition that the agents of the Government traveling abroad to

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spread American trade should report to what extent American factories are selling in foreign markets cheaper than at home. That would be valuable information for the people. Why should they not have it if Congress deems it wise? A few days ago the gentleman from Nebraska sought to have his provision attached to a pending bill as an amendment. It was a perfectly proper amendment. He arose in his place as the bill came on for final passage and said "Mr. Speaker." The Speaker responded, "Wait a moment," and the proceedings went on. Again the gentleman from Nebraska exclaimed "Mr. Speaker;" again the Speaker responded "Wait a moment," and still the proceedings went on. Then we saw the ponderous form of the gentleman from New York [Mr. Payne] wend his way down the aisle and up to the Speaker, where, leaning across the Speaker's desk, they carried on a whispered conversation while the gentleman from Nebraska was still standing on the floor claiming recognition to offer his amendment.

The gentleman from New York then started away from the Speaker, and before he had reached the floor the Speaker ejaculated "the gentleman from New York," and in defiance of protests, in defiance of the rules of the House, the gentleman from Nebraska and his motion to recommit the bill with instructions to bring in his amendment were brushed aside, and the gentleman from New York was allowed to make the dilatory motion to recommit without instructions. Thus, the gentleman from Nebraska and the people's cause which he presented were battered down by the Speaker's gavel. [Applause on the Democratic side.] This is the method of administering the rules of the House by the gentleman from Illinois [Mr. Cannon].

Mr. Chairman, standing here as the representative of a constituency that is devoted to free government I again warn my countrymen that if their liberties are to survive, then "Cannonism" must be destroyed. As long as 1 man can fix the committees of this House so that they shall reflect his will, as long as 1 man can suppress 390, free government is but an empty name. When in this House there can not be free expression of the voice of the people through their chosen representatives, then free government has passed away. [Applause on the Democratic side.]

**President Taft and
His Administration**

PRESIDENT TAFT AND HIS ADMINISTRATION

SUNDRY CIVIL APPROPRIATION BILL

Speech of Hon. R. Y. THOMAS, JR., of Kentucky, in the House of Representatives, Friday, May 20, 1910. [Part of Congressional Record.]

Mr. Thomas, of Kentucky, said:

Mr. Chairman—I once heard of a man who by ways that were devious and by tricks that were vain became indebted to almost every person in the community and then made an assignment, with no visible assets to discharge his obligations. His outraged and incensed creditors met and in their anger and desperation determined to cut up his body and parcel it out among themselves as a punishment and in part payment of his debts. At this juncture a man stepped forward and said "Gentlemen, as his largest creditor, I demand his gall." [Laughter and applause on the Democratic side.]

During the latter years of its existence, assertion and misstatement have been the chief stock in trade, the principal assets with which the Republican party has sought to discharge its obligation to the country. [Applause on the Democratic side.] And even now the Republican majority which must of necessity see the handwriting on the wall so far as the coming congressional elections are concerned, is holding all sorts of consolation parties, called banquets, and making all sorts of speeches, and singing all sorts of songs, and whistling all kinds of tunes to keep up its courage as it goes marching through this legislative slaughterhouse to an open political grave. [Applause on the Democratic side.]

Mr. Chairman, I will digress for a moment to notice a remark made by the gentleman from California. [Mr. McKinlay], who just addresssed the House. He said, in substance, that Democrats always tell what the Republican party has not done, but can not tell anything the Democratic party has done. The founders of the Democratic party wrote the Declaration of Independence and breathed into the Constitution of our country the spirit of liberty, that same Constitution which one of the founders of the Republican party declared was a covenant with death and a league with hell, and the Republican party ever since that declaration has been trying to abolish the Constitution by judicial construction. Mr. Chairman, the Democratic party, by wise statesmanship, added to this Union its largest and fairest territory—a contiguous territory of homogeneous people—the productivity of whose soil is the marvel of the world.

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The Republican party, in the interest of predatory wealth, gave to the railroad corporations, without money and without price, 160,000,000 acres of that fair domain which should have been reserved as homes for the toiling masses. The Democratic party fought the war with Mexico and planted the flag of our country upon the battlements of the Montezumas, and added many of the largest and brightest stars to the galaxy of this Union.

The Democratic party saw Cuba prostrate under the heel of the oppressor and said, "We are our brother's keeper," and by the patriotic insistence of Democratic leaders Cuba became free.

The Democratic party declared that this is a government of the people, by the people, for the people, and that the creator has a right to control and regulate the creature, and the result was the interstate-commerce act.

The Democratic party declared that aggregated wealth should bear its just part of the burdens of Government, and favored an income tax, and the Republican party, following in the footsteps of Democratic wisdom, submitted to the States an amendment to the Constitution to bring about that result.

The Democratic party declared that it is for peace and not for war, for peace and not for ships and cannon and the upturned faces of dead men slain in useless battle, and the result was The Hague International Peace Conference.

The Democratic party declared the vast material resources of this Nation should not be wasted by exploiting corporations, but should be preserved, and the result was the act of conservation.

The Democratic party declared for the right of trial by jury and unalterable opposition by government by injunction, and the Republican platform and Republican president promised that this Democratic principle should be given life by statutory enactment.

The Democratic party said there were trusts, the Republican party declared there were not, and now when the Standard Oil trust and the American Tobacco trust are brought before the Supreme Court for violation of the antitrust law the Republican president and Republican party seek to give them new life as federal corporations, that they may continue their careers of pillage.

The Democratic party declared in favor of the guarantee of bank deposits, and if that could not be done then it favored a postal savings-bank system so enacted as to leave the deposits in the locality and the result is, the Republican party again following the leadership of Democratic statemanship, is trying to enact a postal savings-bank law.

The Democratic party declared in favor of amending the rules of this House so as to deprive the Speaker of his czar-like power in the enactment of legislation, and the Republican promises to do that thing if the people will only give it a little longer lease of power.

The Democratic party has always contended that the tariff is a tax paid by the consumer, and that no more taxes should be levied than is necessary to carry on the government econom-

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ically administered. To levy more is robbery, and for years the Democratic party has insisted that tariff duties be lowered and the Republican party, pretending to heed the voice of the people, promised before the election a revision of the tariff downward, and then violated that pledge after the election. [Applause on the Democratic side.]

The Republican party has lived by the crystallization of ideas filched from Democratic platforms and Democratic statesmen, and its only hope of renewed vitality and continued existence is the enactment into law of Democratic measures. [Applause on the Democratic side.]

Had I the time I could tell a hundred good things the Democratic party has done. It has felled the forests and sowed the seed and tilled the soil of almost every legislative reform, while the Republican party has reaped the harvest and been given the glory. [Applause on the Democratic side.]

Mr. Chairman, the Democratic party is coexistent with this Government. It has stood at the cradle and the coffin of every political party that has existed in this country, and it will be a pallbearer, but not a mourner, when the Republican party passes forever out of existence. [Applause on the Democratic side.]

Mr. Chairman, the distinguished gentleman from Illinois [Mr. Cannon] has been a target in this House for Republican as well as Democratic sharpshooters, but I believe that he is as good as his party. He has the courage of his convictions, and the Republican party has not the courage of its convictions. [Applause on the Democratic side.] If he has wielded the party lash, it is because the Republican majority elected him Speaker and put the whip into his hand. If he has been autocratic, it is because the Republican majority elected him Speaker and enacted the rules and demanded that he enforce those rules. It is unfair and unjust for the majority to offer him as the sole vicarious sacrifice to atone for the political sins of the entire Republican party when he and it together are guilty of the same offenses. I suspect that the chief misfortune of the distinguished Speaker is that in his younger days he was removed from the State of North Carolina to the State of Illinois. In Illinois he got the wrong kind of education. He fell in with bad political associates, and unfortunately became a Republican. If he had remained in the State of North Carolina, as he ought to have done, no doubt, instead of being a Republican and getting "cussed" by everybody, he would have grown up to be a Democrat and an ornament to society. [Laughter and applause on the Democratic side.]

Mr. Chairman, on a former occasion the distinguished gentleman from Illinois [Mr. Boutell], who always stands picket, musket in hand, on the outposts of protectionism and Cannonism in a speech in the House in answer to the gentleman from Tennessee [Mr. Hull], and the gentleman from Texas [Mr. Henry], stated that their arguments would not appeal to any person except the man who dwells at the forks of the creek, and added that their arguments would not appeal to any reasonable or thinking man. Therefore, according to his dictum the man who

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dwells at the forks of the creek and who is usually a farmer, is just a little lower than the animals and can not think or reason. Such is the opinion of this advocate of the predatory interests of the farmers of the country.

A few days since the gentleman from bleeding Kansas [Mr. Campbell] gave vent to this highly amusing and interesting statement. He said:

The Democratic party is now threatening the country with another Democratic tariff. They make this threat without blushing. The danger that they shall have another opportunity to carry out the threat is not great. The certainty of the disaster that will follow a Democratic tariff if they enact one is beyond question. Excepting alone the war tariff of 1812 with which the Democratic party has had anything to do with the making, has resulted in exactly the same way—not sufficient revenues to defray the expenses of the Government in a time of peace, industries throughout the country idle, labor throughout the country out of employment, business men bankrupt, business enterprises in the hands of receivers, the Government borrowing money with which to defray its running expenses.

Mr. Chairman, that statement ought to be deposited in the Smithsonian Institution or in some museum as a curiosity and a standing example of Republican exaggeration and misstatement. [Applause on the Democratic side.]

Not long since the distinguished gentleman from Illinois with the avuncular title and bucolic countenance [Mr. Cannon] put a chip on his shoulder and descended from the Speaker's throne to the floor of this House and proceeded to administer an allopathic dose of Danville soothing sirup to the terrified standpatters and a castigation to the insurgents. [Laughter and applause on the Democratic side.] The gentleman on that occasion defended that law of abominations, the Payne tariff law, and they all defend it; and certainly if anything on the face of this earth needs defense, and lots of it, it is the Payne tariff law. [Applause on the Democratic side.] In the course of the distinguished gentleman's remarks in defense of the Payne tariff law he said that under the operation of the Payne tariff law labor is universally employed. He did not stop at that; he emphasized and reiterated that statement. That declaration was the statement of an alleged condition and an alleged cause—the alleged condition being the universal employment of labor, the alleged cause the operation of the Payne tariff law. At the very moment the distinguished gentleman made that statement there were numerous strikes in various parts of this Union. Three hundred thousand coal miners the very day before laid down their picks and shovels and demanded an increase of wages to meet the increased cost of living under the operation of the Payne tariff law. One hundred thousand of those miners were in the State of Pennsylvania alone, the citadel of protection and the bulwark of Republicanism. At the very moment the distinguished gentleman made that statement 72,000 coal miners were idle in the State of Illinois, and in his own county of Vermillion hundreds of coal miners quit work, demanding more wages to meet the increased cost of living. [Applause on the Democratic side.]

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Mr. Hardy—Will the gentleman permit an interruption?

Mr. Thomas of Kentucky—Certainly.

Mr. Hardy—Has not the gentleman learned that a few little facts like those he states do not interfere with the rounded periods of Republican orators in this day of necessity?

Mr. Thomas of Kentucky—It does not interfere with their rounded periods, but it is going to interfere with them at the election. [Applause on the Democratic side.]

Mr. Olmsted—Will the gentleman permit an interruption?

Mr. Thomas of Kentucky—Certainly, with pleasure.

Mr. Olmsted—The gentleman has referred to strikes. Is it not a fact that during the four years from 1893 to 1897 there were less strikes than in any other period for the last half century?

Mr. Thomas of Kentucky—I want to say to the gentleman that I will come to the question of strikes directly and will give the facts and figures upon strikes, and I will show from Republican figures taken from the Statistical Abstract that there were more strikes in Harrison's administration than there were in either of Cleveland's administrations.

Mr. Olmsted—Because men can not strike when they are out of work.

Mr. Thomas of Kentucky—The gentleman's statement is a fallacy. For years the Republican party has contended that the number of strikes during Cleveland's administration was an evidence of hard times, low wages, and dissatisfied labor conditions, and the Republican party has persistently and falsely asserted that the number of strikes during that administration and the number of men out of work were the largest in the history of the country, and when the official figures contradict that statement they seek refuge in the statement that men can not strike when they are out of work. Strikes are an evidence of low wages, long hours, and conditions that are unsatisfactory to the labor world.

During the administration of McKinley and Roosevelt and the operation of the Dingley law, which the Republican party assured the country was the best tariff law ever enacted, and would insure constant employment and high wages to every laborer in the land, the strikes and number of men thrown out of employment more than doubled that of any period in the history of the country, according to the official figures. [Applause on the Democratic side.]

But I started to talk a little more about Mr. Cannon. Before he makes another speech on the labor question he should visit Danville, his own home, and inform himself. The miners in his own county have been on a strike since the 1st of April under the operations of the Payne tariff law, and I see from an Associated Press dispatch that only a few days since two companies of militia were sent to Westville, in his own county, to suppress striking miners under the operation of the Payne tariff law. [Laughter and applause on the Democratic side.]

The political physicians of the Republican party know that the patient is very ill and near death's door, but they can not

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agree on a diagnosis of the case. [Laughter and applause on the Democratic side.]

The distinguished Speaker asserts that under the operation of the Payne tariff law labor is universally employed, while the author of that monstrosity, Mr. Payne, the heavy artillery of the Republican party, recently came out of cold storage long enough to declare on the floor of this House that many of the paper mills of the country are closed by strikes. [Applause on the Democratic side.] Here is what he said:

We are criticised because we did not fix the duty at \$2 a ton and close our paper mills, in the vain hope that Canada might remove her embargoes on exports of wood pulp. Now she is extending her embargo, and, with a great many of our mills closed by strikes, there is a scarcity of paper.

The Speaker says that labor under the operation of this law is universally employed. The gentleman from New York [Mr. Payne] says that a great many of our mills are closed by strikes. At the time the Speaker made that declaration there was a strike on hand among the street-car men of the city of Philadelphia, the city of Republicanism and protection, of brotherly love and riots [laughter and applause on the Democratic side], involving from 20,000 to 150,000 men. At the time he delivered that utterance there was a strike in the tobacco factories at Louisville, the largest leaf-tobacco market in the world. At the time he delivered that utterance the men at McKees Rocks, in Pennsylvania, who are held almost under a system of peonage, were on a strike, and had been for twelve months. At the time he delivered that declaration 10,000 men were striking at Bethlehem, Pa., the home of the steel trust, one of the largest contributors to the campaign fund of the Republican party. They were on a strike; they are still on a strike. What are they getting at Bethlehem? Talk about high wages! Here is a report about the conditions at Bethlehem, and that report shows that men are working twelve hours a day at 12½ cents an hour in those mills—\$1.50 a day for twelve hours' labor and a dollar a day for eight hours' labor—under the operation of the glorious Payne tariff law, which raises the wages of labor. [Applause on the Democratic side.]

Mr. Sabath—Will the gentleman yield?

Mr. Thomas of Kentucky—Yes, sir.

Mr. Sabath—Does the gentleman state that there is a report that shows these facts? What is that report, may I ask?

Mr. Thomas of Kentucky—That is the report on the strike at the Bethlehem Steel Works at South Bethlehem, Pa., Senate document No. 521.

Mr. Sabath—A Senate report?

Mr. Thomas of Kentucky—Yes, sir. It is numbered 521.

Mr. Hardy—Will the gentleman yield, Mr. Chairman?

Mr. Thomas of Kentucky—Yes, sir.

Mr. Hardy—Is it not also a fact that the labor of those Bethlehem people is a very dangerous, onerous, and health-destroying labor?

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Mr. Thomas of Kentucky—Certainly, it is; and I might add that if a man wants to see the real benefits of protection and the operation of the Payne tariff law with regard to the working people of this country, all he has to do is to ride along the railroads in the State of Pennsylvania and observe the miserable hovels that shelter the wretched workmen under this protective system.

Mr. Wilson of Pennsylvania—Will the gentleman yield?

Mr. Thomas of Kentucky—Yes, sir.

Mr. Wilson of Pennsylvania—Is not this report made by the Bureau of Labor, after a thorough, special investigation into the subject there?

Mr. Thomas of Kentucky—Yes, sir; and this report, Mr. Chairman, shows a condition of slavery. You may talk about the beneficiaries of the protective system raising the wages of labor. The tariff never caused the wages of a single laborer to be raised a single cent in this country. The beneficiaries of the tariff system raise the wages of labor only when they are forced to do so by strikes and by labor organizations. [Applause on the Democratic side.] And before they will raise their wages they will starve them out, if possible, and resort to all character of injunctions.

This alleged raising of the wages of labor by the beneficiaries of this tariff system reminds me of an anecdote. An old negro went to a judge and said: "Jedge, I want to get a divorce." "Why," the judge said to him, "what is the matter with you and Aunt Dinah that you can not get along?" "Oh," he said, "that woman just worries me to death. One day she will ax me for a dollar, and the next day she will ax me for half a dollar, and the next day she will ax me for another dollar, and she just worries me to death all the time." "Well," said the judge, "what does Aunt Dinah do with all of this money?" Old Jim replied, "Well, I dunno. I ain't done never give her none yet." [Laughter and applause.]

So that is the condition so far as raising wages is concerned by the beneficiaries of the tariff.

And I might in this connection relate another anecdote. A man had a faithful servant who had been with him for sixteen years. He had paid him a very low wage. He went to the stable where he was currying a horse, and he said to him, "Well, Sam, how are you getting along?" He said, "Fair to middling, boss." Then he suddenly looked up and said, "See here, boss, me and this here horse have been working for you for sixteen years; we have done your work; we have been here together, and last week me and the horse took sick and you sent for a doctor for the horse and docked my pay." [Laughter and applause.]

Now, I promised the gentleman from Pennsylvania [Mr. Olmsted] that I would give a few figures for his information and the general information of the Republican party. The Republican party for years has gone about this country talking about the administration of Cleveland, and absolutely misrepresenting the facts. When Mr. Cleveland came into office he

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inherited the McKinley bill, a panic, and a deficit of over \$60,000,000 in the Public Treasury. The McKinley bill was passed in October, 1890, and upon the 11th day of November, 1890, a panic began, and upon that day the New York Clearing House Association issued certificates to the banks in its association, to keep them from failing. The same was done in Philadelphia; the same was done all over the country; and soon after the steel mills in Pennsylvania began to fail. Times went on from bad to worse, and in 1892, before the election of Cleveland, the great Homestead strike took place, under the McKinley law and under the administration of Harrison. [Applause on the Democratic side.] That is what Cleveland inherited. The Republican party ought to be absolutely ashamed of itself to go about over the country and try to make the people believe that the panic, which reached its height in 1893, was caused by a law that was passed in 1894. That is just what you have been doing all the time. [Applause on the Democratic side.]

I heard a Republican upon this floor yesterday say that before Mr. Taft came into office there were 400,000 empty freight cars standing on the side tracks in this country. Under whose administration was that? That was under the administration of Mr. Roosevelt. Mr. Roosevelt's administration left Taft in about the same condition that Harrison's administration left Cleveland's. Roosevelt's administration left Taft with the Dingley law, with an empty Treasury, and a deficit estimated to be \$100,000,000 to \$150,000,000.

We have heard a great deal about strikes. During the administration of Cleveland, from 1885 to 1888 the strikes and lockouts were 4,716. During his next administration the strikes and lockouts were 5,100. But during the administration of Harrison, from 1889 to 1892, the strikes and lockouts were 6,153, over 1,000 more strikes during his administration than there were during the administration of Cleveland. During the administration of Mr. McKinley, from 1897 to 1900, the strikes numbered 5,885, 785 more strikes during the administration of Mr. McKinley than there were during either of Cleveland's administrations.

But let us see how our prosperity increased. These figures do not seem to interest the gentleman from Pennsylvania [Mr. Olmsted]. [Laughter.] During the administration of McKinley and Roosevelt there were 12,319 strikes, an increase of between 130 and 140 per cent. over the administration of Mr. Cleveland; and in 1905, during the administration of Mr. Roosevelt, there were 2,186 strikes. And they came so frequently and were so many that the Bureau of Labor, of the Department of Commerce and Labor, failed to gather any more strike statistics, and we have had no strike statistics since 1905.

Mr. Olmsted—Mr. Chairman, will the gentleman yield?

Mr. Thomas of Kentucky—Certainly.

Mr. Olmstead—I admit that there were more strikes during the administration of Mr. Harrison than there were during the administration of Mr. Cleveland from 1893 to 1897, because men were at work and struck for higher wages. During Mr. Cleve-

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land's administration 92,000 railroad men were discharged, an army about the size of that which fought the battle of Gettysburg; and they were discharged all over the country. When men are out of work they can not strike.

Mr. Thomas of Kentucky—So, I suppose, that is the gentleman's understanding of prosperity—that men have to strike, to be thrown out of employment, to get increased wages to enable them to live. [Applause on the Democratic side.] And these railroad men who were thrown out of work lost their jobs under the McKinley law, which the Republicans assured us would bring prosperity, plenty of work, and high wages. During the life of the McKinley tariff law the average yearly number of strikes was 1,417.

During the first eight years of the Dingley tariff law the number of strikes was 18,596. In other words, under the McKinley law the average yearly number of strikes was 1,417, and under the Dingley law 2,334, while under the Wilson bill the yearly average was only 1,106. I insert tables as a part of my remarks, showing the strikes, lockouts, and men thrown out of employment during the Cleveland and Harrison administrations and under the McKinley and Wilson tariff laws and the first eight years of the Dingley tariff law.

TABLE 1.—*Strikes and lockouts.*

	Strikes.	Lockouts.	Total.
Cleveland, 1885-1888.....	4,419	297	4,716
Harrison, 1889-1892.....	5,923	230	6,153
Cleveland, 1893-1896.....	4,895	205	5,100
McKinley, 1897-1900.....	5,710	175	5,885
McKinley and Roosevelt, 1901-1904.....	11,887	432	12,319
Roosevelt, 1905.....	2,077	109	2,186

TABLE 2.—*Strikes under McKinley, Wilson, and Dingley laws.*

Strikes under McKinley tariff law:	
1891.....	1,717
1892.....	1,298
1893.....	1,305
1894.....	1,349
Total.....	5,669
Yearly average.....	1,417
Strikes under Wilson tariff law:	
1895.....	1,215
1896.....	1,026
1897.....	1,078
Total.....	3,319
Yearly average.....	1,106
Strikes first eight years under Dingley tariff law:	
1898.....	1,056
1899.....	1,797
1900.....	1,779
1901.....	2,924
1902.....	3,162
1903.....	3,494
1904.....	2,307
1905.....	2,077
Total.....	18,596
Yearly average.....	2,324

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TABLE 3.—Men thrown out of employment under the McKinley, Wilson, and Dingley laws.

Men thrown out of employment under McKinley tariff law :	
1891.....	298,939
1892.....	206,671
1893.....	265,914
1894.....	660,425
Total.....	1,431,978
Yearly average.....	357,987
Men thrown out of employment under Wilson tariff law :	
1895.....	392,403
1896.....	241,170
1897.....	408,391
Total.....	1,041,964
Yearly average.....	347,321
Men thrown out of employment first eight years Dingley tariff law :	
1898.....	249,002
1899.....	417,072
1900.....	505,068
1901.....	543,386
1902.....	659,792
1903.....	656,055
1904.....	517,211
1905.....	221,686
Total.....	3,769,270
Yearly average.....	471,158

TABLE 4.—Strikes under Cleveland's administration, 1893 to 1896.

	Strikes.	Estab-lish-ments.	Strikers.	Employees thrown out.
	1,305	4,555	195,008	265,914
	1,349	8,196	505,049	660,425
	1,215	6,973	285,742	392,403
	1,026	5,462	183,813	241,170
Strikes.....	4,895	25,186	1,169,612	1,559,912
Lockouts.....	205	1,601	57,993	73,914
Total.....	5,100	26,787	1,227,605	1,633,826

TABLE 5.—Strikes under McKinley's administration, 1897 to 1900.

	Strikes.	Estab-lish-ments.	Strikers.	Employees thrown out.
	1,078	8,492	332,570	408,391
	1,056	3,809	182,067	249,002
	1,797	11,317	308,267	417,072
	1,779	9,248	399,656	505,066
Strikes.....	5,710	32,866	1,222,550	1,579,531
Lockouts.....	175	2,939	79,949	99,450
Total.....	5,885	35,805	1,302,499	1,678,981

Strikes under McKinley-Roosevelt administration, 1901 to 1904.

	Strikes.	Estab-lish-ments.	Strikers.	Employees thrown out.
	2,924	10,908	396,280	543,386
	3,162	14,248	553,143	659,792
	3,494	20,248	531,682	656,055
	2,307	10,202	375,754	517,211
Strikes.....	11,887	55,606	1,856,859	2,376,444
Lockouts.....	432	7,355	203,801	240,555
Total.....	12,319	63,051	2,060,660	2,616,999

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Strikes under Roosevelt's administration, 1905.

	Strikes.	Estab-lish-ments.	Strikers.	Employees thrown out.
Strikes.....	2,077	8,292	176,337	221,686
Lockouts.....	109	1,215	68,474	80,748
Total.....	2,186	9,507	244,811	302,434

TABLE 6.—*Total strikes and lockouts, 1881 to 1905.*

	Strikes.	Estab-lish-ments.	Strikers.	Employees thrown out.
Strikes.....	36,757	181,407	6,728,048	8,703,824
Lockouts.....	1,546	18,547	716,231	825,610
Total.....	38,303	199,954	7,444,279	9,529,434

In 1893, under the McKinley bill, the greatest amount of commercial failures occurred in the history of the country, amounting to the appalling sum of \$346,779,889, and under the operation of the Dingley law in 1894, before the Wilson bill went into operation, the greatest number of men in the history of the country, 660,425, were thrown out of employment; and under the Dingley law in 1902 659,792 were thrown out of employment, and in 1903 656,055 lost their jobs under the same law. Strikes became of such frequent occurrence during the administration of McKinley and Roosevelt and the operation of the Dingley law that the Bureau of Labor ceased to gather strike statistics, and there has been no official reports since 1905. During the panic of 1908, which the Republicans are pleased to call a little financial flurry, the greatest number of financial failures in the history of the country—15,690, involving 1,425,000 business concerns—occurred.

According to the argument of the gentleman from Pennsylvania [Mr. Olmsted] a workingman is most prosperous when he is compelled to strike in order to obtain living wages to enable him to meet the increased cost of living under the operation of Republican tariff laws. The laboring man could always get work if he would accept the hard conditions imposed, the long hours required, and the starvation wages offered by the beneficiaries of protective-tariff robbery. [Applause on the Democratic side.]

Republicans may talk of the operation of the Payne tariff law in its relation to labor, but the facts are that for years and years labor has knocked in vain at the portals of Republicanism, demanding an adjudication of its grievances and a recognition of its rights, only to be turned away with a sneer or given a stone for the promise of bread, while predatory wealth has been an invited and welcome guest to the innermost sanctuary of the temple. [Applause on the Democratic side.] What has become of the vast majority of measures introduced here for the benefit of labor? They are still in committee. They are unreported. They have been given the usual Republican opiate of Cannonism, and now lie entombed in the ceremonies of that legislative death which will not know any resurrection at this session of Congress. What has become of the anti-injunction bill promised to labor by the Republican platform and the Republican President? It is still in committee.

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If it is ever called out it will most likely be brought forth as the spawn of monopoly, to give statutory recognition and legislative sanction to the very abuses and tyrannies of which labor complains. You may talk of the operation of the Payne tariff law, you may talk of economy and the simple life, of good times and higher wages and better times to come, but the stubborn fact still remains that the great majority of the laboring people of this country are unable to reach above the barriers of commercial and industrial despotism erected by the rapacity of the Republican protective system into any promised Eden land of prosperity beyond. You may say that the golden stream of our material wealth flows with ceaseless activity and that may be true; but its current is forever turned into the channels of the trusts and monopolies and corporations and the idle rich, and those who live off the earnings of others through the operation of unjust, unequal and oppressive Republican legislation such as the Payne tariff law. [Applause on the Democratic side.]

Mr. Chairman, it would take me a week to tell all the bad things I know about the Republican party. [Laughter and applause on the Democratic side.] Every time I think of the President of the United States I am reminded of the old couplet about the King of France:

The King of France marched up the hill
With twenty thousand men;
The King of France marched down the hill,
And ne'er went up again.

[Applause on the Democratic side.]

The President and the Republican party marched up the hill before the election into the confidence of the public by making many promises, and after the election they violated those promises and marched down the hill, never to march up again into the confidence of the American people. [Applause on the Democratic side.] Mr. Chairman, no doubt Hamlet Taft, in the deep hours of the night, as he treads the deserted corridors of the White House, meditating upon the melancholy failure of his administration and the uncertainty of the political future, soliloquizes:

Now is the winter of my discontent,
And to go or not to go; that is the question.
Whether 'tis better to stay at home and suffer
The slings and arrows of outrageous insurgents,
Or go to Indiana and beard the lion Beveridge in his den,
And take up arms and wage hot war
Against this sea of troubles dire,
And, by opposing, end them all; that is the question.
To grunt and sweat under this unjust Payne law,
With dread of something at the election,
Makes me rather bear the ills I have
Than fly to others that I know not of.
Thus is the native hue of my resolution
Sicklied o'er with the pale cast of thought,
And questions of great pith and moment
With this regard their currents turn awry and lose the name
of action;
While before my troubled vision looms
A mighty hunter's lusty form,
From Elba bound; and after Elba comes Waterloo.

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[Applause on the Democratic side.]

Mr. Chairman, some time since the President of the United States gave his opinion as an expert on the subject of whisky. He might try his hand and give us an expert opinion of what is a Republican. Republicans, you know, used to sarcastically inquire what is a Democrat; but a more pertinent inquiry is, What is a Republican. And it is a question more unsolvable than the proposition, How old is Ann? [Laughter.]

The President as an expert might tell us how many of his aggregation are pure, how many are mixed, how many are blended, how many are rectified, how many are in bond, how many are out of bond, and what proportion of illicit or moonshine Members he has among the aggregation. [Laughter.]

Mr. Cline—And how many are straight?

Mr. Thomas of Kentucky—Yes; we have straight Republicans, we have progressives and ultraprogressives and reactionaries and ultrareactionaries, and we have insurgents. Gentlemen, we have three kinds of insurgents. There are insurgents and “near” insurgents, and there are “sometimes” insurgents. [Laughter on the Democratic side.] The insurgents—and they are very scarce—are those who are insurging all the time. The “near insurgents” are those who go up to the fence, and you would think they were going to jump over and run clear away and never come back, but they back off and do not jump at all. [Laughter on the Democratic side.] “Sometimes insurgents” are those who once in a while kick up their heels, run against the fence, knock it down, and run clear off the reservation. You would think they were never coming back; and that reminds me of an anecdote.

A man had a house that was reputed to be haunted, and he could not rent it. He hired an old negro by the name of Jim and gave him \$5 to stay in the house all night and show the neighborhood that there were no ghosts there. The sun was shining brightly and Jim took the money and went away. About dusk the master of the house concluded to take Jim a pint of whisky and go over and see how he was getting along. When he got there Jim’s teeth were chattering and his eyes were bulging out so that you could knock them off with a stick. He said, after giving him the pint of whisky, “Jim, are you scared?” “Oh,” he says, “no; Massa John, I’s e not scared, but I’s e powerful glad you brought that liquor.” The next morning he went back, but Jim could not be found, but instead there was a sash of glass all knocked out and lying about 15 feet from the house. They searched for Jim for three days, and at last the master of the house saw a dejected looking fellow, ragged and woebegone, coming across the field. When he came up he recognized him to be Jim. He said to him, “Jim, is that you?” Jim says, “Yes; Massa John, this is ‘me.’” “Well,” he says, “where on earth have you been these last three days?” He says, “Massa John, I’s e been acoming back.” [Laughter.] And so with the sometimes insurgents. As sure as chickens come home to roost they return to the reservation in the nick of time when needed by the grand old party.

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The trusts are violating the Sherman antitrust law every day with impunity, and will so long as the Republican party is in power. The President of the United States instituted proceedings against the embattled farmers of Kentucky, who are fighting the tobacco trust, and sent special representatives of the Government to Kentucky to prosecute them. Yet the tobacco trust and the Standard Oil trust have not been convicted, and these cases have been reassigned, and no doubt it will be a year yet before they are passed upon. The President went to New York to get a new grip on the name of Lincoln and assured Wall street that he would do nothing to disturb business conditions, and then appointed Hughes a justice of the Supreme Court—Hughes, the friend of Rockefeller and the trusts; Hughes, who vetoed the 2-cent maximum passenger rate in New York and defeated the income tax measure—and assured the country that Mr. Hughes would properly decide the question of an income tax should he have to pass upon that proposition. The next day after he made the appointment, J. E. Hutton & Co., connected with Wall street, sent out a trade letter to the country in which they declared that the appointment of Hughes gave general satisfaction to the financial interests, and that decisions in such cases as the Standard Oil and American Tobacco would be in safe hands. [Applause on the Democratic side.]

Governor Hughes publicly expressed his opinion against an income tax in a message to the New York legislature, and effected a combination by which the submission of the amendment was defeated, and the President's declaration that he would properly decide such a question according to the evidence reminds me of an anecdote of an Irishman, Mike McGinnis, who was summoned as a jurymen in a murder case. "Mike," said the judge, "have you formed or expressed any opinion as to the guilt or innocence of the defendant?" "I hev not, yer honor," replied Mike. "Mike," said the judge, "have you any conscientious scruples against the infliction of capital punishment?" "Yer honor," replied Mike, "I hev not in this case." Conceding the absolute uprightness and integrity of Governor Hughes, yet when I consider his bent, his education, his way of thinking, his associations, and his previously expressed opinions, I believe such cases as the Standard Oil and the tobacco trust will be safe in his hands, and that he will have no conscientious scruples against inflicting capital punishment on the Constitution should he have occasion to decide an income-tax proposition. [Applause on the Democratic side.]

The immortal Lincoln declared a short time before his death that corporations were being enthroned, that an era of corruption had set in, and he feared for the safety of this Republic. It is a far cry from Lincoln to Taft, and the Republican party and Republican President have repudiated the practices and principles of Lincoln, and use his name only as a shibboleth to delude the people. [Applause on the Democratic side.]

The Republican President assisted in the election of Cannon as Speaker and helped fasten the present rules on the House. He promised a revision of the tariff downward and signed the

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Payne tariff law, declaring it the best tariff law ever passed. He declared for an income tax, and then sent a message to Congress advocating the passage of a corporation tax, the avowed purpose of which was to defeat the income tax. He declared for a central bank of issue, and is trying to burden the country with ship subsidy, and is making an effort to fasten a federal incorporation law as a saddle on the backs of the American people, on which the trusts, booted and spurred and whip in hand, can ride them to death. [Applause on the Democratic side.]

He is having trouble in his own party. Occasionally he stiffens his backbone sufficiently to give himself a hypodermic injection of independence, and when the potion takes effect he proceeds about the country and makes political speeches defending his policies and castigating the insurgents as at Winona. When the potion ceases to effect him his courage, like "Bob Acres," oozes out the ends of his fingers and he keeps away from Indiana. [Applause on the Democratic side.]

After the appointment of Hughes he declared the Supreme Court sacred. I have all proper respect for the courts of our land and believe all their just powers should be upheld within proper bounds, but there has never been a sacred person on earth since the immaculate Jesus was tried, condemned, and crucified in obedience to the mandate of a judicial tribunal. If the star of American liberty ever goes down in the night of despotism, the abolition of the Constitution and the enlargement and centralization of federal power by judicial construction will be among the chief contributing causes. [Applause on the Democratic side.]

Warren Hastings, when arraigned by the British Government for looting India, declared that when he considered his opportunities he was amazed at his moderation, but the Republican party can not plead the immunity of moderation for its long career of legislative pillage. [Applause on the Democratic side.]

Not long since, in a speech in this House, the gentleman from New York [Mr. Payne] declared that the increased output of gold and its consequent decrease in value is the cause of high prices, and that this condition is world wide. There is no doubt but that this is to some extent true, but in 1896 and subsequent years the Republican party asserted that gold is a stable, unvarying measure of value. The increased output of gold can not account altogether for high prices. If it could, the rise would not only be world wide, but would be equal; but the beef trust sells meat much cheaper in England and the continental countries, after paying the freight, than it does in America, while American manufacturers ship and sell their products in foreign countries much cheaper than they do to the American consumer, owing to the beneficent effects of a protective tariff. The American farmer buys what he consumes, under the burden of a protective tariff, and sells his surplus in the free and open markets of the world in competition with producers who buy their farm machinery from American manufacturers much

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cheaper than the American farmer can buy them. [Applause on the Democratic side.]

The President recently in a speech asserted that the tariff had been reduced on articles of consumption costing many million dollars. The statement is absolutely incorrect. The Payne tariff, as a whole, is slightly higher than the Dingley tariff. There was a trifling change of rate in a number of articles, but the rate was left still practically prohibitive, and in this way the public was deceived. The rate on the article was lowered a little, but the cost of the goods to the consumer has not been lowered. Wire nails was one of the items that went into the President's list of articles on which there was a reduction. There is somewhere about \$27,000,000 worth of wire nails consumed in this country, and the rate was reduced but one-tenth of a cent per pound, or \$2 a ton, a reduction so small as to cut no figure whatever in the price of nails, and the price has not been lowered since the tariff reduction was made. There has been no reduction in the price of nails, because the tariff enables the steel trust, which pays \$1 a day for eight hours' labor, to fix the price, and at the same time the trust is protected by a duty of \$20, \$25, and \$35 per ton on the wire out of which the nails are manufactured. This is a fair sample of all the alleged reductions cited by the President. [Applause on the Democratic side.]

Mr. Chairman, the gentleman from New York [Mr. Payne] in a recent speech boasted of the fact that the Payne bill admits 300,000 tons of Philippine raw sugar into the United States free of duty, and cites this as an instance of what the Republican party is doing for the welfare of the little brown men. A former Republican administration purchased 408,000 acres of land from the friars in the Philippines at an average price of \$18 per acre, justifying the purchase on the ground that large holdings by religious bodies are prejudicial to the best interests of the islands. The organic act passed in 1902 forbids the sale of more than 40 acres of land to an individual and more than 2,500 acres to a corporation in the Philippines, but this administration, which seems bound by no law human or divine, sold 55,000 acres of that land to agents of the sugar trust at \$6 per acre. The removal of the tariff on 300,000 tons of raw sugar at 68 cents per ton amounts to about \$11,000,000 annually, which is a rich prize for the sugar trust, and the consumer will get no relief. The organic act was absolutely violated in the sale of this land. This act was intended as a defense to the Philippine people and a protection to the islands from exploitation by unscrupulous corporations, but its provisions have been nullified and set aside by this administration for the benefit of the sugar trust; and this, and not the welfare of the little brown men, is the milk in the cocoanut, the sugar in the gourd of this provision in the Payne tariff law. [Applause on the Democratic side.]

This Republican administration is the weakest and most unsatisfactory to all the people, regardless of politics, in the history of the country. The President before election was hailed

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as the learned judge and traveled and experienced statesman by Republican newspapers and party associates. They declared that his vast experience and knowledge of men and affairs made him peculiarly available and fitted for the Presidency. Now that his administration is a disappointment and an admitted failure, they say he is the victim of bad advisers and absolutely place him in the role of "Simple Simon." [Applause on the Democratic side.]

The Republican party and the trusts are in full partnership in the operation of this Government and the people are the victims of the unrighteous alliance. [Applause on the Democratic side.]

The trusts and monopolies furnish the Republican party with the sinews of political war in the shape of campaign contributions and the Republican party reciprocates by the enactment of legislation by which the trusts can successfully pillage the people. But the people are awakening to the true condition of affairs, and the day of reckoning is near at hand. Republicans everywhere who hold country above party are deserting the rotten and sinking ship. The Republicans of Massachusetts and New York and the North are joining hands with the stalwart men of the West and South in repudiating the party which has repudiated the principles of Jefferson and Lincoln and is held together only by the cohesive power of public plunder. [Applause on the Democratic side.]

The people are beginning to think and act for themselves, and when they become fully aroused Republicans will become an iridescent dream. The lash and scourge and ridicule of party bosses can no longer hold them in line. They are determined to take charge of this Government and restore the principles of Jefferson and make it a government of the people, by the people, and for the people. [Loud applause.]

THE RECORD OF BROKEN PLEDGES MADE BY THE REPUBLICAN PARTY

Speech of Hon. JACK BEALL, of Texas, in the House of Representatives, June 13, 1910. [Part of Congressional Record.]

Mr. Beall of Texas said:

Mr. Chairman—I listened with great interest to the funeral oration of the clerical-looking gentleman from Minnesota [Mr. Nye], and like most funeral orations, it proceeded upon the theory that concerning the dead it is not proper to say anything but good. [Laughter on the Democratic side.] Ever since I can remember the Republicans have been hiding behind the tombstones of some of the founders of that party, and I am growing a little suspicious, because I notice that when they praise their ancestors most they have their hands deepest in the people's

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pockets. [Laughter and applause on the Democratic side.] I can understand that they have much more ground to laud their ancestry than their ancestors would have if they were here to praise them.

If the Republican party was ever as good as the gentleman from Minnesota [Mr. Nye] insists, he must now be harassed with the reflection that it has constantly grown worse. On this side we are comforted with the knowledge that if our party was ever bad it is getting better. [Applause on the Democratic side.] There may be some who will say that it might be better than it is, but I dare say that there are very few who will say that the Republican party can ever be any worse than it is. [Applause on the Democratic side.] Now, I want to talk a little while about the corpse myself.

On April 8, 1908, Hon. James S. Sherman, then a Member of this House, now Vice-President, in a speech here, said:

Mr. Speaker, the Republican party in this House, the Republican party in this Nation, is prepared to accept full responsibility not only for everything that is done, but for that which is not done, in the way of legislation and administration. [Applause on the Republican side.] We recognize the fact, sir, that this Government to-day is Republican in all its branches. We recognize that we have a Republican President, brave, wise, and courageous. We recognize that we have a Republican majority in the Senate, that we have a Republican majority in this House that is ready to resort to every legal, every proper, constitutional right to enact such legislation as it deems for the best interest for the greatest number of our people, and which is willing and ready to accept full responsibility for all those measures which are introduced here and which are not enacted into law. [Applause on the Republican side.]

Two months after this speech was made a Republican convention met, nominated Mr. Taft for the Presidency, Mr. Sherman for the Vice-Presidency, and adopted a platform. In the election of 1908 the Republican party was again successful, and I want to-day to put it upon trial, holding it responsible for what it promised and what it failed to promise, for what it has done and for what it has failed to do. As Mr. Sherman said, it must—

accept full responsibility not only for everything that is done, but for that which is not done, in the way of legislation and administration.

[Applause on the Democratic side.]

The Republican party now, as then, has the Presidency, the Senate, and the House. In addition to these it has the Cabinet, including Wickersham and Ballinger. [Applause on the Democratic side.] When the Cabinet was first formed the country wondered where the President found some of his Cabinet. Now it wonders why he found some of them. [Applause on the Democratic side.] Some wicked newspaper has suggested that it was possibly to impress upon the country that this was a "square" administration—that is, four "cornered"—a railroad corner, a sugar corner, an oil corner, and a steel corner. [Applause on the Democratic side.]

The Republican platform contained no pledge to protect or respect the rights of the States. The Democratic platform did.

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The Republican platform did not declare for the election of Senators by a direct vote of the people. On the contrary, by a vote of 866 to 114, it refused to so declare. The Democratic platform did. The Republican candidate must have been better than his party, because, in his speech of acceptance, he announced that he favored this proposition.

The Republican convention did not declare for an income-tax law or amendment. The Democratic convention did so declare. The Republican candidate, while a candidate, favored an income tax, saying that an amendment to the Constitution was not necessary. After he became President he opposed the income-tax legislation, saying that an amendment was necessary. It was, to say the least, an unfortunate change of opinion, because there may be some who will think that when his election was endangered he favored this legislation, but that when the incomes of the rich were endangered he opposed it.

The Republican platform contained no denunciation of extravagance and no promise of economy. It could not do either without convicting itself. It has been in absolute control of affairs in all departments since 1897. It found expenditures then \$448,000,000 per year. At the end of seven years the annual expenditure had increased \$200,000,000, and at the end of another seven years the annual expenditure had increased \$400,000,000 more. Think of it! In fourteen years expenditures have increased from \$448,000,000 per year to \$1,040,000,000 per year. Is it any wonder that the Republican platform of 1908 was silent on the subject of economy? Is it any surprise that it contained no condemnation of extravagance? Yet who will deny that it exists, and who is reckless enough to claim that there will be any reduction of expenditures under a Republican administration?

Facing a Treasury almost empty, with a deficit in revenues of several millions, Mr. Taft issued an order for paring of estimates, but he is certainly an optimist who believes that the amounts appropriated and authorized for next year will be any less than the amounts appropriated and authorized for this year. Extravagance everywhere. Extravagance on land and sea; in the army and navy; in all the departments here; in the Senate; in the House; in the White House itself. Hundreds of employees in this Capitol, scores and scores everywhere eating the people's bread without doing the people's work.

The Republican platform contained no acknowledgment that this House had ceased to be a deliberative body; no criticism of the arbitrary power of the Speaker; no demand for the reform of its rules. They could not have done so without speaking their own condemnation, for back of every exercise of arbitrary power of the Speaker, back of every insolent assumption of authority, back of every wicked attempt to suppress free speech, back of every devilish device invented by the old Committee on Rules to control this House, to make its membership grovel at the feet of the Speaker, stood the Republican majority indorsing, applauding, approving. [Applause on the Democratic side.]

Mr. Cannon was elected Speaker at the beginning of the Fifty-eighth Congress. At that time and at the opening of the Fifty-

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ninth and Sixtieth Congresses, Democrats begged for a change in the House Rules. Democrats warned you that you were degrading this House, robbing it of its power to intelligently legislate, creating an oligarchy that would betray the people and defy their will, but you would not listen. In 1908 I said here:

* * * The truth is that we in the House are in a state of double slavery—slavery to the Speaker and to the Committee on Rules.

No Democrat voted to adopt these rules in any one of these three Congresses and no Republican voted against them. It was the Democratic platform of 1908 that denounced these rules and made Cannonism one of the issues of the campaign and focussed the attention of the country upon the iniquities prevailing here. "Cannonism" became a word of odium throughout the country, and the sentiment of the country became feebly reflected on the other side and insurgency was born. In the dying days of the Sixtieth Congress, to avert, if possible, the gathering storm, the Republican leaders were driven to change the rules for which they had vouched and voted, but it remained for the Sixty-first Congress to witness the old guard of Republicanism, hitherto dominant and defiant, hitherto arrogant and audacious, cringe and cower before the allied forces of Democracy and insurgency and finally go down in inglorious defeat. [Loud applause on the Democratic side.] The doom of Cannonism and czarism, of Aldrichism and bossism, has been sounded. [Renewed applause.]

As a result of this contest and the betrayal of the people in so many other ways the Republican party has been dismembered. [Applause.] Like Gaul of old, it is now divided into three parts—regular Republicans, insurgent Republicans, and chameleon Republicans. [Laughter.]

The regular Republicans ride the elephant all the time [laughter]; the insurgent Republicans ride some and walk some [laughter], occasionally giving the poor old beast a savage kick, but always taking care to hold on to the tail as an evidence of their allegiance. The chameleon Republicans walk with the insurgents when it is popular and ride with the regulars when it is profitable. [Renewed laughter.]

The regulars have audacity, the insurgents sincerity, and the chameleons prudence. [Laughter.]

The regulars believe that it is always better to be regular than right. The insurgents think it is sometimes better to be right than regular. [Laughter.]

The regulars always love their party best; the insurgents sometimes love their country best. [Laughter.]

The regulars say that the insurgents have betrayed their party. The insurgents say that the regulars have betrayed the people.

I am disposed to believe most that they say about each other [laughter], because they know each other far better than I know either. I must say, though, that my sympathies are largely with the insurgents. They are in a predicament. They are entirely too good to be Republicans and entirely too bad to be Democrats.

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I look upon them as convicted Republicans—I do not mean legally convicted but religiously convicted—and they need only an old-fashioned conversion to make Democrats out of them.

But neither regular nor insurgent can claim that there has been a redemption of the platform pledges of their party up to this time. The most they can now show is a Bureau of Mines which few opposed and a tariff bill which nobody defends. [Applause on the Democratic side.]

Most of their platform pledges are ready for the Smithsonian to go side by side with the other dead things sent over by Mr. Roosevelt. [Laughter.]

But they did pass the Payne-Aldrich bill, and such a bill it was! It was the Payne bill in the House, the Aldrich bill in the Senate, and the trust bill in both places. [Applause on the Democratic side.]

It was conceived in sin and brought forth in iniquity—conceived in the House and brought forth in the Senate. [Laughter.]

If, moved by courtesy, one should be tempted to say that the House bill was better than the Senate bill, he is reminded that under the rules a Member here can not speak disrespectfully of the other body. [Laughter.]

The President said in New York:

Nothing was expressly said in the platform that this revision was to be a downward revision.

The same statement has been made elsewhere by leading Republicans. We made this charge against you in the last campaign, but you sanctimoniously rolled your eyes toward heaven and held up your hands in horror at the suggestion and cried out that "Revision meant reduction." [Applause on the Democratic side.]

There is no need to tell the people now that revision did not mean reduction. They have learned through bitter experience that while all reductions are revisions, all revisions are not reductions. They know now that one genuine tariff reduction is worth a hundred fake tariff revisions.

The trouble with the Republican party is that it frequently pretends, but rarely intends. If it could conduct a business with its pretensions as its assets and its intentions as its liabilities, its dividends would put the steel trust to shame. [Laughter and applause on the Democratic side.]

The President did say in his New York speech that the platform was a promise for downward revision "by implication." That is just the kind of downward revision the country got—a reduction "by implication."

The country has had an opportunity to learn anew the lesson that the Republican party can promise like spendthrifts, but that they perform like misers.

But the President said at Winona—what a mellow sound that word has, W-i-n-o-n-a, Winona; that was the first frost line on the arctic trip the President took through the insurgent territory last year defending the tariff bill, when the warmth of his reception was measured by the length of the icicles—the President said at Winona, just before he poured on the head of the

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chairman of the Appropriations Committee the anointing oil, that, "On the whole, however, I am bound to say that I think that the Payne tariff bill is the best tariff bill that the Republican party ever passed."

In answer the consumer can well say: "In the hole, however, I am bound to say that the Payne tariff bill is the *worst* tariff bill *any* party ever passed. [Laughter and applause on the Democratic side.]

The President said that it was the best tariff bill ever passed by Republicans. That statement does not so much pay tribute to this bill as it reflects upon preceding ones.

But is it a good tariff bill? It was so bad that about 20 Republicans in this House voted against the passage of the bill as it came from conference. It was so bad that 7 Republican Senators voted against it. It was so bad that the President justifies his failure to veto on the ground of "party solidarity." It was so bad that a Republican state convention in Indiana did not let its name be mentioned in its platform. It was so bad that almost every great newspaper and magazine throughout the country has denounced its iniquities. It was so bad that the versatile gentleman from Illinois [Mr. Boutell] could not find one single New Year's hallelujah that contained a word of praise for it. It was so bad that it can not be successfully defended before the people of any part of this country. It was tried in Missouri. You know the result. It was tried in Massachusetts. You know the result. It was tried in New York. You know the result. [Applause on the Democratic side.] In view of these results and as an evidence of appreciation for your frankness in conceding the next House to us—which most of you would do privately—let me suggest that if you want to retain control of this House for the rest of this Congress it behooves you to look very carefully after your health during the summer vacation. [Laughter.]

- But is the Payne bill a good bill? Just listen to what Gifford Pinchot says about it now, and tremble over what his friend Roosevelt may say about it when he reaches home a week from now. Pinchot says:

The tariff under the policy of protection was originally a means to raise the rate of wages. It has been made a tool to increase the cost of living. The wool schedule, professing to protect the woolgrower, is found to result in sacrificing grower and consumer alike to one of the most rapacious of trusts.

The cotton-cloth schedule was increased in the face of the uncontradicted public testimony of the manufacturers themselves that it ought to remain unchanged.

The steel trust interests by a trick secured an indefensible increase in the tariff on structural steel.

The sugar trust stole from the Government like a petty thief, yet Congress by means of a dishonest schedule continues to protect it in bleeding the public.

At the very time the duties on manufactured rubber were raised the leader of the Senate, in company with the Guggenheim syndicate, was organizing an international rubber trust whose charter made it also a holding company for the coal and copper deposits of the whole world.

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It seems to me that the gentleman from New York has become the rival of Mr. Roosevelt as a hunter of big game. Roosevelt is filling the magazines with stories about killing African elephants, while all the country is talking about how Payne has mortally wounded a Republican elephant. [Laughter and applause on the Democratic side.]

When I think about the Payne bill it seems to me that the only way for you to justify your disappointment and betrayal of the American people is to commit the sacrilege of blaming the Almighty by saying that while the people made you able to lift their burdens, God did not make you willing to do it. [Applause on the Democratic side.]

The country is beginning to know you better than you think. You have been fertile in inventing catch phrases and specious appeals in the past. In olden days you appealed to the generosity of the people in behalf of the "infant industries." It was successful until it became absurd. You then told them that the tariff was not a tax. They believed you for awhile. You then admitted that it was a tax, but you said the foreigner paid it. You were driven from that. You denied that it fostered the trusts until denials became useless. You scorned the suggestion that your stall-fed manufacturers were selling American-made goods in foreign countries cheaper than to our own people until proof was piled upon proof mountain high. You then said it was the surplus that was sold abroad, and now you brazenly and impudently boast of it as one of the virtues of protection that the profits made at home permit you to sell abroad without profit.

You have invoked the sacred name of labor and claim that for labor's sake you would continue this policy of plunder, although you know that the trusts are permitted to eat the meat while labor is compelled to gnaw the bones. [Applause on the Democratic side.]

You have attempted your conjurer's tricks with the farmer by putting duties upon the products of the soil that are exported and sold in a world market and in a world competition, while you have burdened him with a tax upon all that he buys. You must know that you protect the farmer in name only, but the manufacturer in fact. You must know that to the farmer you give the shadow, while to the manufacturer you are giving the substance. You know that by legislative decree you can enrich the manufacturer, but you know equally well that by no legislative legerdemain can you make the rains fall, the sun shine, or the earth produce for the farmer's enrichment. You know that you do not make for, but take from, the farmer.

It seems that the people would learn that the Democratic idea is right—that the tariff is a tax, that it is paid by them, the only legitimate purpose of which is to support an honest government honestly administered, and that it should not be permitted to continue to be a system maintained by the Government for the enrichment of a favored few.

The citizen regards the tariff tax as an evil because it takes money from his pocket, while the manufacturer looks upon it

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as a blessing because it puts money into his pocket. [Applause on the Democratic side.]

The citizen submits to it because of his patriotism, while the manufacturer advocates it because of his greed.

The citizen would measure it by the necessities of the Government, while the manufacturer measures it by his own avarice.

The Democratic idea is that whenever imposed it should yield revenue, though it may or may not protect. The Republican idea is that it should protect, though it may or may not yield revenue. [Applause on the Democratic side.]

The Republican idea is that the interests will be potent to save a party that has served them, while the Democratic idea is that the people will be omnipotent to destroy a party which has betrayed them.

The Republican creed is toil and spoils—toil for the masses and spoils for the classes. [Applause on the Democratic side.]

The Payne tariff bill has shown that the Republicans are expert mathematicians; that they can add, subtract, multiply, and divide, all in one operation. They can add to the wealth of the rich, subtract from the substance of the poor, multiply millionaires, and divide themselves—all in one bill. [Laughter and applause.]

But the Payne tariff bill has also shown that the Republicans are poor spellers. All persons have appetites, even during this period of high prices. The people demanded that the tax be reduced upon the necessities that minister to and satisfy the human appetite. The Republicans responded to that demand by putting "apatite"—a kind of stone—on the free list. [Laughter.]

The Saviour must have had Republicans in mind when He said, "Or what man is there of you, whom if his son ask bread, will he give him a stone?"

The world has changed some since His day upon earth. In that day "publicans and sinners" meant two classes of undesirable citizens. In this day, and especially when we think of Republican extravagance and of the Payne bill, we know that "Republicans" and "sinners" mean the same thing. [Prolonged applause on the Democratic side.]

THE REPUBLICAN PARTY HAS FAILED TO REDEEM ITS PROMISES

Speech of Hon. WILLIAM SULZER, of New York, in the House of Representatives, Thursday, May 19, 1910. [Part of Congressional Record.]

Mr. Sulzer said:

Mr. Speaker—One of the most important questions now before the American people is honest tariff reform along the lines of a material reduction of the taxes on the necessities of life,

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in order to substantially cheapen the cost of living. I am in favor of a fair, a just, and an equitable tariff-for-revenue system of taxation that will support the Government, wisely and economically administered, with equal justice to all and favoritism to none, having a jealous care for our farmers and our toilers. I believe in taxing the luxuries of life and exempting the necessities of life in so far as possible; and to this end I favor a graduated income tax, so that wealth as well as toil shall contribute its just share to the support of public affairs.

THE TARIFF ISSUE A LIVE QUESTION.

The tariff issue is a live question. It will not down. The more the Republicans in Congress explain and apologize for their protection legislation the more apparent the hypocrisy of the proposition becomes. The Democrats must keep the tariff to the front in the coming campaign. It will never be settled until it is settled right—and it never will be settled right until it is settled by the friends of the consumers. If the Republican party, for political exigencies, must stand for the protected industries of the country, then the Democratic party, for patriotic purposes, should stand for the rights of the plain people of the land. The tariff issue is well defined; the people know; and the political result of the coming contest must be Democratic victory.

THE PAYNE-ALDRICH ACT INCREASES TAXES.

The Republicans promised that they would revise the tariff downward; they told us that they would reduce oppressive taxes; but the Payne-Aldrich law does not do it. On the contrary, it increases taxation and is a revision upward. That act convicts the Republican party of its plutocratic copartnership with the criminal trusts and the tyrannical monopolies and demonstrates the hollowness of Republican promises when it comes to tariff-tax reductions on the necessities of life in the interest of the plain people of the country. The Republicans gave the people a solemn pledge that if they were kept in control of the Government they would reduce these taxes in order to lighten the burdens of the consumers and cheapen the cost of living; but the Republicans have not done so. On the contrary, the Payne-Aldrich Act increases the taxes on the necessities of life, and is worse in many respects than the old Dingley law. The Payne-Aldrich tariff is so bad, in fact, that it is repudiated here and everywhere by conscientious Republicans who have a decent regard for truth and justice and the opinions of mankind.

PROTECTION FOR PROTECTION INDEFENSIBLE.

We know to-day, beyond all contention, that the tariff is a tax; and, beyond all dispute, that the consumers pay the taxes. The most hide-bound standpatter can not successfully dispute this proposition. Ultimately all the burdens of protective taxation fall upon the consumers of the country. Protection for

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protection's sake is a system of indirect taxation, which robs the many for the benefit of the few—a policy which levies tribute on the masses for the benefit of the classes, and does it all under the cloak of a discriminating and indefensible law.

Let the wage-earners think; let those living on fixed incomes consider; and the toilers of the land who earn their bread in the sweat of their face ponder on these facts. They can not be successfully controverted. They are as true as the polar star and as fixed as the granite hills. The Republican doctrine that protection to American industries benefits the toilers is all moonshine. If that were its object, the selfish beneficiaries of protection would whistle it down the wind, and as a political policy it would soon be abandoned and disappear forever. Protection for the sake of protection is robbery—undemocratic, un-American, and absolutely indefensible. No party that stands for the best interests of all the people can support it, especially where it fosters trusts, shelters monopolies, and saddles the great burdens of government on the farmer and the toiler and the wage-earner of the country.

WHAT THE PEOPLE MUST PAY.

The tax duties levied on the consumers of the country by the Payne-Aldrich tariff law are in the nature of a surrender of the taxing power of the people to favored special interests which the Government clothes with power to levy tribute on the great body of our consumers. To illustrate: We import annually under the Payne-Aldrich tax law probably about \$500,000,000 worth of highly protected products which will pay an average rate of duty of at least 60 per cent., while the domestic producer, by reason of the restrictive duties of the law, raises to the duty line the selling price of more than \$10,000,000,000 worth of like domestic products yearly to the consumers of this country. In other words, the Payne-Aldrich tax law not only imposes high duties upon \$500,000,000 of imports, but in practical effect permits a few thousand protected manufacturers in the United States to make 90,000,000 consumers pay them a tribute every year of \$6,000,000,000 in the enhanced price of their goods. France exempted her nobles in the eighteenth century from taxation, while the peasants and the middle classes defrayed the expenses of government. The Republicans go further, and delegate to a few thousand favored manufacturers the exclusive privilege of practically taxing for their own benefit every consumer in our land. What an injustice! How long will the people submit to the iniquity?

THE PAYNE-ALDRICH LAW UNJUST.

The Payne-Aldrich law is unjust in its discriminations against the toilers; it is unfair in its impositions on the producers; and it is unconscionable in its tyrannical exactions on the consumers of the country. The Democratic party is opposed to the Payne-Aldrich tariff law. It is an imposition on the people. It is a mockery and a sham. It is legalized robbery. It is the highest

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protection measure ever placed on our statute books. It increases the taxes on almost every necessary of life. It saddles additional burdens on the oppressed taxpayers of the land beyond the calculation of the human intellect. It is against the people and for the monopolies. It protects idle wealth and heaps high the burdens of government on the poor man's breakfast table.

PROTECTION NO BENEFIT TO LABOR.

When we demand an equitable revision of unjust tariff discriminations the Republican standpatters contend that they are all in the interest of labor; that this exorbitant protection is for the benefit of the wage-earner; but every intelligent man in the country knows the absurdity of the proposition. Protection for the sake of protection does not materially benefit labor. Labor comes in free from every country on earth except China and Japan, and successfully competes here with the skilled labor of the world. Labor receives no protection. Tariff taxation has nothing to do with the price of labor. Capital is not charitable. Capital buys labor, like everything else, as cheaply as it can. Wages are regulated by the inexorable law of supply and demand. Whenever you find two employers looking for one workman, wages will be high, and whenever you find two workmen looking for one employer wages will be low. When the demand is greater than the supply wages go up, and when the supply is greater than the demand wages go down. Tariff taxes have little or nothing to do with the price of labor. In all prosperous communities labor is sought and not turned aside.

FRIEND OF THE WORKINGMAN.

I am now, always have been, and always will be, the friend of the workingman; my record for sixteen years in this House testifies to the fact. The American wage-earner is the greatest producer of real wealth in all our country. He is the best artisan and the best mechanic on earth. Of course, he gets more wages than the foreign workman. And he should, because he can do more work and better work and in less time than the foreigner, and it costs the American workman at least twice as much to live here as it does the foreign workman to live in other countries. On an average during the past ten years the cost of living in the United States has increased 49 per cent., and wages have remained, with few exceptions, about the same. The American wage-earner pays twice as much for the necessaries of life as the foreign wage-earner. In the end he can not save much. If the American workman is a little better off than the foreign workman he has no one to thank but himself, no agency to praise for his improved condition but his loyal brothers in the trades unions of the country, which have done more than all other things combined to promote his progress, protect his interests, and benefit his welfare.

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TAX WEALTH, NOT POVERTY.

The Payne-Aldrich tax law discriminates against the many for the benefit of the few, and violates every principle of equality and of justice and of democracy. It is a revision of the tariff upward and not downward. It repudiates the platform of the Republican party; refutes the promises of the Republican leaders; and laughs at the professions of President Taft in the last campaign. It is a protection measure from end to end. No monopoly in the country opposed it. No stand-patter repudiated it. The measure was quite satisfactory to every "interest" but the interest of the plain people, who must pay all the taxes in the long run. It is a law to tax poverty and not wealth, and as an equitable tariff measure it is the saddest disappointment of the century.

THE DEMOCRATIC PARTY OPPOSED TO PAYNE-ALDRICH LAW.

The Democratic party is opposed to the Payne-Aldrich tariff act. It is opposed to Republican discriminations in favor of the few and against the rights of the many. These discriminations must cease. Wealth as well as brawn must be taxed and pay its just share of the burdens of the Government. Our party favors true reform in tariff taxation—a revision that will do substantial justice to all interests concerned, and not rob the many for the benefit of the few by saddling all the burdens of government on the poor man's back. The selfishness of the beneficiaries of protection, and the arrogance of the men who have waxed fat during the past quarter of a century through these unjust discriminations of Republican tariff policies, were never better illustrated than in the Payne-Aldrich law. Reading it in the light of these unjust exactions, one is forcibly reminded of Goldsmith's line. "Laws grind the poor, and rich men rule the law."

THE INCREASING COST OF LIVING.

For more than ten years the increasing cost of living, mounting higher and higher each succeeding year, has been the most immediate, the most pressing, and the most universally observed fact about economic conditions in this country. During all this period, while wages have remained practically the same and the cost of the necessaries of life have grown more and more oppressive, the promise has been held out by the Republicans that when they got around to tariff revision something would be done to remedy these inequitable conditions. But what was the result? The mockery of the Payne-Aldrich law—making matters worse instead of better.

THE PEOPLE TIRED OF REPUBLICAN PROMISES.

Ever since 1896 the average man has been gradually losing his hold on the means of physical existence. The political party in power all this time can not escape responsibility for these conditions. The people no longer trust Republican promises.

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They no longer blindly believe in the efficacy of Republican policies. They have lost confidence in the willingness of invested capital to divide up on an equitable basis with productive labor. Sad experience has taught them better. The tremendous development of the criminal trusts; the annual multiplication of multimillionaires; the heaping up of what has been so aptly called "swollen fortunes;" the systematic overcapitalization of all kinds of enterprises; the consolidation of management and the centralization of ownership; the stationary fixity of the wage of toil; the advancing of prices, in too many cases out of all reason, of the necessaries of life—all these things have caused a widespread distrust of Republican doctrines and the philanthropic assertions of the greedy beneficiaries of Republican protection. A continuance of these evils is a menace to our civilization. It is the duty of Democracy to remedy them, and the Democratic party welcomes the opportunity.

WHY THE REPUBLICAN PARTY IS DOOMED TO DEFEAT.

The Republican party has failed to meet the just expectations of the people, and in the coming campaign is doomed to defeat. It has refused to respond to the earnest demands of the overburdened consumers of the country. It has sneered at the sincere appeals of the taxpayers. It has scorned the patriotic petitions of the toilers. It has legislated for the few and against the many. It has "stood pat" for high protection and failed to reduce the exorbitant tariff taxes. It has signally neglected to carry out the pledge of true reciprocity. It has refused to investigate and prosecute the criminal trusts, save where they declined to contribute. It has studiously avoided wherever possible the ratification of the income-tax amendment to the Constitution, so that idle wealth as well as honest toil shall bear its just share of the burdens of government. It has allowed the bill for a department of transportation to slumber in committee. It has declined to pass the law to elect Senators in Congress by direct vote of the people. It has neglected to pass the bill for a department of labor with a secretary having a seat in the Cabinet; and all other legislation, for that matter, in the interests of the toilers. It has defeated every Democratic effort to enact measures for home rule and better local self-government for the Philippines, for Porto Rico, and for Alaska, and continues to govern these possessions like conquered provinces, through the strong arm of the War Department. It has ignored every effort to pass an honest law to aid the American merchant marine. It has failed to carry out Republican promises regarding statehood for the Territories. And, take it all in all, it has spent more of the taxpayers' money and given the people less to show for it than any other political party in all the history of our existence.

WHAT THE REPUBLICAN PARTY STANDS FOR.

The Republican party to-day stands for tariff taxation that makes living a struggle for existence; for ship subsidies that rob the many for the benefit of the few; for economic heresies

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that paralyze industrial freedom; for centralization in Government at Washington that destroys the sovereignty of the States; for political usurpations that subvert the Constitution; for reckless extravagance little less than criminal; for political policies that create monopoly and enslave the masses; for special legislation that tramples under foot the rights of man; and for a restrictive military government in our insular possessions that violates the basic principle of the Declaration of Independence.

THE REPUBLICAN PARTY IS DISINTEGRATING.

The Republican party is not what it used to be; it is no longer the party of Lincoln; it no longer has a message for humanity; it no longer stands for great principles; it no longer has a conscience; it no longer has freedom for an asset; it no longer advocates the policies of its founders; it no longer has a single honest issue it dares present to the country in the interest of the people. The fingers of greed and graft have erased every motto from its banners; its army of supporters is disheartened and split in factions; it is going to pieces from the bitterness engendered by the jealousies of its leaders; it is rotting away with the cancer of corruption; it has seen its best day; and it all means, in the near future, overwhelming Republican defeat and triumphant Democratic victory. History is merely repeating itself.

DEMOCRATIC SUCCESS ASSURED.

The success of Democracy is assured. The Republican party has failed to redeem its promises; it has disappointed the people; it has been weighed in the balance and found wanting; its tenure of official life is short; on every issue of political importance before the people to-day it is in the minority. The stars in their courses are fighting for Democracy. The record is against the Republican party—the people are with Democracy—and all we have to do from now on is to act wisely, exercise a little conservatism, use ordinary political sagacity, adopt short, sensible, up-to-date platforms, nominate loyal, able, honest, and efficient candidates, and the Democratic party will sweep the country in the coming congressional elections.

THE ISSUES WITH DEMOCRACY.

The issues are now with Democracy. The political pendulum is swinging toward the party of Jefferson. The finger on the dial plate of political destiny points to the Sage of Monticello. As Hamiltonism wanes and passes in the shadow the heroic figure of the founder of our party looms larger and larger on the horizon of the hour. The Republicans have failed to make good. They promised much, but did little. They said they would revise the tariff taxes downward to lessen the burdens of toil and reduce the cost of the necessaries of life. They revised the tariff upward and increased the cost of living to a lamentable degree. They said the tariff must be reformed by

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its "friends," and it was reformed with such a vengeance that the people want to annihilate these "friends." They said the ultimate consumer was a myth; but every election held since the Payne-Aldrich tariff act went into effect demonstrates that the ultimate consumer is a reality and tired of being humbugged.

DEMOCRACY THE HOPE OF THE PEOPLE.

The trouble with the Republican party is that it stands for the few and against the many. It is wedded to the selfish interests. This is all wrong; it must be stopped; and it can only be stopped through the agency of a reunited and militant Democracy. The Democratic party is, and always will be, the hope of the people, the bulwark of the wage-earners, and the protector of the producers of the land. When the Democratic party comes into power again it will remedy these unjust discriminations in a spirit of fairness and equality, so that those best able to bear the burden of government shall at least sustain their just share, and luxuries, as well as the necessaries of life, shall contribute to its support.

WHAT TRUE DEMOCRACY STANDS FOR.

The Democratic party stands to-day where it always has stood and where it always will stand—for equal rights to all and special privileges to none; for law and order and good government; for economy and retrenchment and reform; for home rule and the right of local self-government; for equal and exact justice to all men—no class legislation, no caste, no cant, no pretense, no hypocrisy, no sumptuary and oppressive laws; for the home and the schoolhouse; for free men; for a free and untrammelled press; for freedom of speech; for civil and religious liberty; for the rights of man; for the sanctity of the ballot box; for peace and harmony—the strength and support of all great institutions—between labor and capital; for a fair day's pay for an honest day's work; for a loyal acquiescence in the will of the majority; for a graduated income tax and an equitable system of tariff taxation, adequate to defray the necessary expenses of the Government honestly and economically administered, and so distributed that the rich as well as the poor shall pay their just share of the burden; for the election of Senators in Congress by the people; for direct primaries; for a department of labor with a secretary having a seat in the Cabinet; for a strict construction of the Constitution and the reserved rights of the States in opposition to greater centralization of government at Washington; for necessary internal improvements—good roads and better waterways; for the conservation of our natural resources; for an adequate navy; for the upbuilding, along honest lines, of our merchant marine; for the destruction of the criminal trusts and the abolition of monopoly; for friendship with all nations, entangling alliances with none; for the Monroe doctrine; for sympathy with the oppressed of every land and in every clime; for the perpetuity of our free institutions, and the fundamental principles of Democracy here and wherever our flag greets the morning sun. These prin-

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ciples are now and always should be a part of the affirmative platform of the Democratic party. Men may come and men may go, but these principles are eternal and will go on forever.

DEMOCRACY WILL NEVER DIE.

I have no fears for Democracy. The Democratic party will never die until the pillars of the Republic totter and crumble and liberty is no more. Its future is as secure as its past is glorious, and its ultimate success in the struggle for equal rights to all will be the crowning triumph of the progress of the race and the brightest page in the annals of human destiny.

It will live to voice the aspirations of liberty and to perpetuate the freedom of the fathers; it will live to remedy every political evil; to expose every economic heresy; and to destroy every governmental abuse; it will live to push onward the forces of reform and to lift humanity to a higher plane in the march of civilization; it will live to champion the cause that lacks assistance and to stem the tide that needs resistance; it will live to battle for the weak against the strong and for the right against the wrong; it will live to stop the predatory few from exploiting the protesting many, and doing it all under the cloak of law; it will live to defend the Constitution and to commend the Declaration of Independence; it will live to fight for the glory of the flag and to vindicate the rights of man; it will live to keep alive the memory of Jefferson and of Lincoln, the greatest apostles of freedom in all our marvelous history; it will live because it has a mission—a mission that can never die—the true mission of Democracy—to make mankind brothers and all the world free.

PROMISES VERSUS PERFORMANCES

Speech of Hon. JOHN GILL, JR., of Maryland, in the House of Representatives, Wednesday, June 22, 1910. [Part of Congressional Record.]

Mr. Gill of Maryland said:

Mr. Chairman—The bill now before the committee seeks to afford relief to a meritorious class of claimants against the Government. If this measure is enacted into law Mr. Currier, the chairman of the Committee on Patents, will deserve to be congratulated. Under it relief would be extended not only to the claimants entitled to it as well as to the Government, by directing that these claims be adjudicated in a court of law, but also to those citizens whose claims are now pending before the Claims Committee of the House and Senate. The crowded and overloaded condition of these committee dockets do not permit a reasonable and just consideration of these other claims that are pending.

For the last fourteen years the responsibility for the refusal or failure on the part of the Government to give consideration

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to the legitimate demands of the claimants covered by this bill has been resting on the shoulders of the party which has been directing our affairs during that period. That party has sanctioned the almost scandalous position taken by the Government in refusing to pay its just obligations. That obligation which the Government enforces with just rigor between citizen and citizen this Government, which on every occasion should exemplify and exalt honor and honesty, has treated with a disregard and a contempt almost bordering on the cynical. But this is not the only or the gravest instance of nonfeasance or malfeasance for which the American people will demand a strict account from the Republican party. How many of the pledges embodied in the last Republican platform have the Republicans carried out? To what extent do the promises of President Taft and his party harmonize with their performances? This inquiry may not prove altogether fruitless.

Taft was nominated amid the applause and acclaim of his party. It was loudly proclaimed that with his marvelous ability as an administrator, his healthy conservatism, his judicial temperament, his aversion for the big stick, he would be able to crown his administration with a radiant halo of progress, reform, and achievement. His official career began auspiciously. His associates were in complete harmony with his views, and, what is more important, they had unquestioned control of both branches of Congress. Now, in the homely American phrase, the inquiry becomes pertinent, "Has he made good?" His administration is but fifteen months old, and yet, beginning as it did, with everything in its favor, it is confronted with a party in both branches of Congress hopelessly divided, every policy which the President fathered twisted, torn, and battered into such shape as to be almost unrecognizable to him, his associates disgruntled and disgusted with each other and discredited before and despised by the country. Under such conditions it would be astonishing if the performances of the Taft administration squared with its promises—and they do not.

Even before his election to the Presidency Mr. Taft was an avowed and ardent advocate of tariff revision downward, of lower tariff schedules, of lighter burdens of taxation. In this attitude the country supposed he was sustained by his party's platform, which unequivocally declared for a revision of the tariff. Was this attitude realized? Were those pledges carried out by the legislation enacted during the extra session of Congress called by the President immediately after his election to the Presidency?

As far as the people of this country are concerned the only things realized were not the attitude of President Taft and the pledges of his party, but the hopes of Messrs. Payne, Aldrich, Cannon et al. The country knows that this memorable tariff session ended in a complete and overwhelming defeat of the President and all those Republicans who were in favor of a genuine reduction of the tariff schedules—and that, in spite of the ingenuous assertion of the President that the Payne-Aldrich bill is the best ever framed by Congress, in spite of his sincere

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belief that the passage of this bill should be credited as a victory to him. To discredit the Taft administration and to disrupt the Republican party another such victory is scarcely necessary. In the words of Congressman Beall of Texas, delivered on the floor of the House, this bill—

was conceived in sin and brought forth in iniquity—conceived in the House and brought forth in the Senate. There is no need to tell the people now that revision did not mean reduction. They have learned through bitter experience that while all reductions are revisions, all revisions are not reductions. They know now that one genuine tariff reduction is worth a hundred fake tariff revisions.

Mr. Pinchot, Mr. Roosevelt's right arm in his conservation policies, in speaking of the Payne-Aldrich bill, says:

The tariff under the policy of protection was originally a means to raise the rate of wages. It has been made a tool to increase the cost of living. The wool schedule, professing to protect the woolgrower, is found to result in sacrificing grower and consumer alike to one of the most rapacious of trusts.

The cotton-cloth schedule was increased in the face of the uncontradicted public testimony of the manufacturers themselves that it ought to remain unchanged.

The steel trust interest by a trick secured an indefensible increase in the tariff on structural steel.

The sugar trust stole from the Government like a petty thief, yet Congress by means of a dishonest schedule continues to protect it in bleeding the public.

In this opinion Mr. Pinchot is sustained by every Republican both in the Senate and in the House who united with the Democrats in voting against the tariff bill.

Throughout the campaign President Taft was vociferous in his promises to promote the Roosevelt policies. The Roosevelt policy in which the people were most interested was that effecting the conservation of the natural resources of this country for the benefit of the people. Mr. Taft complained that there was not sufficient sanction in law for what had been done by his predecessor in the direction of conservation. To remedy this condition eight bills were introduced in Congress. Only one of these bills was passed, and this bill was so mutilated as to make it valueless as a legislative measure. But not only has Mr. Taft's Secretary of the Interior reversed Mr. Roosevelt's conservation policies, but the Attorney-General of the United States, through an opinion recently rendered, has thrown open the friar lands in the Philippines to the greed of the criminal sugar trust, creating a nonresident landlordism duplicated only in Russia and unfortunate Ireland.

The Republican platform contained a plank favoring a more elastic and adaptable currency system. This pledge has served only as a bridge over which Senator Aldrich could go to Europe on a pleasure trip. The immediate admission of Mexico and Arizona into statehood was favored. To carry out this pledge Congress passed a bill, with a string attached, by which it will be impossible for these States to be admitted until Congress can again pass upon the question. Labor was promised a bill preventing the issuance of injunctions without notice.

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President Taft's measure on this subject lies entombed in the committee's mausoleum.

The Republican platform favored the passage of a bill for the establishment of a postal savings-bank system. The House passed a bill for postal depositories, a doubtful experiment and by many considered an unconstitutional measure. President Taft advocated the passage of a bill amending the antitrust law, also a measure calculated to revive the American merchant marine. Both of these measures are now on the calendar, the leaders not daring to call them up for consideration. He and his party also favored the enactment of a law amending the interstate commerce law, giving to the railroads a right to enter into certain traffic agreements and preventing them from overissuing bonds and stocks. No one in Congress, apparently, was capable of embodying the President's views into a bill. Therefore the Attorney-General was intrusted with this important task. The House, the Senate, and the committees have so disfigured and mutilated this measure that even the Attorney-General, with the aid of a magnifying glass or a telescope, would be unable to find in it a sentence of his own.

Since his inauguration President Taft has been so vacillating in his position that it is easy to understand why a Congress, in which his own party predominates, has failed to materialize the President's views into legislation.

At the beginning of his administration the President sounded in trumpet tones his purpose to eliminate the waste and extravagance which prevailed in government administration. He has been authorized by Congress to spend, and he has spent, thousands of dollars in the employment of experts to effect economies in governmental administration. This money has been wasted, as the appropriation bill for the coming year will carry the largest appropriation ever made by Congress. In all likelihood this bill will carry one billion and fifty millions for the ensuing year. Contrast this with the largest expenditure made during any year of Grover Cleveland's administration and you find it a bit surprising. It demonstrates that wastefulness and extravagance in the expenditure of the people's money has become the fashion, and that the President has not altogether succeeded in carrying out his promises to effect economies in administration.

Under these circumstances is it impertinent to say that the promises of the Taft administration and the Republican party do not square with their performances?

PRESIDENT TAFT AND HIS ADMINISTRATION

PROMISES VERSUS PERFORMANCE

Speech of Hon. A. MITCHELL PALMER, of Pennsylvania, in the House of Representatives, Tuesday, March 22, 1910. [Part of Congressional Record.]

Mr. A. Mitchell Palmer said:

Mr. Chairman, it needs only a reference to the events of recent history to show that the country can expect little real benefit from this show of effort on the part of the Chief Executive to carry out the promises of his party's platform as contained in these bills to which I have referred and in the other so-called administration measures.

I impute no lack of good faith to the President, but any student of recent and present conditions in the Republican party in this Congress must realize that however anxious the President may be to carry out his platform pledges, he has bound himself hand and foot to a political organization in this Congress which has shown on innumerable occasions in the past that it can be true to nothing except its own false traditions—an organization powerful enough here to control the party in the country, an organization which is about to renew its claim to political consistency by again breaking faith with the people who executed its lease of power. I need not in this presence refer to what every man within the hearing of my voice knows perfectly well, how the President before his election, not in one address but on numerous occasions in public addresses from Maine to Kansas, promised the people that the pledge in the Republican platform that the tariff should be revised called for tariff reduction. Certain it is that the Republican platform was looked upon by the people as a promissory note. It was indorsed by William H. Taft and accepted by the people at the election in 1908. It never would have been accepted except with that indorsement, for the credit of the maker of the obligation had become sadly impaired by long years of broken promises, unkept pledges, and unfulfilled obligations. [Applause on the Democratic side.]

And if the then candidate for President had been permitted by his party to spend more of the years of his life amongst the makers of its legislative policies instead of being sent by it to foreign lands to show to the world an object lesson in the method by which a republic can benevolently assimilate an enslaved people, he would have hesitated long before he indorsed his party's paper, for the men in his party who have been most responsible for the legislation during the years it has been in power have gone upon the record time without number in admissions of his party's faithlessness to similar promises in the past.

In 1896 the Republican party promised the people what amounted to a reduction of the tariff. Their platform provided that while they would revise the tariff in order to raise

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additional revenue for the operation of the Government, the people would be given some relief from the additional tariff taxes by the negotiation of reciprocity treaties which would provide for concessions upon the duties upon goods imported from countries which granted similar concessions on goods exported from this country. In 1897 Congress was convened in extraordinary session for the ostensible purpose of carrying out this pledge, and the Dingley law was passed, providing for the negotiation of 11 reciprocity treaties. They were negotiated by the President and the State Department, only to be strangled at their birth in the same chamber of blasted hopes that was largely responsible for the failure of the Republican party to be true to the expression of the people's will during the extraordinary session of Congress in 1909.

Henry Cabot Lodge, then and now in a position to be of much influence in framing legislation to carry out Republican promises, an eminent and impartial historian, whose desire to be known as an accurate historian, has never led him to make any statement reflecting upon the Republican party unless substantiated clearly by the facts, has this to say in his History of the United States in reference to the conduct of the Republican party upon that occasion, a course of conduct which he himself did much to shape.

Two days after the inauguration he issued a proclamation summoning Congress to meet in special session on March 15 for the purpose of revising the tariff, an act made necessary on account of the inadequacy of the revenues under the Wilson bill. Shortly after the meeting of Congress in extraordinary session Nelson Dingley, of Maine, chairman of the Ways and Means Committee, brought in a tariff bill which was rushed through the House in the face of the Democratic demand for more time in which to examine and discuss the measure. In the Senate, however, the bill made slower progress, and was amended in some 800 particulars. Most of the Senate amendments were accepted by the conference committee, appointed to harmonize the two Houses, and before the end of July the bill had become a law. As finally passed the Dingley bill restored the high rates of the McKinley bill, and on many articles of necessary consumption even much higher duties were imposed. A prominent feature of the Dingley Act was the reciprocity provision, which authorized the negotiation of treaties allowing a reduction of duties on certain commodities when imported from countries which were willing to grant to the United States reciprocal and equivalent concessions. In pursuance of this provision 11 reciprocity treaties were negotiated, but all failed of ratification by the Senate, mainly because the diversity of interests in the country aroused the opposition of some State to each measure. The Republicans therefore—

Says Lodge—

hardly lived up to the declaration in their national platform of 1896, that protection and reciprocity were "twin measures" of Republican policy, for while one of the "twins" was nourished and allowed to grow strong and lusty, the other was neglected and allowed to languish and die. (Garner and Lodge, History of the United States, Vol. IV, pp. 1637-9.)

[Applause on the Democratic side.]

And yet, Mr. Chairman, the same Henry Cabot Lodge dropped the historian's mantle of accuracy and donned the

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politician's robe of license when he was heard to say as chairman of the Republican national convention of 1908, and I think I quote his exact words, that "the surest guaranty of Republican promise for the future is the fidelity with which it has kept its pledges in the past." [Applause on the Democratic side.]

Now, Mr. Chairman, if the then candidate for President had taken the trouble to investigate the record of another distinguished Republican leader, who up to at least a very recent period was more responsible for legislation in this House than any other man here—and I doubt very much if the same condition does not still continue—he would have found that even the Speaker of this House had gone upon the record in the public press in an interview, the authenticity of which I have never heard him deny, to the effect that his party could not and would not revise the tariff downward if it got an opportunity. For in an interview in the New York Tribune, printed a couple of years before the extraordinary session of Congress in 1909, and before the election of the present President, Mr. Speaker Cannon made this significant prophecy of what would happen if tariff revision should come. In his characteristic way he said:

If some fellow did introduce a tariff bill, and it was argued and argued, and at the end of twelve months its advocates could gather together enough votes to pass it, the country being held up by the tail in the meantime, I think you would find that the new law would have just as many outrageous things in it as are found in the Dingley tariff act.

What a prophet the Speaker was. [Applause on the Democratic side.]

Now, when the President called the Congress together in extraordinary session in the spring of 1909 he had not yet learned what he evidently has since discovered, that as far as the powers that be in this Congress will permit him to go in carrying out the Republican platform pledges was to draft bills and introduce them for the purpose, for in his message to the Congress in the spring of 1909 he submitted no draft of any portion of any tariff bill, nor did he even call the attention of the Congress to the fact that he had promised, or his party had promised, that the revision should be in the downward direction. But when the measure came to conference between the two Houses, the President, realizing his mistake when it was too late, sought to impress upon the country the sincerity of his promises by an attempt to compel the conference committee to meet his demand for some tariff reductions.

But, Mr. Chairman, on closer inspection, it seems to me that we must be convinced of the fact that these Herculean efforts of the President with the conference committee were simply another operation in the legerdemain which is always indulged in when the Republican party starts out to make a show of fidelity to the interests of the people and its own promises to them. [Applause on the Democratic side.]

For if President Taft had displayed but half the zeal in an effort to compel an unwilling Congress to reduce the tariff on

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the necessities of life that he displayed in an effort to compel a reduction of those duties which would result in greater profit to the protected manufacturers, already enriched beyond the dreams of avarice by the operation of protective tariff laws and the sweat of unprotected labor, he would have earned the right to say now that, as the indorser of his party's paper, he had saved its obligation from protest.

If he had been but half as anxious to save the pennies of the workingman, by giving him cheaper cotton goods, as he seemed to be to save the dollars of the steel trust, by dumping into its mills its raw material at greatly reduced expense, his name would be enshrined in the hearts of the poor, as his praises are now sung in the counting houses of protected wealth. [Loud applause on the Democratic side.]

He might have won the grateful plaudits of the home-loving and home-building artisans of the country if he had not purchased his vaunted, but insignificant, reduction of the tariff on lumber at the price of a trade war with Canada, now all too imminent, which is liable to bring into operation the maximum rates of the tariff law and increase the tariff on lumber products of a hundred per cent.

No, Mr. Chairman, the thing was too transparent. The trick of concession, where legislation is threatened, only to be conceded, is as old as legislation itself. To say that the American people were deceived by the double play of a rather pliant Executive and an extremely astute organization leader in Congress in the last inning of the tariff game is to charge the people of this country with a lack of intelligence for which there is no warrant in the prompt punishment that they have meted out heretofore to parties recreant to their trust.

Now, were the people deceived? I do not intend to go into that question largely. A sufficient answer came from Missouri in the result of the recent congressional election in that State, and the wire brings to-day from Massachusetts even more striking evidence of the people's reply to that query. But after hearing the siren song of the distinguished gentleman from Illinois [Mr. Boutell], who in the House some weeks ago read the New Year's editorials from the Texas press to prove the happiness, prosperity, and contentment of the people there, I feel like saying to him that he should put in parallel columns with that the thundering pæan of revolt which was shown by the Chicago Tribune's poll of the Middle West, in which it was determined that out of the Republican press west of the Alleghenies nearly 4,000 editors condemned the tariff law, while less than 600 Republican editors would stand for it. [Loud applause on the Democratic side.]

A poll of Republican and independent editors whose newspapers are published west of the Alleghenies has just been completed by the Chicago Tribune upon two questions, one relating to the reelection of Speaker Cannon to his present office, and the other with reference to the new tariff law. The questions were thus framed:

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Is the Hon. Joseph G. Cannon, of Illinois, your choice for Speaker of the next Congress?

Do you indorse the Aldrich-Cannon tariff law or the Aldrich-Cannon organization of the Senate and the House?

To the first question were returned 577 affirmative and 3,194 negative replies. Of the 577 editors declaring for the reelection of Mr. Cannon as Speaker, 546 were Republicans and 31 Independents. Of the 3,194 declaring against his reelection 2,653 were Republicans and 541 Independents.

The question with reference to the tariff law was answered in the negative, 3,463 editors declaring themselves in opposition to 839 in favor. The opposing declarations came from 2,689 Republicans and 577 Independents, while the favoring declarations came from 812 Republicans and 27 Independents.

PLAN OF THE CANVASS.

The Tribune, issued yesterday, says of the poll:

Ballots were sent, except to Chicago, to all of the editors of the following States:

Ohio, Michigan, Illinois, Indiana, Wisconsin, Iowa, Kansas, Nebraska, Colorado, Oklahoma, Utah, Wyoming, Minnesota, North Dakota, South Dakota, Montana, Idaho, Washington, Oregon, California, Nevada, Missouri, Kentucky, and Tennessee.

The ballots were sent to the editors of every newspaper, and each was asked to state his political affiliation. The answers of those who recorded themselves as Democrats are omitted from the compilation of the returns, as it was desired to secure only the opinions of the Republican and independent editors.

The editors of the newspapers were chosen because they naturally reflect most closely the opinions of their communities. The country editor must voice the voice of the people, but the average country editor is also a practical politician, who knows the necessities of party politics, and who is not apt to regard party policies lightly except for genuine considerations.

POLL GEOGRAPHICALLY CLASSED.

From the Lake section, comprising Ohio, Michigan, Indiana, Illinois and Wisconsin, came 291 votes in favor of the tariff law and 1,199 votes against it. Of the favoring votes cast in this section, 282 were Republican and 9 independent, and of the adverse votes, 998 were Republican and 201 were independent. From the prairie section, comprising Iowa, Kansas, Nebraska, Oklahoma, Minnesota, North and South Dakota, and Missouri, came 420 favoring and 1,525 opposing votes. The favoring votes were cast by 409 Republicans and 11 independents, while the adverse votes were cast by 1,271 Republicans and 254 independents. From the mountain States, comprising Montana, Idaho, Colorado, Utah, Wyoming and Nevada, came 38 favoring and 150 adverse votes. The former came from 35 Republican and 3 independent editors, while the adverse votes were cast by 120 Republicans and 30 independents. The 3 Pacific States, Washington, Oregon, and California, cast 60 votes for and 310 against the tariff law, 57 Republicans and 3 independents joining in the affirmative and 248 Republicans and 62 independents casting the negative votes.

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The southern section, comprising Kentucky, Tennessee, Arizona, and New Mexico, cast 30 votes for and 79 votes against the tariff law, the affirmatives coming from 29 Republicans and 1 independent and the negatives from 49 Republicans and 30 independents.

Missouri is the only State from which came the majority vote in favor of the tariff law from Republican editors, 84 of those canvassed favoring and 78 opposing the law. Of the 44 independent Missouri editors canvassed 2 favored and 42 opposed the law. The Tribune points out that the favoring votes cast by Republican editors came chiefly from the western part of the State, where are located the lead and zinc mines.

PACIFIC COAST LEADS.

The Pacific coast is most strongly against the new tariff, the Lake States next, and the prairie States are stronger in opposition than the mountain group of States, although the latter group opposes, by a vote of 35 Republicans and 3 independents for and 120 Republicans and 30 independents against.

FAIRNESS AND ACCURACY SOUGHT.

The figures presented in this issue of the Tribune represent the answers received from ballots sent to every newspaper of the sections polled as given in the latest newspaper directory. The ballots were compiled by a force of 22 clerks, who were instructed to be absolutely impartial. The returns were carefully checked, and every effort was made that the poll should be accurate, fair, and just. The figures as presented are reliable, and may be accepted as an accurate poll of the Republican and independent editors of the West.

If that sentiment of the Middle West is not sufficient to prove that the country was not deceived by this show of fidelity to the promises to the people to reduce the tariff tax, the voice of the people has made it possible to point even to the old State of Pennsylvania. In the campaign of 1909, for the first time within my memory, the Democratic party of that State met the challenge of the Republican organization to fight out the state contest upon national issues, and the tariff was the slogan with both parties from the time the conventions met until the polls closed on election day. And it is a fact, a fact which is worth some study on the part of the Republican organization here, that even in the old State of Pennsylvania, always the home of protection, and still the abiding place of protection's most favored interests, 15 out of 22 congressional districts, outside of Philadelphia and Pittsburg, gave majorities for the Democratic ticket. [Loud applause on the Democratic side.] I except Philadelphia and Pittsburg from any such calculation, for the obvious reason that in those cities elections are not decided upon principle, but simply as matters of arithmetic. [Loud applause on the Democratic side.]

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Mr. Adair—I was just going to ask the gentleman from Pennsylvania whether or not the result of the election in Pittsburg and Philadelphia does not depend upon how the vote is counted, rather than upon how it is cast?

Mr. A. Mitchell Palmer—I would say, almost entirely.

Now, Mr. Chairman, keeping in mind the failure of the President to redeem his tariff pledges, remembering that at the opening of the special session of Congress in 1909 he did not think it necessary to send to the Congress any suggestion as to the form of the law then to be enacted, where do we find the explanation of this present effort on the part of the Chief Executive to convince the country that he is endeavoring to carry out platform pledges, as shown by his communications to Congress and by his numerous after-dinner speeches to various Republican clubs on national holidays?

Is it a desire to enact promised legislation in the interest of the people? Is it a desire to give the people what the people demand, or is it a desire to give the party what its leaders demand? Is it the expression of a man who would say, "I am the President of all the people, of every State in the Union, and I insist that my promises shall be kept in their letter and in their spirit," or is it simply another play in the political game which has already sent a near cabinet officer to Ohio to fight the administration's battle in a Democratic State, and drafted a former ambassador to pull the Republican chestnuts out of the fire in New York? Is it, perhaps, another lesson in the correspondence school which has been working overtime of late to convince the insurgent people of Indiana that the real saviors of the country are not their independent but misguided representatives in the Senate and House, but the old discredited leaders of the party in this Congress? I think the explanation may be found in two significant utterances of the President within the past year or year and a half. The first one is that which was contained in a newspaper interview, apparently authorized by the President, wherein Mr. Rosewater, the Republican national committeeman from Nebraska, had this to say in reference to the use of the patronage club after he had spent a part of an afternoon with the President.

I will not read it all; but the President says, says Rosewater—after stating that the President desired him to make this statement, that—

He had not turned down recommendations of insurgent Congressmen, but he is simply preserving the status quo to impress them with their obligations. Many of the insurgents have frequently told the President that they would support him in the legislative programme which already has been pretty definitely outlined. They declare themselves to be Republicans first and last, and say they will support measures framed to carry out the platform. There are still a few insurgents, however, who seem disposed to carry on an independent attitude, and are generally against anything the leaders of the party are for. To make their positions stronger they are willing to ally themselves with the Democrats. It is against these recalcitrants that the patronage order has been issued, and so far as President Taft is concerned it will stand until the Members see fit to subscribe to his legislative programme.

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And the other utterance of the President which it seems to me is significant as bearing upon what we may expect from his present much-heralded attempt to carry out his program is that famous utterance, with which every Member of this House is familiar, contained in his speech in the city of Winona, Minn., in which he said—to quote his words exactly:

That the interest of the party—

Speaking of the tariff bill—

required me to sacrifice the accomplishment of certain things in the revision of the tariff which I had hoped for, in order to maintain party solidarity.

It is that statement in President Taft's Winona speech that made what started out to be a presidential tour trail along toward the setting sun like a funeral procession. [Laughter and applause on the Democratic side.] For the city of Winona, theretofore famed only as the home town of one of the greatest standpatters of this body, may now rest its claim to everlasting fame upon the fact that it is the only town in all the United States where a President of this country ever said that he preferred party solidarity to the welfare of his country. [Applause on the Democratic side.]

**PUBLICITY OF
CAMPAIGN FUNDS**

PUBLICITY OF CAMPAIGN FUNDS

PUBLICITY OF CONTRIBUTIONS

Speech of Hon. WILLIAM W. RUCKER, of Missouri, in the House of Representatives, Monday, April 18, 1910. [Part of Congressional Record.]

Mr. Rucker of Missouri said:

Mr. Speaker—I congratulate the country upon the fact that the House of Representatives has at last heard the voice of millions of people, of all political parties, and will to-day make response to their demand by the passage of the pending bill requiring publicity of campaign contributions.

It was intended by the founders of this great Republic that the ballot should be pure; that each ballot should represent the untrammelled will and honest judgment of a free American citizen. But with the accumulation of vast fortunes and the advent of colossal business associations and corporations with varied interests and unlimited capital, the power and corrupting influence of money in elections was felt. Those who would sacrifice the sanctity of the ballot and the honor and integrity of American citizens upon the altar of private interests or partisan political success have continued their degrading practices, in defiance of public sentiment and state laws, until good men everywhere have appealed to Congress for relief.

Beneficiaries of special privileges with insatiate greed are ever on the alert to gain additional favors through legislation and the interpretation and the enforcement of law. To accomplish unworthy ends it has frequently been publicly charged that the possessors of great wealth have used money to debauch the voter and pollute the ballot box. The amount which has been corruptly used in recent elections can not be stated with exactness. That immense sums have been thus used to influence or control the results of national elections is conclusively shown by the table of expenditures contained in a speech delivered by the distinguished gentleman from New York [Mr. Sulzer] on May 18, 1908, from which I quote:

I want to read to the House a statement which has been carefully compiled by very competent and experienced men, showing the expenditures of the Republican and Democratic national committees in every presidential contest from 1860 to 1904. Of course I do not declare that the statement of expenditures which I am about to read is absolutely accurate but I do say—and a careful investigation, in my opinion, will substantiate it—that these expenditures are approximately correct.

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Expenditures by the Republican and Democratic national committee in the presidential contests from 1860 to 1904.

Year.	Republican candidate.	Democratic candidate.	Expended by Republican national committee.	Expended by Democratic national committee.
1860..	Abraham Lincoln....	Stephen A. Douglas..	\$100,000	\$50,000
1864..	do	George B. McClellan.	125,000	50,000
1868..	U. S. Grant.....	Horatio Seymour....	150,000	75,000
1872..	do	Horace Greeley.....	250,000	50,000
1876..	Rutherford B. Hayes.	Samuel J. Tilden....	950,000	900,000
1880..	James A. Garfield... W. S. Hancock.....		1,100,000	355,000
1884..	James G. Blaine....	Grover Cleveland....	1,300,000	1,400,000
1888..	Benjamin Harrison..	do	1,350,000	855,000
1892..	do	do	1,850,000	2,350,000
1896..	William McKinley... William J. Bryan...		16,500,000	675,000
1900..	do	do	9,500,000	425,000
1904..	Theodore Roosevelt.. Alton B. Parker....		3,500,000	1,250,000

Mr. Speaker, for years Democrats in Congress have battled for the principle contained in the pending bill, and I rejoice to know that public sentiment has so crystallized as to make certain its passage to-day. As a Member of the Fifty-ninth Congress, I had the honor to introduce H. R. 19078, requiring publicity of campaign contributions, which was very similar to the bill now being considered. In discussing that bill on May 26, 1906, I said in part:

"Mr. Chairman, I freely concede that the bill I am discussing may be, and doubtless is, imperfect. I am not attached to a phrase in it and will gladly abandon it for a better measure. I believe it is the best that has thus far been presented for consideration, and therefore I stand for it. It is not symmetrical enough for some of my colleagues on the committee; it is too crude for some, does not go far enough to satisfy some, and goes too far for others.

"I am the poorest of literary artists. If this bill presents in clear, distinct, and comprehensive language the great principle of publicity, then it satisfies me. I confess I have made no effort to construct a thing of beauty; but, on the contrary, I derive some pleasure from the hope that it will appear so hideous and monstrous to every corruptionist who would degrade and debauch our elections that the mere contemplation of its enactment and enforcement would result in a case of acute nervous prostration, with strong symptoms of complete physical collapse. [Applause.]

"Every member of one political party, the Democratic, if this question was submitted here, where I have a right to say what my colleagues would do, would vote for publicity in its widest and broadest form. I do not propose to allow blame to attach unjustly to the minority of that committee—the Committee on Election of President, Vice-President, and Representatives in Congress—if I can prevent it, rules or no rules. As members of that committee it is our duty to aid and not stifle legislation. We of the minority spurn the protection of the arbitrary rules of this House.

"We have performed our duty and our record is clear. I invite gentlemen to read it. The more it is read the more the country will condemn the party in power for its inaction and its obstruction. [Applause on the Democratic side.] We do

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not apprehend, Mr. Chairman, that there is any dread consequence in publicity to the Democratic party. We do not think it is necessary to rely upon great sums of boodle and slush in order to retain our numerical strength upon this floor, but we know, or we think we know, if we can prevent the Republican party from using boodle we will be strong enough to elect the distinguished gentleman from Mississippi [Mr. Williams] Speaker of the House in the Sixtieth Congress [applause on the Democratic side], provided, of course, that my good friend and colleague from Missouri [Mr. Clark] is not a candidate." [Applause on the Democratic side.]

The question of publicity of campaign contributions was again presented to the House in H. R. 20112, reported with favorable recommendation to the Sixtieth Congress. The friends of the measure were unable to secure recognition for the purpose of moving its passage. On May 18, 1908, I obtained the floor and said:

"Mr. Speaker, I regret the necessity which compels me to indulge in the remarks I am about to make. On April the 20th last the Committee on Election of President, Vice-President, and Representatives in Congress, through one of its members, the gentleman from Nebraska [Mr. Norris], unanimously reported to the House with favorable recommendation the bill (H. R. 20112) known as the campaign contribution publicity bill. There is no politics in the bill. It was introduced by the gentleman from Massachusetts [Mr. McCall], one of the most distinguished Republican Members of the House and one of the very best men in his party. The sole and only aim and purpose of this measure is to purify elections, the wisdom and necessity of which is conceded by all fair men in both the great political parties.

"The demand by the people and the press of the United States for this legislation, regardless of party affiliation, is so universal that, if given consideration, the bill referred to would, in my judgment, receive unanimous support, or nearly so. This meritorious and most desirable measure would have passed the House long ago but for the persistent and arbitrary refusal of the Speaker to recognize the gentleman from Nebraska [Mr. Norris] to call up the bill and move its passage. The necessity for a chief officer to preside over our deliberations—theoretical deliberations only, though they be—and the necessity for clothing that officer with great power we all admit. But, Mr. Speaker, I deny the parliamentary or constitutional right of any man intrusted with official power to wantonly and arbitrarily exercise the power of his office to thwart, trample upon, and defeat the will of the people of the United States. [Applause on the Democratic side.]

"That you, Mr. Speaker, have been appealed to and pleaded with by Members of Congress, and by distinguished citizens who are not Members, to graciously grant recognition for the purpose of putting the pending publicity bill on its passage I have been informed and believe to be true. Why have you refused? Is it because you doubt the intelligence or soundness of judg-

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ment of the gentlemen who constitute the committee which reported this bill? That committee is composed of eight Republicans and five Democrats. Many of these gentlemen have more than once presented to the Speaker of this House commissions from their constituents attesting their personal worth and their integrity of character. You, yourself, Mr. Speaker, have given each of them your own official approval and indorsement at least twice, and many of them thrice, during this session of Congress. The chairman of that committee, by the action of the Speaker of this House, has been promoted to a place on the Ways and Means Committee, the most important committee of the House. Another Member, by the act of the Speaker, holds a place on the great law committee of the House—the committee on the Judiciary. Another is a member of the Committee on Public Buildings and Grounds, and another a member of the Committee on Banking and Currency, all great committees. You have given to each and every one of these gentlemen your solemn, official indorsement; and yet, when in the performance of official duty, after due and careful consideration, they report a bill demanded by every fair-minded man in this country who desires to restore and preserve inviolate the sanctity and purity of the ballot box and to stay corrupting influences which degrade and debauch the American citizen, you ruthlessly repudiate and spurn them. I demand to know, Mr. Speaker, why this is so?

“Mr. Speaker, if the principle or any provision contained in the campaign publicity bill is unwise, unpatriotic, dangerous, or vicious, can you not rely, with implicit confidence in the result, upon your partisan followers to defeat it? Have you lost faith in the wisdom and patriotism of the Republican party as represented on this floor? Have you lost the mighty power of your own persuasive eloquence, and the magic of your vehement gesture?

“Mr. Speaker, I shall do no violence to your great intelligence. The fact is, you refuse to permit consideration of the bill which requires publicity of campaign contributions, because you prefer to keep the people of the United States in darkness rather than give them light; because you know this bill would prevent, or at least check, the accumulation of stupendous sums which have been used to corrupt the voter and control elections; because you defiantly set your individual will against the will of 80,000,000 people; because you fear the Republican party can not survive the storms of opposition now gathering thick and fast about it without the use of a corrupt boodle fund; because you know this bill would pass, and you fear its passage would sound the death knell of a party already too long endured. [Applause on the Democratic side.]

“I concede the right of the Speaker to refuse recognition to ask for unanimous consent for the consideration of a bill to which he is opposed. I emphatically deny his right to refuse recognition to move the passage of a bill like this—a bill general in its character.

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"He has no such legitimate power. When he exercises such power he is a usurper, and nothing else. The House has a constitutional right to vote on the passage of a bill requiring publicity of campaign contributions, and no one man, not even the Speaker, has either the moral or legal right to prevent it, though the Speaker has done so, and is doing so. The framers of our Constitution sought to establish for us a free, representative form of government, in which the voice of the American people, through their chosen Representatives, might be heard. [Applause on the Democratic side.] We have here in practice a one-man government. Were our forefathers wrong? Should they have written into the Constitution that the lower branch of the legislative department of Government should consist of but one man—a Speaker—with plenary power to do or not to do whatever his fancy or prejudice might suggest? No, Mr. Speaker; the framers of the American Constitution were right and not wrong; and I rejoice in an unfaltering hope and belief that we will yet have opportunity to enact into law the principle of this bill, which means so much to the American people, and which will aid in restoring to them a Government of the people, by the people, and for the people. [Applause on the Democratic side.]

"The poet inspires us with hope in the lines:

"Time at last sets all things even,
And if we do but watch the hour,
There never yet was human power
Which could evade, if unforgiven,
The patient search and vigil long
Of him who treasures up a wrong.

[Applause.]

"I do not harbor any maudlin sentimentality which induces me to condone or palliate insufferable arrogance, flagrant usurpation, or reckless despotism in office, merely because of the genial personality of one who daily crucifies the vital principles of free, representative government upon the altar of party, for partisan purposes. [Applause on the Democratic side.] A familiar quotation from Shakespeare, slightly paraphrased, accurately expresses my convictions:

"My tables, meet it is
I set it down
That one may smile, and smile,
And be a 'tyrant' still."

[Applause on the Democratic side.]

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PUBLICITY OF CAMPAIGN CONTRIBUTIONS

Speech of Hon. OLLIE M. JAMES, of Kentucky, in the House of Representatives, Saturday, June 25, 1910. [Part of Congressional Record.]

Mr. James said:

Mr. Speaker—We are told by the gentleman from Nebraska [Mr. Norris] that both political parties favor this legislation. I know of but one way to arrive at a judgment upon what political parties stand for, and that is by how they vote when questions come up for consideration. Legislators and parties are known, like trees, by their fruit. The Republican party in control in the other end of this Capitol strike out the House provision of publicity before election and substitute publicity after election. How does this measure come to us? It comes amended in this way and in the last hours of the session with an approaching congressional election. And what remedy do you offer the voter, that after the election is over you will publish the names of those who gave the money to buy the election. If publicity has any virtue in this world, it is to give to the voters the names of those that are back of the candidacy and contributing to the election of the respective men asking the suffrage of the people. Publish the names and amounts of those who contribute. Let this be done before the election. Let the voter with ballot in hand have the opportunity to see the forces that are furnishing the campaign boodle. Let the man who, around a cheerless and humble fire-side, almost shivers in the cold see if the coal trust is contributing to one of the candidates. [Applause.] Let the ballot holder in his cottage or cabin in which no light scarcely ever burns see if the oil trust is furnishing money to one of the parties. [Applause.] Let the ragged man whose family, scantily clad, left at home when he goes in to cast his ballot see if the wool trust, the clothing trust, or the shoe trust are giving their money to help elect a supposed and self-proclaimed friend of the people. Let the hungry man whose family has been denied meat by the greatly increased price know before he determines his choice whether the meat trust is financing one of the candidates. [Applause.] Let them have this information, and thus enlightened, let them vote, remembering that Bible truth that neither parties nor men can serve both God and Mammon. When you publish after election, why do you do it? It is for the people that they may see who contributed; yet they are then without a remedy, except to wait two, four, or six years to get at the candidate. The wrong has been done and the information is ineffective. Let the bill be a publicity bill in reality, and whether the amount contributed is sufficient to buy a king's ransom or is a widow's mite, publish

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it to the world. [Applause.] If the money is tainted, do not take it, but if you take it, have the courage to say that you took it. [Applause.]

My friend from Michigan said that this measure was never thought of except by the gentleman from Missouri [Mr. Rucker]. I would call the gentleman's attention to the fact that it is the Democratic mind in this country that invents legislation in the interest of the people. [Applause.] I would also call his attention to the fact that it was in the Democratic national platform of 1908 that we declared for publicity of campaign funds before the election. [Applause.] Here is what we said:

PUBLICITY OF CAMPAIGN CONTRIBUTIONS.

We demand federal legislation forever terminating the partnership which has existed between corporations of the country and the Republican party under the expressed or implied agreement that in return for the contribution of great sums of money wherewith to purchase elections they should be allowed to continue substantially unmolested in their efforts to encroach upon the rights of the people.

Any reasonable doubt as to the existence of this relation has been dispelled by the sworn testimony of witnesses examined in the insurance investigation in New York, and the open admission of a single individual—unchallenged by the Republican national committee—that he himself, at the personal request of the then Republican candidate for the Presidency, raised over a quarter of a million of dollars to be used in a single State during the closing hours of the last campaign. In order that this practice shall be stopped for all time we demand the passage of a statute punishing by imprisonment any officer of a corporation who shall either contribute on behalf of, or consent to the contribution by, a corporation of any money or thing of value to be used in furthering the election of a President or Vice-President of the United States or any Member of the Congress thereof.

We denounce the Republican party, having complete control of the Federal Government, for its failure to pass the bill, introduced in the last Congress, to compel the publication of the names of contributors and the amounts contributed toward campaign funds, and point to the evidence of the sincerity of Republican leaders when they sought, by an absolutely irrelevant and impossible amendment, to defeat the passage of the bill. As a further evidence of their intention to conduct their campaign in the coming contest with vast sums of money wrested from favor-seeking corporations we call attention to the fact that the recent Republican national convention at Chicago refused, when the issue was presented to it, to declare against such practices.

We pledge the Democratic party to the enactment of a law prohibiting any corporation from contributing to a campaign fund and any individual from contributing any amount above a reasonable maximum, and providing for the publication, before election, of all such contributions above a reasonable maximum.

Mr. Speaker, no one can doubt the wisdom and justice of this platform declaration. Corporations are created by law. They are given certain rights, privileges, and exemptions that do not belong to individuals, and they should not be permitted to contribute a single dollar to any candidate or party, because, when they do so, it is done for the evident purpose of selfish ends, for special privileges, for undue advantages; and when a citizen contributes he may claim and say that he was actuated by patriotism, by love of country, but the party that takes his

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money ought to be willing to publish it before the election and he ought not to be ashamed himself to have it done, and the size of his contribution ought to be limited by law. If they are actuated by honest motives and just purposes, no reasonable objection can be made to them.

Let our motto be, "Take the people into your confidence." You make your platforms before election. You do this because you want to appeal to the honest judgment of the voters. You make your promises to them; you ought to be willing to turn on the light; let the people see if there is any behind-the-scene agreement. Let them know who are interested in your success. Let them know if you are promising something in the platform to the people and behind the scene dealing with their oppressors. Be in the open. If you promise to destroy the trusts in your platform, publish the names of those who are supplying you with money to run your campaign. Let them see if the trusts are contributors. Let the people see. Do you want to retain the confidence of the people and the money of the vested interests at the same time? Let the people judge between your acts and your deeds, your conduct and your promises, which would have been the best barometer to have determined in the last campaign of 1908, whether you were going to revise the tariff downward in the interest of the consumer, your platform promise, or your campaign contributors. The people would not have been fooled by the Republican party if they could have seen your campaign contribution list before the election. Yet, it is too late now, the tariff is revised upward in the interest of the favored few instead of downward in the interest of the consumer; prices are soaring, every necessity of life is going by leaps and bounds higher. We have to wait until another election. The vested interests are safely entrenched. The schedules they desired in the tariff bill have been written. The people are paying the bill.

The Republicans promised, of course, that they would revise the tariff, and some of them point to the fact that they have kept that promise. They seemingly honestly urge that the word "revise" meant exactly what they did to the tariff, for they point out that revised is derived from two Latin words—re, meaning again, and visum, seen. They innocently say they saw the tariff again and therefore "revised" it. This, according to this sophistry, is doubtless true. They saw it again, but they raised it so high that nobody else has been able to see it since they passed the Payne-Aldrich bill.

Mr. Gaines—Will you permit an inquiry?

Mr. James—If you will give a minute additional to reply.

Mr. Gaines—I will give you a minute to reply if you want it. Is there any State in the Union, save Oklahoma, which requires the publication of campaign contributions before election? Is it not a fact that even the Democratic legislature in Kentucky never suggested the proposition for which you now contend?

Mr. James—It does not matter whether a State in the Union has done it or has not. You must meet the issue, is it right or wrong? That is the way to meet the issue, not by

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saying no State has it. We are legislating for the whole people. [Applause.] Let us start the march of reform; let us set an example for others to follow. Mr. Speaker, the people of the United States are demanding that the power of money shall be curbed. If we had this publicity measure upon the statute books, the moment the voter knew that the oil trust, the meat trust, and the steel trust and the wool trust had made a contribution to the Republican campaign fund he might, with some wisdom, determine whether you would keep your promise to revise the tariff in the interest of the consumer. But you provide that after that election, after the election has been bought, after the candidate has gotten his seat, and that after those whose tenure of office is from two to six years have been successfully placed in their respective offices, then when all is quiet and nobody affected by it the publication shall be made of campaign expenses. The power of money used by combinations, trusts, and monopolies, Mr. Speaker, is undermining this Republic. Give us the light of publicity which we need before election. I would warn you of the mighty truth that republics live only in the light. It is only darkness that fosters socialism and disorder. Let the torch of publicity light our national highway. Let men or parties take their choice between the money of the designing rich and the ballots of the honest poor. Let us raise the battle flag of honest elections. Let the voter be unbought, unafraid, and unfooled. [Loud applause on the Democratic side.]

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Speech of the Hon. ANDREW J. PETERS, in the House of Representatives, April 18, 1910. [Part of Congressional Record.]

Mr. Peters said:

Mr. Speaker—The publication of the campaign expenses of candidates for public office is something which should meet with the support of every citizen of our country. Our democracy depends upon the intelligence and patriotism of our citizens, expressed independently of corrupting influences. The unlimited expenditure of money places in the hands of unscrupulous candidates a tremendous power, and it restricts the officeholders to two classes of men—those who before election have placed themselves under obligation to persons or corporations having interests which, after election, they can serve, and a class of men of such large, independent means that they can raise the cost of campaigns so as to make the election of their competitors difficult, if not impossible.

This plan for unlimited expenditures tends to deter from running for ordinary office the average citizen who does not wish to place himself under obligations to others, or who does

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not feel that he himself can bear the tremendous cost of political campaigns. In meeting this public demand the legislatures in many of the States have already passed laws which require the publication, in more or less detailed form, of campaign contribution statements, and which limit the sources from which they come and the manner in which they may be expended by candidates.

While the publication of contributions to the campaign of a Member of Congress from local sources may be regulated without congressional action, it is always possible for congressional committees to largely take away the effect of the State laws by making national aid for the candidates not to a campaign committee created by the State but directly to the candidates, and so escape figuring in the returns made by the State or local campaign committee.

It is a matter of public knowledge that large interests over the country have contributed sums of money to national campaigns, and as a result of the exposures of the contributions to the national campaign funds there has arisen a public demand that the sources of the contribution should be made known. Replying to this demand, both the last candidates for the Presidency had an announcement made of the contributors to their campaign funds. The election of a National Congress brings up matters of equal importance, and the reasons which apply to the publication of contributions to the presidential election and to those of local officers apply to the election of Congressmen as well. People have a right to know the sources from which contributions for the election of public officers are derived, and they have a right to consider these sources in concluding whether the men offering themselves for election are surrounded by influences which would interfere with their public service.

The Republican party was intrusted with the Presidency and with the control of Congress on the pledge that it would revise the tariff by lowering its duties in the interest of the people. The opinion of the people as to carrying out these pledges have been indicated most significantly in the recent elections for congressional vacancies. The woolen schedule is one of the most important schedules of the tariff, and yet the Republican party, which obtained control of the Government on the pledge of tariff reform, failed utterly to make any substantial decrease in the woolen schedule. The only change was a slight change on wool tops from one rate which was prohibitory to another rate equally prohibitory, and those tops are to-day left at a rate which absolutely prevents importation.

The President of the United States declares that the Payne tariff on wool and woolen goods was enacted because of a bargain between the worsted spinners of the East and the wool-growers of the West. The President, in his speech at Winona, said:

When it came to the question of reducing the duty at this hearing in this tariff bill on wool, Mr. Payne, in the House, and Mr. Aldrich, in the Senate, found that in the Republican party

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the interests of the woolgrowers of the far West and the interests of the woolen (worsted) manufacturers in the East and other States, reflected through their Representatives in Congress, was sufficiently strong to defeat any attempt to change the woolen tariff, and that had it been attempted it would have beaten the bill reported from either committee.

Who were the men who were parties to this tariff trade? Were the Republican Members from Massachusetts involved in this bargain, as the President seems to imply? That sources of contributions to political campaign funds have important bearings on the influence of elections, no one can question. Had the people known the sources of the contributions to the congressional Republican campaign fund would they have voted so confidently to place in the hands of that party a downward revision of the tariff?

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Speech of Hon. MICHAEL F. CONRY, of New York, in the House of Representatives, Monday, April 18, 1910. [Part of Congressional Record.]

Mr. Conry said:

Mr. Speaker—The principle involved in this bill is one of commanding importance to the honor of the country and the integrity of the ballot. It is a principle of honest government, of pure government, that strikes at conditions that have been a reproach to our institutions for years and a blot on our civilization. This principle, when applied to elections, will effect many of the reforms that the people throughout the country demand.

When this matter came up for action before the Committee on Election of President, Vice-President, and Representatives in Congress, we voted in favor of reporting this bill to the House because of the imperative necessity that existed for the enactment of legislation of this character.

The gentleman from Illinois [Mr. Mann] dilated on the manifold ramifications of influences that might be requisitioned to bring about the election of Members of Congress, and he points to this wide field of influence as an insuperable objection to the passage of this bill. If there is any influence throughout the whole field to which the gentleman refers that is of a nefarious nature or any influence that should come to the notice of the people destructively affecting the purity of the ballot, then I believe in the passage of this bill as it is, if for no other reason than to give publicity to these influences.

Now, Mr. Speaker, political corruption in our elections, which is the direct consequence of secrecy in our campaign funds, has developed into an evil of alarming magnitude and propor-

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tions, and the people of the country, through their Representatives, have recognized the necessity for the application of legislative restrictions of this character. The principle involved in this bill has attracted widespread attention throughout the country. Secret and collusive campaigns have always been clearly and strongly condemned. This subject has not only attracted wide attention as an issue in the politics of the country, but it has risen to the dignity of an ethical force; it has aroused the moral sentiment of the country, and has taken firm hold on the nobler feelings of men, and that party or that individual is rash indeed and grossly ignorant of the spirit and temper and conscience of the American people that will attempt to trifle with or despise a sentiment of this character.

You may reason with this sentiment, with its uplift, as you will, but you can not force it into submission; you can not destroy it by making useless, worthless, and insidious amendments to this bill, and you can not repress its emphatic expression in the press of the country or restrain its resistless assertion at the polls.

Mr. Cooper of Wisconsin—Will the gentleman yield for a question?

Mr. Conry—Certainly.

Mr. Cooper of Wisconsin—To me it seems that this bill ought to apply to the expenditure of money to secure nominations just as well as at elections, the primary in many places being fully as important as the election. What does the gentleman think of that?

Mr. Conry—I regret exceedingly that it is impossible to amend a bill which is being considered under a suspension of the rules, but as to that question and the situation to which it refers I am positively in favor of the extension and application of this bill to the condition the gentleman describes. [Applause.] And no Member on either side of this Chamber can afford to oppose this measure, which, in effect, confers upon the Federal Government the power to expose corrupt practices affecting the purity of the ballot in elections where federal officeholders are involved. This bill, known as the McCall publicity bill, requires congressional campaign committees of all political parties which shall in two or more States influence the result or attempt to influence the result of congressional elections to file detailed and accurate reports, under the solemn sanction of an oath, with the Clerk of the House of Representatives of all contributions and disbursements of moneys exceeding \$10 in amount that have been made and collected during such elections. It provides, further, that not more than fifteen days and not less than ten days before the election the statement of receipts and expenditures shall be filed and made a public record, freely open to inspection, and within thirty days after the election a supplementary statement shall be filed containing a complete and final account. It also prescribes appropriate penalties for the wilful violation of its provisions. The legislation proposed in this bill is predicated upon the theory that there must be honesty in politics.

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It is a salutary measure. It provides for the full and free publicity of the campaign funds of all political parties. It will if efficiently enforced, prevent extravagant contributions for political purposes by those favored interests that seek special privileges and legislation as a reward for their generosity in politics.

It will render impossible that debauchery of the electorate, which has so frequently thwarted the popular will, and which, if permitted to continue unrestrained, will inevitably undermine the whole edifice of government. Extravagant campaign contributions, which exceed in quantity what is necessary, and only what is necessary, to meet the legitimate expenses of a campaign, have degenerated into a moral, a social, and a political evil. And every expedient known to legislation should be exerted to restrict and not to favor or encourage the extension and perpetuation of these evils. In my opinion, the people of the United States will not stamp with the seal of their approval any party that stands for the further extension of this system. On the great question of secret and excessive campaign contributions the major portion of the American people have already declared strongly in opposition to the evil. This is not, or at least it should not be, regarded as partisan legislation. Upon a question involving the moral rectitude of the Nation there can be no partisan division. Every man who genuinely believes in the purity of the ballot and the integrity of the right of franchise should, in the interest of honesty, justice, and fair play, unhesitatingly give his earnest support to this measure. Does any Member of this House doubt the necessity for legislation of this character?

Not many years ago, Mr. Havemeyer, the head of the sugar trust, before a Senate committee, testified that he was in the habit of contributing to campaign funds. And when he was asked to which party he contributed, he replied: "That depends on circumstances." "To which party do you contribute in Massachusetts?" "To the Republican party." "To which party do you contribute in New York?" "To the Democratic party." "To which party do you contribute in New Jersey?" "Well, that is a doubtful State, and I will have to consult the book as to that." This revelation, Mr. Speaker, astounding, but commendable in its candor, is significantly illuminating upon the subject-matter of this bill. It throws a glaring light upon the corrupt alliance between business and politics. If there is a market in which special privilege and class legislation can be bought and sold, the people have an indisputable right to know of the existence of such a mart, and the identity of the parties and institutions that participate in the barter and sale of their most sacred rights. When secrecy in campaign contributions is prohibited by law, and the people see the officers and representatives of the trusts or corporations whose interests are involved in legislation, either directly or indirectly, contributing enormous sums of money to the coffers of a particular political party, they will then know that the agencies of government are to be prostituted to the advantage

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and benefit of such trusts and corporations. If the privileges, if the prerogatives, if the favors of government are to be bought and sold, then the people have a right to know to whom they are to be sold and the price to be paid. And there is but one way to dissolve this corrupt alliance between business and politics, and that is by turning on the searchlight of publicity, as proposed in this bill, and laying bare, in all their hideous details, the iniquities of the situation.

The laboring and industrial masses, through their organizations, have taken an advanced and progressive position upon this important economic question of publicity of campaign contributions and expenditures. The great industrial evolution brought about by the organization of labor in all trades; the application of scientific principles, through these organizations, to production and distribution, has developed an economic capacity in the great army of the laboring classes that not only equips them to deal with economic questions, but to efficiently assume the responsibilities of official life. But the extravagance and corrupt use of money in our political campaigns is especially deterrent to labor's activity in politics, because under present conditions, whereby secret and excessive campaign funds are accumulated, it is almost impossible for labor to secure that recognition in official life to which it is justly entitled. Labor has always contended, and justly so, that secrecy in campaign contributions and expenditures is the promoter of corruption in politics, while publicity is an efficient deterrent. Hence it is that the laboring people throughout the country strongly demand the enactment of legislation of the kind proposed in the measure before the House.

This age records a progressive growth in the sentiment as expressed by organized labor, that its interests are best conserved by the maintenance of stability in government, justice in the enforcement of the law, and purity in the safeguards that surround the ballot.

A republican form of government, to accomplish its great and primary purposes, must command the universal confidence of the people without distinction of class or condition. If this confidence is lacking in States or among classes, then the Government has erred in some way or enacted legislation or tolerated conditions in direct contravention to the best and fundamental beliefs of the people. It is consequently important and it is the part of wise and conservative statesmanship that a purity of law be secured that will inspire respect for and general confidence in broad and wholesome principles of our Government.

This bill, as a remedy for the political ills that afflict the body politic, may not commend itself to the judgment or the approval of the most exacting student of economics, but in its essential features it provides effectually for the correction of the most pressing evils.

Political corruption—from which no country under the sun is entirely free, whatever its form of government—is especially fatal to a republic. In monarchies and empires the scheme of government in its essentials is not influenced, controlled, or

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determined by the debauchery of the electorate. There the whole policy of government is unchanging and unchangeable in its stability. But it is not responsive to the demands of the people, and therefore not as beneficent as an agency for good as a republic or a democracy. But in a republic, the source of whose authority resides directly in the people and whose policies directly and sensitively reflect the ideals and aspirations of the people, the evil of political corruption is apparent and its destructive tendency manifest. Each succeeding national election recalls the country to a sense of a constant and rapidly growing peril—the increasingly dangerous use of money at elections. The debauchery of the electorate, to which enormous campaign funds inevitably tends, bodes no good for the ultimate destiny of the Republic. And every enactment of law that serves to arouse popular and patriotic sentiment against it should be welcomed by all good citizens, irrespective of partisan beliefs or affiliations.

The story of the ancient republics is richly pregnant with impressive lessons of political corruption as a contributing cause to their ultimate dissolution and decay. Caesar and Anthony expended millions in the money of ancient Rome to perpetuate their power in the politics of their day; and even Cicero himself, with power of his mighty genius and eloquence, sought to justify bribery in elections as a means to the defeat of an unworthy opponent by a member of his own party. Unbridled political corruption, without the saving grace of democracy or an enlightened citizenship intrusted with the powers and functions of government, hastened the downfall of Roman splendor and power.

Our Republic is a shining example of a constitutional government reared upon the principles of liberty, justice, and equality. Its marvelous development has marshaled an unparalleled array of material forces to aid mankind in its sublime mission of progress. It stands to-day as an imposing monument in the pathway of destiny, the birthplace of human liberty, the haven of political and religious freedom, and the refuge of suffering and persecuted humanity.

Thus let us hope it will stand in the full majesty of its power and glory for countless ages yet to come, free from all the political ills that make for decay, the prototype of popular government and the mainstay of liberty, equality, and justice.

Speech of Hon. WILLIAM HUGHES, of New Jersey, in the House of Representatives, Saturday, June 25, 1910. [Part of Congressional Record.]

Mr. Hughes of New Jersey said:

Mr. Speaker—I am inclined to favor this conference report even though it does not require publicity of campaign contributions until after the election for some of the reasons stated by the gentleman from Nebraska [Mr. Norris], who says he is against it. I think it is important that a step should be taken

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in the matter of putting this legislation upon the books. I have always contended, and my experience has led me to believe that I have been correct, that it is better to take imperfect legislation, or legislation that is not as far-reaching as I would like, rather than to take no legislation at all.

Mr. Norris—I agree with that statement entirely, but the gentleman must remember that this is not the end of Congress, and to defeat this conference report does not mean the defeat of the legislation. If this was the 3d of March I would agree with the gentleman.

Mr. Hughes of New Jersey—I understand, and I would say that the gentleman has raised some doubt in my mind as to what I should do on this proposition, although I went to the gentleman from Massachusetts [Mr. McCall] to get time to speak in favor of this conference report.

There is a great deal in what the gentleman has said, and yet I remember I was as much responsible as any man in the State of New Jersey, although not a member of the legislature, for the fact that we put a weak and imperfect public commission act upon the statute books. That act was denounced, and those who were responsible for it at that time were denounced, because of attempting to fool the people of the State into thinking they had something when they had nothing; but from that time that act has been amplified at each session of the legislature, and the recent agitation in connection with railroad rates has raised such a sentiment amongst those who opposed the position that we took that, in my judgment, perhaps at the next session of the legislature in New Jersey, a good public-commission bill will be enacted. However, whatever may be the merits of the gentleman's position on this particular conference report, I think it is a matter of congratulation, both for his side of the House and the side on which I happen to be, that there has been a sufficiently strong sentiment in this country to bring about the situation with regard to the state of the public mind that exists now. [Applause.]

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Speech of Hon. ADOLPH J. SABATH, of Illinois, in the House of Representatives, Monday, April 18, 1910. [Part of Congressional Record.]

On the bill (H. R. 2250) providing for publicity of contributions made for the purpose of influencing elections at which Representatives in Congress are elected.

Mr. Sabath said:

Mr. Speaker—This bill is another case of fooling the people. The Democratic party after many years has succeeded in convincing the country that the large contributions to the Repub-

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ican party's campaign funds by "special interests" made it possible for that party to elect many of its candidates, no matter how unfit or undesirable they were to the people in the city, county, State, or Nation, and that these large campaign contributions have the tendency to, and in fact do, corrupt our body politic.

The Republican party, desirous to win in the last presidential election, promised the American people anything and everything to gain a victory. In desperation, seeing and realizing that the people will not tolerate much longer to be robbed by those "special interests," aided by a high and unjust tariff, they, in the national convention at Chicago, declared for immediate downward revision of the tariff and also for the publicity of campaign contributions, and many other things. During the campaign the Republican speakers pleaded that the friends of the high tariff be permitted to do the revising, and the majority of the people were by various methods coerced, misled, and many, by and through a large campaign fund collected from the various "special interests," coaxed and inveigled to vote their ticket. The Republican party was victorious, and how it kept the pledges and promises given to the American people to reduce the tariff is only too well known by the people of this country, by the high prices they are forced to pay for all the necessaries of life.

And now you are again about to attempt the same trick perpetrated with the tariff bill, with this campaign contribution publicity bill. I am really amazed at your unlimited amount of contempt and disregard which you have for the people, and how little you respect their demands and your pledges. Do you not know that they no longer will blindly follow you and believe and trust you? Do you believe that you can fool them again with this bill? No, no; you can not do it. Remember the utterance of Lincoln:

You can fool some of the people all of the time; you can fool all of the people some of the time; but you can't fool all of the people all of the time.

But who can expect the present Republican party to remember anything that Lincoln either said or championed.

The bill, as it is drawn, provides that every political committee, which term includes the national committees of all political parties and the national congressional campaign committees of all political parties, and all committees, associations, or organizations which shall in two or more States—bear that in mind, in two or more States—influence the result or attempt to influence the result of an election at which Representatives in Congress are to be elected, shall have a chairman and a treasurer. That the duty of such treasurer shall be to keep a detailed and exact account of all money received by or promised to such committee or any member thereof, or by or to any person acting under its authority or in its behalf, and the name of every person, firm, association, or committee from whom received, and of all expenditures made by the committee or any member thereof, and to whom paid. Every payment made by a political commit-

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tee exceeding \$10 in amount shall be evidenced by a receipted bill, stating the particulars of expense, which receipt or account shall be preserved for fifteen months after the election to which it relates. Whoever, acting under the authority of such political committee, receives any contribution, loan, gift, advance, or promise of money shall, on demand, and in any event within five days after the receipt of such contribution, loan, gift, advance, or promise of money, render to the treasurer of such political committee a detailed account of the same, together with the name and address from whom received, and this is to be entered by the treasurer in a ledger or record to be kept by him for that purpose. The treasurer of every such political committee shall file an itemized detailed statement, sworn to by him, with the Clerk of the House of Representatives, not more than fifteen days and not less than ten days before an election at which Members of Congress are to be elected. A similar and final statement also sworn to by such treasurer is to be filed with the Clerk of the House of Representatives within thirty days after such election, and these statements so filed shall be preserved by the Clerk of the House for fifteen months, and are to be a part of the public records and open to public inspection. But, as I have pointed out, this act only applies to such persons or committee who have charge of campaigns in two or more States. So where persons or a committee will have charge of only one State, and only the campaign of a Senator or the Congressmen in but one State, the provisions of this act will not apply.

Mr. Speaker, this bill is at best but an exposition of theories upon the subject of "Campaign contribution publicity," but in all other respects it is a miserable failure. It is drawn in a most loose manner, and its simplicity for evasion will not even test the ingenuity of the "special interests," who are habitually making enormous contributions to the Republican party's strong box; and I know that your audacious treasurers will not worry about any of its provisions, but will go along in the old way "getting the money." Just what happened to the publicity feature of the corporation-tax law will happen to this piece of "humbuggery." When the time will have come for you to make public your contributions received and expenses incurred for the election, you will plead that no appropriation has been provided to carry out the provisions of this law, just like the corporation-tax law, and you will see to it that it will not see the "light of day." Under this law the Clerk of the House of Representatives can and will refuse, at the command of the Republican party leaders, to carry out the provisions of this law, upon the simple plea that his clerical force is engrossed with other duties and that no provision has been made for funds with which he can carry out the work entailed by this law. This bill was brought in under a suspension of the rules of this House, which deprives a Member from offering an amendment, and this is conclusive proof that the Republicans were afraid to bring this bill before the House in a manner so that an amendment could be offered and the bill perfected and the Republican party placed on record. The

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power of the Republican party is fast ebbing away under the firm and determined resentment of the great mass of the people to its tricky policies, and they are looking with an eagerness to the time, close at hand, to elect and stand by the only grand and glorious Democratic party.

Mr. Speaker, I vote for this bill because of my firm belief in its principle—it was enunciated in the platform of my party; but nevertheless I am opposed to this particular bill, because it will not bring about the publicity of campaign contributions and because it is another insincere attempt to mislead the American public on the part of the Republican party. My vote for it is but an indorsement of the righteousness that a full, true, and perfect account of all campaign contributions and every expense incurred by a candidate, matter not for what office he is elected, be made publicly and under oath by him and any person or persons who have had charge of his campaign.

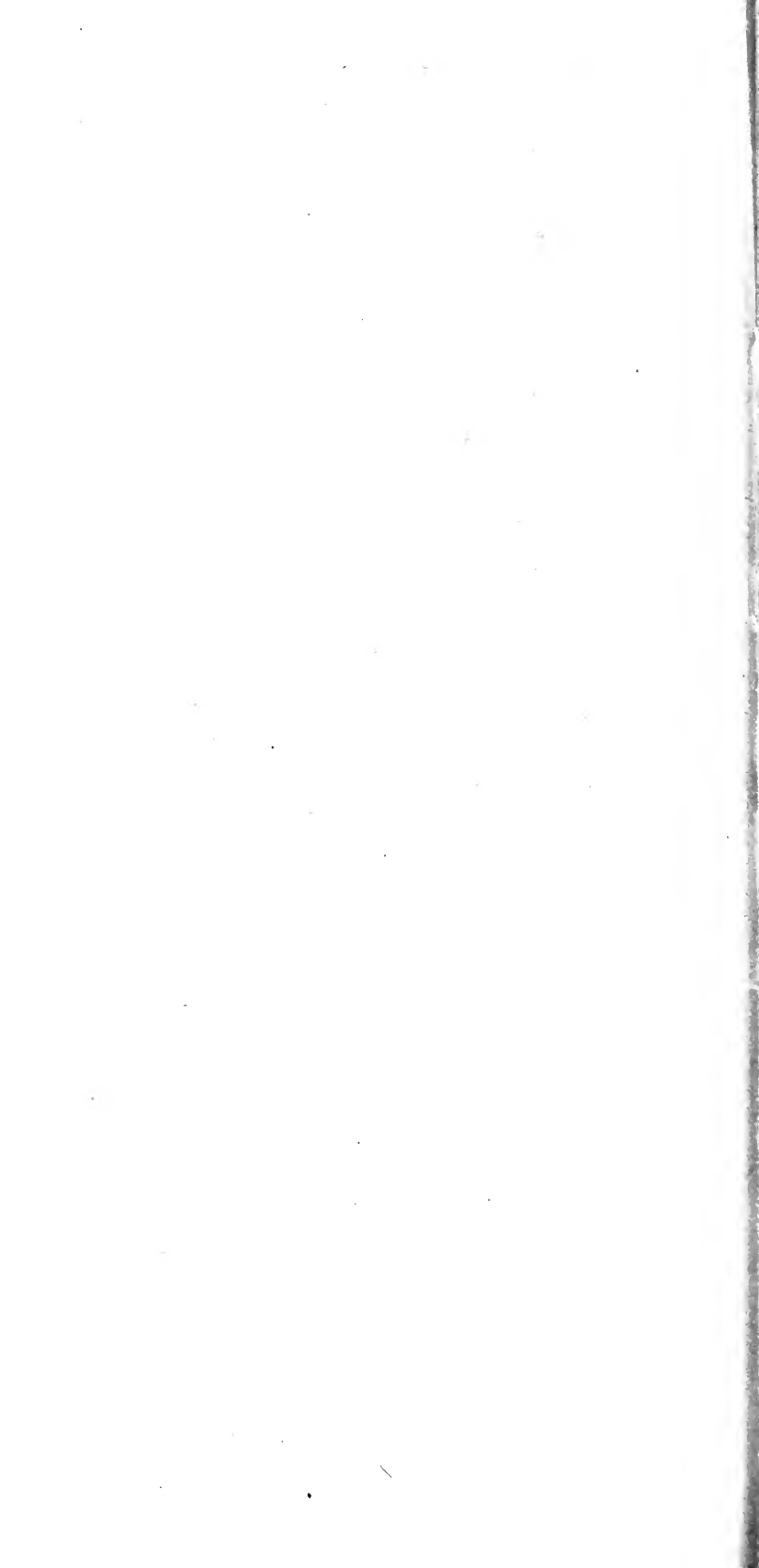
The demands for a real and honest campaign publicity bill come from a great many people who believe that the Republican party by receiving large contributions of money from "special interests" and "protected trusts" and "monopolies" must legislate for their particular interests, and that in consequence the people have no chance to secure legislation which will relieve them from oppression by these contributors. It is self-evident that the purposes of these large contributions are selfish. And I agree with those who make these claims. Did not President Taft himself lend weight and authority to these views and beliefs when, in the course of his speech defending the oppressive Payne-Aldrich tariff bill, at Winona, Minn., on September 17 of last year, he said:

When it came to the question of reducing the duty at this hearing in this tariff bill on wool, Mr. Payne, in the House, and Mr. Aldrich, in the Senate, although both favored reduction in the schedule, found that in the Republican party the interests of the woolgrowers of the far West and the interests of the woolen manufacturers in the East and in other States reflected through their Representatives in Congress, was sufficiently strong to defeat any attempt to change the woolen tariff, and that had it been attempted it would have beaten the bill reported from either committee. I am sorry this is so, and I could wish that it had been otherwise.

I agree with his utterances on this proposition, and I would further agree with him if he had taken the time and gone a little further and said that that deplorable condition also applies to the "cotton trust," "steel trust," "Standard Oil trust," "coal trust," "steamship trust," "railroad combines," "Wall street speculative interests," "beef trust," "cold-storage interests," "banking interests," yes, and to the "sugar trust," which has been permitted, as openly charged by a Republican ex-Secretary of the Treasury and even by Republican Congressmen, to rob for years the Treasury of the United States out of millions of dollars and at the same time plundering the American people for many millions of dollars each and every year, and all these depredations have been committed with the assistance and with the knowledge of the administrations of the Republican

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party. This does indicate that these "special interests," "trusts," "monopolies," and "combinations" own and control the Republican party and dictate its policies and force it to do their bidding. The only way this great evil can cease is by passing a real, honest, and sincere "campaign publicity bill," which will give the people an opportunity to know before the election who is paying the campaign expenses, where the money is coming from, and why it is being furnished, and also to whom it is being paid. Let the public have an opportunity to form its conclusions in the premises, and the people, in the exercise of their own free and independent judgment, will then exercise their right of suffrage fairly and properly.



MERCHANT MARINE

MERCHANT MARINE

Speech of Hon. J. W. ALEXANDER, of Missouri, in the House of Representatives, May 14, 1910. [Part of Congressional Record.]

Mr. Alexander of Missouri said:

Mr. Chairman—For many years we have been confronted with a vanishing American merchant marine, and during the last twenty years the Republican party has put forward many bills, ostensibly to remedy the evil, but really to extend the Republican system of favoritism and privilege to shipbuilders, in order to enlarge the great number of plutocrats now prospering under protection at the expense of the greater body of the common people.

Some, like Carnegie, are already fat; others by the thousand are fattening at the public crib at public expense, and the Republican party seizes the vanishing American merchant marine as a patriotic means to enlarge the crib and to place new and hungry classes in the stalls to fatten on what they do not earn, to prosper without service or merit, to be supported at government expense. Republicans have portrayed our vanishing merchant marine most vividly and most persistently, but have never proposed a remedy of practical value, nor is the measure now under discussion an exception to the rule.

In 1896 the Republican platform contained one plank which, had its promise been redeemed, would have been a step forward in the real rehabilitation of our merchant marine. That section of the platform said:

We favor restoring the American policy of discriminating duties for the upbuilding of our merchant marine and the protection of our shipping in the foreign carrying trade, so that American ships, the product of American labor employed in American shipyards, sailing under the Stars and Stripes, and manned, officered, and owned by Americans may regain the carrying of our foreign commerce.

Rhetorically, this has the right jingle, and in the main strikes a responsive chord in every American heart. But it was not sincere; it was mere rhetoric, and was never designed for practical execution. Like the platform promise of tariff revision, it meant one thing before taking and another and quite a different thing after taking. The Republicans won in the struggle of 1896 and, whatever else they may have done, it is certain that they did not restore the American policy of discriminating duties, but began at once to substitute for this real American policy the foreign policy of subsidy.

In 1898 the Republican party produced a subsidy bill before which the country stood aghast, and which was overwhelmingly defeated. In 1899 that party produced a modification of this bill,

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which was in turn defeated. In 1907 the same party presented a further modification, which was further modified in 1908, and still further modified in the bill before us. In none of these bills, however, is there any attempt toward redeeming platform pledges, toward restoring the American policy of discriminating duties. In every case, however, we have been asked to indorse an un-American and unrighteous policy of subsidy.

Our present condition is not due to any fault of our shipbuilders or shipowners, but results and remains as the fruitage of Republican policy grounded on the bed rock of the protective tariff. Nor am I alone in this conclusion and belief. Let me quote from a prominent Republican of this House.

The gentleman from New York [Mr. Fassett], in a very able and eloquent defense of the ship-subsidy bill pending in the Sixtieth Congress, used this language:

This industry of carrying goods upon the high seas is the one American industry that has been slaughtered on the altar of protection. * * * I agree with the gentleman from Missouri for once, that the protective tariff has slaughtered our American merchant deep-sea marine.

What does this confession involve? Many crimes have been charged to the protective tariff, but none so stupendous and far-reaching as this.

Let me give you the gentleman's own statement of the condition of our American merchant marine to-day, after nearly a half century of Republican administration and Republican tariffs:

We have some trade with the growing markets of the world, but our goods are carried by our trade rivals. This was not always so.

No, thank God; it was not so under Democratic administration. Again he says:

One hundred years ago there was engaged in deep-sea foreign trade under our flag a total of 981,019 tonnage more than we have to-day; one hundred years ago we carried in American ships 90 per cent. of our trade. In 1861, the highest point we ever reached in deep-sea tonnage, the total number of tons was 2,496,894, and we carried 65 per cent. of our own trade.

To-day, after fifty years of Republican administration—

He further adds:

in ships of all kinds—sailing vessels, steam vessels, and vessels of small size up to the largest size—all told, we have a tonnage of 940,068, and we are carrying less than 10 per cent. of our trade.

There are less than 7 first-class steamers on the Atlantic plying between our ports and the ports of Europe; there are no steamers plying between South American ports and our own ports under the American flag, save 4 on the Red D Line to ports in the Caribbean Sea. There are but 6 on the Pacific Ocean engaged in the business of this country; we are already almost eliminated from the ocean carrying trade.

And further on in the same speech he states the humiliating fact that—

We are paying \$210,000,000 a year for transportation and importation of our goods in foreign trade.

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Was ever a more humiliating confession made by a responsible member of any political party of the withering blight upon one of the great bulwarks of national strength and greatness than had been made by the gentleman from New York on behalf of the Republican party?

Contemplate it, ponder it, and reflect upon its deep significance!

One hundred years ago 981,019 tons in the foreign trade under the American flag! Now, after a lapse of one hundred years of phenomenal growth in other directions we have only 940,068 tons under the American flag in the foreign trade; then American ships carried 90 per cent. of our trade, now less than 10 per cent.

In 1861 our deep-sea tonnage was 2,496,894, and we carried 65 per cent. of our trade. Now, after nearly fifty years, our tonnage has shrunk to 940,068 tons, and we pay more than \$200,000,000 to foreign ships to carry our commerce.

A full statement of our merchant marine, as to its carriage of our exports and imports, from the foundation of the Government to more recent times, has been prepared by Mr. Bates, a former Commissioner of Navigation for the United States, together with the reasons for its decline, which will be found in the appendices annexed to my remarks.

CORRECTION OF A FEW WIDESPREAD ERRORS.

In view of the Frye-Hanna-Payne bill, which was contended for so vigorously by distinguished Republicans as good Republican doctrine, and which was a subsidy measure pure and simple, and in view of the widely disseminated Republican statements then and now that all great foreign governments subsidize their merchant marine, it may be well to quote from the last annual report of the Commissioner of Navigation, that for 1909, the report of the German foreign office, dated December 30, 1908, and sent to the embassy of the United States, the policy of Germany relative to subsidies. So much of error has been circulated by subsidy organizations throughout the country as to foreign policies that it becomes necessary to present authentic material from the highest official sources as corrective.

The German foreign office (p. 237) says:

The Imperial Government has always been guided by the governing idea that shipbuilding and shipping do not admit of being artificially called into being by the application of state funds nor of being fostered to a degree overreaching their natural conditions of existence and development.

As a result of this point of view, the Imperial Government, in spite of the legislation of other States and despite the dangers to which the German flag is sometimes exposed in consequence of the favoring of foreign competition, has never permitted itself to be persuaded to place official funds at the disposal of its own merchant marine for the purpose mentioned. In this respect it has found itself in accord with the leading shipping circles in Germany, which have built themselves up by their own efforts and have always declared themselves against the granting of state subsidies; their endeavors have been directed toward preserving the freedom and independence of their transactions, which must otherwise necessarily have been subjected to a restriction in some degree.

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Therefore shipbuilding and fitting-out bounties, voyage bounties (mile money), bounties accorded the merchant fleet for possible services in the interests of the navy, or bounties and subsidies of other kinds, have never been introduced into Germany.

Germany paid for ocean mail service in 1907 about \$2,301,029. It will be remembered that the very things which have never been introduced into Germany are the very things which Republicans in the Frye-Hanna-Payne bill sought to introduce into our laws, but which were denied admission by the overwhelming opposition of the country. It is true that the bill under consideration eliminates many of the objectionable features of the Frye bill, but it nevertheless remains that the subsidy idea dominates the mail-service idea, and its passage would be a step toward the ultimate introduction into our law of the monstrous provisions of the Frye bill.

GREAT BRITAIN.

So of Great Britain. In a report to the House of Commons in 1902 the committee on steamship subsidies said:

British policy has hitherto been to subsidize ships for postal or admiralty purposes only, and to exclude all considerations of trade interests.

THE FRENCH LAW.

France pays the largest subsidies in the world, despite the admitted fact that her trade has not advanced in anything like a corresponding proportion to the munificence of the subsidies; yet France does not owe her merchant marine to her subsidies.

The report of the committee on the French budget in 1899 answers the question, "Why should a Frenchman prefer to buy ships of an Englishman?" and incidentally discloses the policy of France which permits the purchase of foreign ships, their registration in France, and their right to participate in the half bounties for sailing service. The report says:

This preference (for foreign ships) has several causes. The English shipbuilder is able to obtain his iron, coal, machinery, and labor at a better price than ours. Besides, an English shipyard will deliver a vessel in nine months which would take twenty, and even thirty, months in a French shipyard. Cheapness and quick deliveries have decided our owners to buy their ships in foreign markets.

Subsidy advocates quote with approval the French policy of construction and sailing bounties as remedies for our vanished merchant marine, but they fail to note at any place the "free-ship" policy of France, the policy that has given that country her merchant marine; a policy that, if adopted by us, would be followed by like results. Not only may a Frenchman buy his ship in the cheapest market, but under the law he may have one-half the subsidy bounty paid to ships built in French shipyards.

In Holland the mail subsidies may only be paid to ships built in Dutch yards, but if the Dutch shipbuilder can not, or will not, build as cheaply as ships are built abroad, then the owner may

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buy abroad and still compete for the subsidy. See special consular reports, "Merchant marine in foreign countries," Volume XVIII, pages 79-97.

HOUSE BILL 16362—THE HUMPHREY BILL.

The bill provides that the Postmaster-General is authorized to pay for ocean mail service, under the act of March 3, 1891, in vessels of the second class, on routes 4,000 miles or more in length, outward voyage, to South America, to the Philippines, to Japan, to China, and to Australia, at a rate per mile not exceeding the rate applicable to vessels of the first class, as provided by said act, provided that the total expenditure for foreign mail service in any one year shall not exceed the estimated revenue therefrom for that service.

Section 3 of said act of March 3, 1891, provides that the vessels employed in the ocean mail service under said act shall be American-built steamships, owned and officered by American citizens, and upon each departure from the United States the following proportion of the crew shall be citizens of the United States, to-wit: During the first two years of the contract for carrying the mails, one-fourth thereof; during the next three succeeding years, one-third thereof; and during the remaining time of the continuance of such contract at least one-half thereof.

Under said act vessels are divided into four classes, but House bill 16362 applies only to vessels of the first and second classes.

Under said act vessels of the first class are described as iron or steel screw steamships capable of maintaining a speed of 20 knots an hour at sea in ordinary weather, and of a gross registered tonnage of not less than 8,000 tons, and vessels of the second class shall be iron or steel steamships capable of maintaining a speed of 16 knots an hour at sea in ordinary weather and a gross registered tonnage of not less than 5,000 tons.

Said section 3 further provides that it shall be stipulated in the contract for mail service that in addition to said mails the vessels may carry passengers with their baggage, as well as do all ordinary business done by steamships.

Section 5 of said act of March 3, 1891, further provides that the rate of compensation to be paid for ocean mail service of first-class ships shall not exceed \$4 per mile and for second-class ships \$2 per mile.

House bill 16362 authorizes the Postmaster-General to pay for ocean mail service in vessels of the second class the rate per mile applicable to vessels of the first class; that is, at a rate not exceeding \$4 per mile, or double the rate authorized under the act of March 3, 1891.

The last-named act further provides that said vessels shall take as cadets or apprentices an American-born boy under 21 years for each thousand tons gross register and one for each majority fraction thereof, who shall be educated in the duties of seamanship and receive reasonable pay for their services.

House bill 16362 amends said Section and relieves vessels subsidized thereunder from performing said service as part compensation for their mail pay, and provides that they shall be

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compensated for carrying said cadets or apprentices by payments out of the Treasury equal to 80 per cent. of the tonnage duties paid for each voyage.

It will be noted that substantially the only service to be rendered by subsidized vessels is the carrying of mails and a mail messenger, for which they will be entitled to the enormous compensation of \$4 per mile, or not less than \$16,000 for each outgoing voyage—without any reference to the quantity of mail matter carried. They will be entitled to the same compensation if they carry 1 letter, 1 post card, or 1 pound of other mail matter as they will be if they carry 1 ton of each.

To illustrate, for each outward voyage from New York to Buenos Ayers a subsidized vessel would be entitled to \$23,472, the distance being 5,858 miles; and for each outward voyage from San Francisco to Valparaiso, a distance of 5,410 miles, a subsidized vessel would be entitled to receive \$21,640, without reference to the quantity of mail matter carried; to Hongkong, a distance of 6,086 miles, \$24,344; to Sydney, Australia, a distance of 6,488 miles, \$25,952; to Yokohama, Japan, a distance of 4,564 miles, \$18,256; to Manila, a distance of 6,254 miles, \$25,016, making the total for an outgoing voyage to all points named of \$138,680, or for fortnightly trips \$3,328,200 per annum, which added to the subsidy now paid will make a grand total of \$4,455,560, and as there would be but \$3,486,086 profit in the ocean mail service, as estimated by the Postmaster-General, the expenditure would be \$969,469 in excess of said estimated profit.

For the same service by nonsubsidized American vessels we are now paying 80 cents per pound for letters and post cards and 8 cents per pound for other articles, while foreign vessels are paid 35 cents a pound for letters and post cards and 4½ cents a pound for other articles.

The bill H. R. 16362 has one very attractive and misleading provision, that the total expenditure for foreign mail service in one year shall not exceed the estimated revenue therefrom for that year.

You will note that the bill does not say that the expenditures for ocean mail service in any one year shall not exceed the revenues therefrom for that year, but the estimated revenues.

How that revenue is to be estimated we are not told. Indeed, the law provides that the Postmaster-General shall enter into ocean mail contracts, if at all, for not less than five nor more than ten years.

How is he to ascertain what the profits of the service will be for the five-year period for which he lets the contract; and if he once enters into the contract, who will say that he will not be bound to pay the contract price without regard as to whether the service yields a profit to the Government or not, unless we assume that the vessel owner would be stupid enough to enter into a contract to perform the service, and make his compensation depend upon that contingency?

Therefore it behooves us to face the proposition squarely. It is the purpose of the bill to give the Postmaster-General power to enter into ocean mail contracts for periods of not less than

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five years, regardless of the profits of the service. He shall make an estimate, that is all. It may be correct or incorrect, no matter, when the contract is once let we must pay. His estimate then may be as erroneous as his present estimate.

He estimates the surplus now at \$2,358,840.48 a year, but in making this estimate he wholly ignores the cost of handling and transporting on land, which is a very material part of the cost. In estimating the service as a basis for ocean mail contracts he may be equally as reckless.

Of course, the profit of \$2,358,840 from the foreign mail service was not derived from the subsidized vessels, as the Postmaster-General would have us infer, and as subsidy papers throughout the country have inferred. It consisted to its largest extent of postage received from all foreign mail in excess of its cost of transmission. The payments to the subsidized lines had no relation to the postage from mails carried by them, and greatly exceeded the revenues derived from that restricted service. For our trans-Atlantic service in 1908 we paid \$1,555,050, of which the subsidized lines received \$737,016. The entire trans-Atlantic mail weight was about 9,600,000 pounds, of which the subsidized lines carried about 2,400,000 pounds. The subsidized lines carried one-fourth of the weight and took one-half the pay.

The profit is therefore earned by the nonsubsidized lines. Neither is it true that the \$2,358,840 is real profit. The deficit in the Post-Office Department last year was about \$17,000,000, and if this \$2,358,840 is used to pay subsidies the deficit will swell to nearly \$20,000,000, to be provided for by additional taxation.

Sections 2 and 3 of said bill (H. R. 16362) are well enough if the bill is enacted into law, as they provide that no part of the subsidy shall be paid to steamships owned or controlled by railroad companies, or to which railroad companies shall extend special privileges, and that subsidized steamships, under contract, shall not be sold without the consent of the Secretary of the Navy.

Section 4 provides for increased tonnage taxes. It is a matter of the most serious consideration whether or not this provision will divert shipping from our North Atlantic ports to Canadian ports and from our North Pacific ports to British Columbian ports.

Section 5 of the bill makes an allowance equivalent to 80 per cent. of the tonnage duties paid by a vessel of the United States in respect of the entry in the United States of that vessel from a foreign voyage on proof that it has in such foreign voyage carried boys trained in seamanship, in proportion of one for each such vessel, and, in addition, one for each 1,000 tons of her net registered tonnage. Under the act of March 3, 1891, this duty of taking cadets or apprentices was required to be performed as part of the service to be rendered for the subsidy paid, but the Humphrey bill graciously relieves subsidized vessels of this service and compensates them therefor by remitting 80 per cent. of the tonnage taxes paid. At the same time the Humphrey bill increases the subsidy from two to four dollars a mile on 16-knot ships.

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Section 6 is the free-ship section, and I regret to say is the only section in the bill that appeals to me. But, as stated in the views of the majority, "the free-ship section is so hedged about with restrictions that little if any good would be accomplished by it." The value that the majority of the committee place on it may be judged by the following language in their report:

It is not believed that there will be a large demand for American register for foreign-built steamers under this provision.

Section 6, in all probability, will not add one single steamship to the fleet under the American flag engaged in the transoceanic commerce, upon either the Atlantic or Pacific. And, notwithstanding this frank admission, the majority report has the assurance to say to those who are opposed to subsidies that—

this carefully guarded free-ship section will afford a test of the sincerity of those people in this country who have protested that they would support a measure for the upbuilding of the merchant marine, if some concession of a free-ship policy were associated with it.

It will be interesting to note how many will take this sugar-coated pill. In substance, H. R. 16362 is the same bill that was defeated in the second session of the Sixtieth Congress, with a free-ship veneer, to hide its ugliness. No one opposed to subsidies will be fooled or deceived by it.

The bill is regarded with much pride by its sponsors. They call it a new Declaration of Independence, and assure us that it will smash the impudent European ship trusts, but graciously omit to mention the Morgan shipping trust. To do so might offend the sensibilities of certain distinguished American owners of ships now under foreign flags, upon whom the Republican party will lean heavily for support and for campaign contributions in the coming congressional elections.

But other extravagant claims are made for this subsidy bill. It is claimed that it will add 20 to 40 American-built steamships of a tonnage of from 6,000 to 20,000, and of a speed of from 16 to 20 knots, that would serve as cruisers, transports, and supply ships in time of war, and the report makes the astounding statement, that "in the Pacific, as on the Atlantic, the new ocean mail routes would not benefit a single vessel now running" In complete refutation of that statement, both as to the new ships that would be built and the ships that would be available for the service, I shall here insert a table furnished by the Commissioner of Navigation.

*List of steamship companies as given by the Commissioner of Navigation
March 9, 1910.*

AMERICAN LINE.

Name of vessels.	Speed.	Gross tonnage.	Year built.
Philadelphia	20	10,786	1889
New York.....	20	10,798	1888
St. Louis.....	20	11,629	1895
St. Paul.....	20	11,629	1895

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NEW YORK AND CUBA MAIL STEAMSHIP COMPANY.

Name of vessels.	Speed.	Gross tonnage.	Year built.
Havana	18	6,391	1907
Morro Castle.....	18	6,004	1900
Saratoga	18	6,391	1907
Merida	17	6,207	1906
Mexico	17	6,207	1906

PACIFIC MAIL STEAMSHIP COMPANY.

Siberia	18	11,284	1901
Korea	18	11,276	1901
China	17	5,060	1889
Manchuria	16	13,639	1904
Mongolia	16	13,639	1904

OCEANIC STEAMSHIP COMPANY (SPRECKELS).

Sierra	17	5,989	1900
Sonoma	17	6,253	1900
Ventura	17	6,253	1900

MALLORY STEAMSHIP COMPANY.

Brazos	16½	6,223	1907
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SOUTHERN PACIFIC COMPANY.

Antilles	16	6,878	1907
Creole	16	6,387	1907

PACIFIC COAST STEAMSHIP COMPANY.

Governor	16	5,250	1907
President	16	5,218	1906

In my opinion, if this bill is enacted into law, it will add few, if any, ships to our merchant marine. On the other hand, the enormous bounties or subsidies it authorizes to be paid will go to ships already built—like the New York and Cuba Mail on the Atlantic, and the Pacific Mail, Oceanic, Southern Pacific, and Pacific Coast steamship companies on the Pacific.

Is not the miserable showing made in ships built under the ocean mail act of March 3, 1891, enough to convince us of the ineffectiveness of this measure to restore our merchant marine?

THE MINORITY SUBSTITUTE.

The majority of the committee have framed a substitute for the pending measure.

Section 1 of the substitute provides for a discriminating duty of 5 per cent. of all customs duties on goods, wares, and merchandise imported into the United States in vessels of the United States owned and controlled by citizens of the United States and, in connection with section 2, provides for the abrogation of treaties or commercial agreements with foreign countries in conflict with said section 1. In brief, we apply the principle of discriminating duties, under which our American merchant marine was built up, and under which 92 per cent. of our commerce was carried in American ships under the American flag in 1826.

It would seem that this provision for discriminating duties should appeal strongly to our Republican brethren, in view of their declaration for discriminating duties in their platform of 1896. But in the light of subsequent history we have good reason to question the good faith of the declaration, as every bill reported since that time by the Republican majority in Congress

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has been for ship subsidies. It might be well here to remind some of my Democratic brethren that the policy of discriminating duties had the approval of Jefferson and Madison and other illustrious Democratic statesmen.

Section 3 of the minority substitute provides for free ships in the foreign trade, while section 4 provides that all material of foreign production that may be used in the construction or repair of vessels built in the United States and employed in the domestic as well as in the foreign trade, and all material necessary for the building or repair of their machinery and for their equipment may be imported free of duty into the United States.

These, in brief, are the features of the minority substitute.

That ships may be built in the American shipyards as cheaply as in the foreign, with the cooperation of the steel trust, is proven by the contract recently let to the Fore River Company to build two battle ships for Argentina. Mr. Schwab, of the steel trust, was one of the active agents in securing that contract. May we not reasonably expect that, if this Congress declares in favor of free ships and free ship material, the steel trust will make concessions to our American shipyards that will enable them to build ships as cheaply as they can be purchased abroad, and relieve this great industry from the handicap under which it is now laboring, and will not the 5 per cent. discriminating duties provided for in the minority substitute compensate for the difference in cost of operating ships under the American and foreign flag? If not, it can be increased to 10 per cent.

Why not enact this substitute into law? If it does no good, it can not possibly do any harm. It can not hurt the American shipbuilding industry if American citizens should have the privilege of buying foreign ships and placing them under the American flag to use in the foreign trade, for our shipyards are not now building any ships for the foreign trade, but the repairs on these ships that would be overhauled in American shipyards would be of great profit to them.

On the other hand, if the effect will be, as the minority members of the committee confidently believe, to free American commerce and American shipbuilding from the monopolies and trusts built up and fostered by the protective tariff, who will have the boldness to say that that is not a consummation devoutly to be wished and prayed for?

If, as the distinguished Member from New York said, the protective tariff destroyed our American merchant marine, why not apply the obvious remedy and restore it?

WHAT HAVE SUBSIDIES DONE FOR OUR TRADE.

In order to clearly outline our foreign trade and to show how and where that trade has increased, I have prepared two tables, which I will not read, but ask to be printed as a part of my remarks.

It will be seen from these tables that our exports to Great Britain, with which we have the most heavily subsidized mail line, have increased but 25 per cent., while our exports to other countries in Europe, with which we have no subsidized line or lines, have increased 55 to 1,900 per cent.

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We have no line to Canada, where our export trade has increased 181 per cent., while we have three or four subsidized lines, and have had them for fifteen years or more, to all the other North American countries, bringing increases from 36 to 150 per cent. and a loss in two.

We have a subsidized line to Venezuela and Colombia, in both of which we have lost trade. We have no subsidized lines to other South American countries and have gained from 29 to 600 per cent.

We have gained more from Asia, where no subsidy has been paid for years, than from Australia, where a subsidy was paid for many years.

In imports we have lost ground in Venezuela, to which a subsidized line has gone for years, and gained immensely in all other South American countries, save Uruguay, to which no subsidized lines go.

We have gained more from the continent of Europe—a non-subsidized region—than from Great Britain, to which about \$800,000 per annum has been given for eighteen years as a mail subsidy. We have made extensive commercial gains all over the world, being greater in almost every case with nonsubsidized mail-line countries. Mail subsidy as a trade builder has been given a fair trial and has failed.

WHAT WE HAVE EXPENDED.

Twenty years will soon have elapsed since we began the policy of subsidizing for ocean mail service, during which we have had from six to eight contracts with steamship companies, at an average cost of about \$1,300,000 per annum. During the period 1901-1908, both inclusive, we paid out \$11,463,179, or an average of \$1,432,879 per annum. During the twenty-year period, at the very lowest estimate, we have paid out \$25,000,000, or enough to have built 50 ships of 5,000 tons and a speed of 16 knots per hour.

SUBSIDIES WILL NOT CREATE A MERCHANT MARINE.

We have paid out \$25,000,000 already and have not revived our American merchant marine. The present bill is an acknowledgement that mail subsidies have been failures as far as builders of a merchant marine.

Mr. Outerbridge, of the New York Chamber of Commerce, which voted down all forms of subsidy on December 17, 1909, said:

We are now paying the International American Marine Company (the Morgan Line) about \$739,000 a year for maintaining its weekly mail service with two American-built—the *St. Louis* and the *St. Paul*—and two English-built ships admitted to American registry without payment of duty—the *Paris* and the *New York*—* * * and there has certainly not been evidenced any desire or proposition to build additional ships. In proportion to their cost, speed, and quality, compared with the Cunard boats, the results of this payment—\$750,000 a year for ten or twelve years—would seem to be conclusive evidence that liberal mail subsidies will not improve our conditions in providing a mercantile marine.

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Robert Dollar, a great shipowner on the Pacific coast, says of this, the Humphrey bill, "Shipping men generally look on it as a joke."

In 1891 we carried in American bottoms 12.5 per cent of our foreign trade; in 1909, after nineteen years of mail-subsidy payments, we carried 9.8 per cent of that trade.

It is therefore evident that liberal mail subsidies not only do not increase our trade, but do not build an American merchant marine.

I shall here insert a table prepared for me by Mr. Chamberlain, Commissioner of Navigation of the Department of Commerce and Labor, of date April 2, 1910, showing the steamships built under the ocean mail act of March 3, 1891. Could there be more convincing proof that subsidies will not build a merchant marine?

Steamships built under the ocean mail act of March 3, 1891.

Name.	Year built.	Gross tonnage.	Speed.	Owner.
			<i>Knots.</i>	
St. Louis.....	1895	11,629	20	Inter. Mer. Marine Co.
St. Paul.....	1895	11,629	20	Do.
Admiral Dewey....	1898	2,104	15	Amer. Mail Steamship Co.
Admiral Farragut...	1898	2,104	15	Do.
Admiral Schley....	1898	2,104	15	Do.
Admiral Sampson...	1898	2,262	15	Alaska Pac. Steamship Co.
Maracaibo	1899	1,771	12	Red "D" (Boulton, Bliss & Dallett).
Zulia	1901	1,713	12	Do.
Sonoma	1900	6,253	17	Oceanic Steamship Co.
Ventura	1900	6,253	17	Do.
Sierra	1900	5,989	17	Do.
Morro Castle.....	1900	6,004	18	New York and Cuba Mail.
Esperanza	1901	4,702	16	Do.
Monterey	1901	4,702	16	Do.
Merida	1906	6,207	17	Do.
Mexico	1906	6,207	17	Do.
Havana	1907	6,391	18	Do.
Saratoga	1907	6,391	18	Do.
Colon	1899	5,667	17	Isthmian Canal Comm'n.
Panama	1898	5,667	17	Do.
Total.....		105,749		

DEPARTMENT OF COMMERCE AND LABOR.

BUREAU OF NAVIGATION,

Washington, April 2, 1910.

Dear Judge Alexander—Complying with your verbal request of a few days ago, I take pleasure in inclosing herewith a statement of steamships built under the ocean mail act of March 3, 1891.

If at any time I can serve you, please command me.

Respectfully,

E. T. CHAMBERLAIN,
Commissioner.

Hon. J. W. ALEXANDER,
House of Representatives.

BUT WE DO NOT SUBSIDIZE ENOUGH, THEY SAY.

I am confident that the answer to this will be that we have not paid enough. This demands consideration.

According to the report of the British postmaster-general, dated September 8, 1908, and printed in the Report of the Com-

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missioner of Navigation for the United States for 1909, page 111, Great Britain paid the Cunard Line £151,210, or \$733,860, for weekly service between Liverpool and New York. For the same service we paid the Morgan Line for a much slower service \$737,016. In an exhibit which I shall file with my remarks it will appear that the entire mail-subsidy payment of Great Britain in 1907 for a service that belts the globe was but \$1,525,040. In the same year we paid for a most limited service \$1,332,364.

In 1908 England, under 25 contracts with vessels going everywhere on the globe, paid \$2,340,930, while we, under 8 contracts with vessels going principally to England, Cuba, Mexico, Central America, and Venezuela, paid \$1,132,364. So that it is clear that we are paying more than Great Britain for ocean mail service.

In 1908 Great Britain paid £8,900, or \$45,254, to vessels carrying mail to Brazil and the River Plata, while the present bill, at \$4 per mile to Rio Janeiro, 4,778 miles, fortnightly, would take from the Treasury \$496,912, or eleven times as much. Great Britain in 1908 paid £203,640, or \$989,690, to mail vessels bound for Brindisi, Bombay, Shanghai, and Adelaide, while for the same service, at \$4 per mile, we would pay \$1,364,272. For us it would require a service of 6,954 miles to Australia and 6,160 miles to Canton.

The following are French mail rates:

	Per marine league.
Mediterranean service.....	\$2.51
Indo-Chinese service.....	5.98
Australian service.....	5.98
African West Coast service.....	3.86
New York service.....	11.66

There are 6,075 feet in a marine mile and 3 miles in a league.

HOLLAND.

Holland pays the Royal West India Mail \$560 per outward voyage from Amsterdam to Parimaribo and Curacao in South America. At \$2 per mile, the present rate, we may pay \$4,400 to Demerara, 2,200 miles, and the proposed rate, \$4, would authorize \$8,800 per voyage. Between Amsterdam and Batavia, East Indies, Holland pays \$960 per outward voyage. Under our present law an outward voyage to Batavia from San Francisco would cost at least \$12,000, and under the proposed bill it would run to \$24,000 per voyage.

Canada pays \$126,000 per annum for a weekly service to England, for which we pay \$737,000.

SUBSIDIES TO CUBA AND SOUTH AMERICA.

We are paying \$65,000 per annum for mail service to La Guirara, and \$45,800 for service to Maracaibo, and have lost trade with the countries in which they are located. Why pay two subsidies to these terminals so near together? We are paying \$72,000 a year for ocean mail service from New York to Cuba. Can this be justified? We are paying \$132,000 for ocean mail service from New York to Tuxpam and \$126,000

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for service from New York and Philadelphia to Port Antonio. In all, for ocean service around the Gulf of Mexico, we are paying \$440,000, an amount not justified under the conditions which prevail.

HOW TO RESTORE OUR MERCHANT MARINE THE GREAT QUESTION.

The question of how to restore the prestige of our American merchant marine has been the theme of vital interest to statesmen for a generation past, and we seemingly are no nearer a solution of the question now than we were thirty or forty years ago.

Time and again both the great political parties have declared in favor of it in their national platforms and much space has been given to its discussion in the newspapers and magazines. Many able speeches have been delivered on the subject in the Senate and House of Representatives of the United States. The subject has been treated from every point of view, but more often academically.

The last utterances by the great political parties on the subject were in 1908. The plank in the Democratic national platform is as follows:

We denounce the ship-subsidy bill recently passed by the United States Senate as an iniquitous appropriation of public funds for private purposes and a wasteful, illogical, and useless attempt to overcome by subsidy the obstructions raised by Republican legislation to the growth and development of American commerce on the sea. We favor the upbuilding of a merchant marine without new and additional burdens upon the people and without bounties from the Public Treasury.

The plank in the Republican national platform of 1908 is as follows:

We adhere to the Republican doctrine of encouragement to American shipping and urge such legislation as will advance the merchant marine prestige of the country, so essential to the national defense, the enlargement of avenues of trade, and the industrial prosperity of our own people.

The Republican platform contains the luminous statement "we adhere to the Republican doctrine of encouragement to American shipping," but left the industry in the dark as to the form of that encouragement. In 1896, as I have shown, it declared in favor of discriminating duties. If the declaration had been entirely frank, it would have been in favor of ship subsidy or bounty out of the National Treasury, as all the legislation proposed by the Republican party has been that sort, and the pending measure, the Humphrey bill, is a fair sample of the rest, with this difference, it contains a free-ship provision, but the majority report filed with the bill has the frankness to state:

It is not believed that there will be a large demand for American registry of foreign-built steamers under this provision.

The President is more frank than the Republican platform. His utterance was after the election, the platform declaration before. In his message of December 7, 1909, he said:

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I earnestly commend to Congress the consideration and passage of a ship-subsidy bill.

THIS BILL IS A SUBSIDY.

In the discussion of this question, it is too much to indulge the hope that those favoring the Humphrey bill will not obscure the issue and undertake to deceive the people by using the terms "and mail pay" as applied to that measure. It is a subsidy bill pure and simple. The purpose is to take many millions of dollars out of the National Treasury and put them in the pockets of shipowners, to foster private enterprise that otherwise can not be conducted save at a loss under existing handicaps, the tariff being the greatest.

There is no disagreement between the majority and minority parties in the House that the restoration of our merchant marine is desirable, and that the question how best to do so shall be solved without unnecessary delay. I accord to my political opponents on the Committee on Merchant Marine the same sincere and patriotic motives in the consideration of this question and in the legislation proposed as prompt the minority. While we differ radically as to the means to be employed, we have the same object in view. The prestige of our Nation, the extension of our foreign commerce and provision for adequate auxiliary cruisers, transports, supply ships, and colliers for our navy in time of war, the glory of our flag, all demand that something shall be done, and that speedily. As great as is the demand, as desirable as is the consummation of this great purpose, we had better fail of its accomplishment, however, than to fasten new burdens on our National Treasury, as I have tried to show, when there is absolutely no reasonable promise of securing that result by enormous and useless expenditure of the people's money. I want the American people to understand what is proposed here by the majority, and when understood, I have faith that it will be condemned, not by special interests, not by those who profit by the Nation's bounty, but by the toiling masses of the American people, who must shoulder this additional burden.

TONICS WILL NOT CREATE A MERCHANT MARINE.

At this point it may be well to call attention to a significant statement of Capt. A. T. Mahan, United States Navy, the most eminent naval writer of our time, in his work entitled "Influence of Sea Power upon History." Speaking of our naval power, he says:

Can this navy be had without resorting to merchant shipping? It is doubtful. History has proved that such a purely military sea power can be built up by a despot, as was done by Louis XIV, but though so fair-seeming, experience showed that his navy was like a growth which, having no root, soon withers away.

But in a representative government any military expenditure must have a strongly represented interest behind it, convinced of its necessity. How such shipping should be built up, whether by subsidies or free trade, by constant administration of tonics, or by free movement in the open air, is not a military but an economic question.

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And the question is thus put up to us, as the representatives of the American people, to solve.

It is for us to determine "whether by subsidies or constant administration of tonics, or free trade, or by free movement in the open air" we will restore the American merchant marine. For my part I shall choose the latter policy. We have been applying tonics since 1891. More than \$25,000,000 have been expended by our Government in the way of tonics, and the result, so far as building up our merchant marine, has been negligible. I am in favor of free ships and discriminating duties. I would let in free of duty all the material used in ship construction and equipment of American ships, whether used in the foreign or coastwise trade. As between the American people and the steel trust, I take my stand with the people.

NO MORE PRIVILEGES FOR THE STEEL TRUST.

We must choose between a policy of ship subsidy in order that the steel trust and other trusts that control our shipbuilding industry may further enrich themselves at the expense of the shipbuilder and the shipowner, the navy, and the taxpayers of this Nation. I regard it to be my patriotic duty to adopt that policy which gives promise of relief from this iniquitous thralldom. I have no feeling of hostility toward any American industry. I want them all to flourish and prosper. I would have them earn generous dividends on their investment, but no more. In turn, I want them to show some regard for the general welfare. And when their greed becomes so inordinate that they will thwart all efforts to build up another great industry so necessary to our commercial prosperity as the restoration of our merchant marine, we should, so far as we may lawfully do so, loosen their hold on the throat of the Nation. What justification is there for the trusts to sell ship material to foreign shipbuilders cheaper than to our own shipyards? Why be so zealous to protect the steel trust when that industry is so unmindful of our shipbuilding industry? Will we ever wake up to the situation? What further need is there to protect the steel trust by high protective tariff duties? Did not Mr. Schwab and Mr. Carnegie testify before the House Committee on Ways and Means when the Payne-Aldrich tariff bill was under consideration that the steel trust needs no further protection? And did not witnesses testify before the Merchant Marine Commission in 1905 that the trust sold steel plates from \$8 to \$10 a ton cheaper to foreign shipbuilders than to our own? Why should prices on ship plates regularly advance in the United States while regularly declining in Great Britain? Trust prices on ship plate here have advanced from \$28 a ton in 1900 to \$37 a ton in 1908, while free prices in England have declined from \$34 in 1900 to \$30.27 in 1908.

Edward I. Cramp, of the Cramp Shipbuilding Company, testified before the Merchant Marine Commission in May, 1904, that foreign shipbuilders were then paying about \$25 per ton for materials that cost the American shipbuilder \$40 per ton, a handicap against him of \$15 per ton.

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Mr. James C. Wallace, of the American Shipbuilding Company, told the commission at Cleveland, Ohio, June 28, 1904, that the United States Steel corporation was selling great quantities of shipbuilding material to foreign shipbuilders, delivered at Belfast at \$24 per ton, while the price charged at its Pittsburg mills was \$32 per ton. Deducting \$2 for ocean transportation and \$1.40 for freight from Pittsburg to tide water, the steel trust is selling steel to foreigners at \$20.60 per ton, the same steel that it sells to Americans at \$32 a ton.

Mr. Wallace estimated that an 8,000-ton ship would require about 3,500 tons of steel materials, and that the discrimination of \$8 per ton would make a difference of \$28,000 in the cost of the construction of the ship here and abroad.

Mr. George Wallace, superintendent of the Union Iron Works, the largest shipbuilding plant on the Pacific coast, stated to the commission at San Francisco that he was in a Scottish shipyard in 1900, where they were building a vessel almost exactly like one he was building in his yards, and he saw there materials unloaded from a ship from New York, furnished by Carnegie & Co. at about \$13 a ton less than he was paying for the same materials.

It is only fair to state that the Payne-Aldrich tariff law has made an important concession in favor of our domestic shipbuilders. It gives free material for ships for foreign ownership, or American ownership and to be used in the foreign trade; why not give the domestic shipbuilder free material for American ships, whether used in the foreign or domestic trade, as proposed by the minority substitute? Why further handicap this great and important industry?

OUR MILE MAIL SUBSIDIES NEARLY THE HIGHEST IN THE WORLD.

The New York Times in an editorial entitled "Buying foreign trade," uses the following convincing argument against the plea for subsidies:

The main argument that we must subsidize shipbuilders to get foreign trade is the fruit of topsy-turvy reasoning. We might get ships if we had trade; we can not get and keep a big merchant marine if we haven't enough trade to employ it profitably.

Our friends, the advocates of subsidies, cite the example of other nations. Let us see. Great Britain pays for mail carrying and admiralty subvention—that is, for the right to take ships—some \$7,000,000 a year. She has a mercantile marine of about 18,000,000 tons, so that she pays less than 40 cents per ton.

We have a foreign mercantile marine of 930,000 tons, and pay, according to Mr. Dickle, of the Council of the Society of Naval Architects, about \$1,500,000, or a little over \$1.50 a ton.

Again, Germany has a mercantile marine of a little less than 4,000,000 tons, and pays \$3,000,000 a year, or 75 cents per ton, one-half of our rate.

Evidently it is not the German rates that do the trick. And then comes France, with the most reckless of all subsidy payments, and squanders \$9,500,000 a year on a marine of 1,751,000 tons, or more than \$5 per ton.

So we have two great prosperous and growing merchant marines with average rates of government payments far lower than ours, and one feeble marine with a rate of payment more than three times that of our own.

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The examples of other nations do not on these figures encourage us to throw our money away on subsidies. It does no better if we examine the records of progress. Great Britain, with nominal payments, has doubled its marine in a quarter of a century. Germany, with less than twice the rate of payments, has a little more than tripled hers. France, with a rate of payment twelvefold that of Great Britain, has not quite doubled hers. That of the United States has fallen off by about one-third.

THE EXAMPLE OF OTHER NATIONS.

It is common for those who advocate subsidies to point to the example of other marine nations, Japan and Germany being cited as conspicuous examples. We have already looked into the policy of Germany.

It may serve a useful purpose to look into the Japanese law of subsidies for transoceanic steamship lines. The subsidized lines are subject to many burdens or exactions. The following are some of them:

Passenger fares and freight charges are determined subject to the approval of the minister of state, and he may specify the kinds of passengers and cargo for which the charges are to be reduced. Vessels employed for subsidized navigation shall carry free of charge mail matter and articles for use in mail service, and shall make arrangements with reference to wireless telegraphy, and carry free of charge officers on communication business or inspection of steamship lines.

They are required to employ and keep on board at their own cost four to six students of navigation, according to the tonnage of the vessel.

The law provides that those who engage in subsidized navigation shall make statements of profit and loss, and the minister of state may cause officials to inspect their accounts and all matters relating to their business, and for that purpose require them to submit their books and other documents for inspection, and subsidized ships may be appropriated or employed for public purposes, at a compensation to be fixed by the minister of state.

Despite all this, the Japanese policy is not satisfactory to the Japanese. In the December, 1909, Monthly Consular and Trade Reports Vice-Consul Fuller says:

For the last ten years Japan has been spending large sums of money in the encouragement of her mercantile marine, and some doubt is being expressed as to the practical value to Japan of this policy and the results shown by the operation of the subsidized lines.

LACK OF SUBSIDY NO CAUSE FOR LACK OF TRADE.

It is by no means true that an insufficiency of subsidy or mail pay is responsible for our small trade in various parts of the world. In the American Review of Reviews for February, 1910, is a long article reviewing the article of William R. Shepherd in the Political Science Quarterly, which shows that other reasons are in the way—reasons that will destroy new trade no matter how great the subsidy. These reasons are, in short:

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1. In difference to the language, customs, needs, and economic conditions of the countries with which trade is sought.
2. Holding themselves superior in civilization to their customers and vaunting their superiority.
3. That the American way of doing business is the best in the world.
4. That American goods are the best in the world.

Our consular reports teem with reasons why we fail to reach customers in certain countries, and I have compiled several of these in a list, which, with the articles from the Review of Reviews, I shall attach to my remarks as appendices.

I adduce one set as given by Counsel Gracey, of China, in June, 1908:

1. American prices are too high.
2. System of discounts not clear.
3. Rely too much on catalogues printed in English.
4. No drummers are sent.
5. Goods not made to suit local wants.
6. Too long to deliver.
7. System of credits not favorable.
8. Bad packing.

In the great multiplicity of real reasons it is unreasonable to pick out the least logical reason and make it the basis for legislation. We have gained an enormous trade in other countries with a better system of trade rules, and can have it wherever we desire by going after it in the right way.

FALSE ASSUMPTIONS.

Newspaper articles are numerous just now of actions by boards of trade demanding the passage of the Humphrey bill. A careful reading of these articles will convince any careful man that these associations have been misled as to the exact import of the Humphrey bill. In nearly every case the idea predominates that a mail subsidy is a cargo subsidy; that a payment for carrying the mails will enure to small vessels that carry cargoes. Nothing is further from the truth.

The Commissioner of Navigation in a letter dated March 9, 1910, directed to me, gives 22 vessels of over 5,000 tons and 16 knots now under American registry—the only steamships likely to be affected by this legislation. I shall append this list as an exhibit to my remarks.

Of the ships launched in British shipyards in 1907, being 886 in all, 825 were under 5,000 tons burden and 59 over 5,000 tons. In a list already referred to in these remarks, it has been shown that in a total of 14,626 merchant vessels in the British service, less than 300 are subsidized in any way—or less than 5 per cent.

FREE MANNING.

The fact that we have lately secured the contract for building war ships for Argentina proves that American shipyards can build war ships as cheap as any country. Admiral Bowles shouted this truth to his hearers in Massachusetts when he exultantly announced his success. If we can build war ships

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as cheap as others, why can we not build merchant vessels as cheaply, if we can have the cooperation of the steel trust as did the Fore River Company in bidding for the battle ships for Argentina.

THE FOREIGNER IN AMERICA.

The *Finland* and *Kroonland* were transferred to a foreign flag to evade our navigation laws, which interfere at every point with private management and direction by shipowners. Our ships to fly the American flag and receive the subsidy must be American manned, if the law is enforced. Does the Aldrich-Payne bill limit its privileges to manufacturers who employ American labor? Are the employers on land, in order to have high-tariff rates, required to man their shops with American labor? Nay, verily. Cheap foreign labor under high Republican tariffs competes by invitation with American-born citizens in every factory and shop on the shore. Why lay the heavy hand of inhibition on the shipowner on the high seas trying to carry the American flag to every foreign port by requiring his ship to be American manned, and permit every landlubber to hire all the foreigners he needs?

Nor is it always true that foreign seamen receive less than ours. The President of the Seamen's Union of America testified before the Committee on Merchant Marine and Fisheries on February 24, 1910, that there was absolutely no difference between the wages paid seamen on American Vessels and wages paid seamen on foreign vessels. But admitting a difference, why should American shipowners be debarred from the privilege accorded manufacturers on land—that of choosing his own workmen irrespective of their nationality.

Mr. Hardy—Was it not shown in the hearings before the Merchant Marine Committee that our coastwise and lake shipowners employ a large per cent. of foreign labor notwithstanding they are given an absolute monopoly of that trade?

Mr. Alexander of Missouri—Yes; it was. In 1900 there were, according to the census, 10,356,644 foreign born population in the United States. Since then we have admitted 7,703,816 foreigners, making a total to-day of 18,060,460 foreigners in a total population of 86,000,000.

WHAT FOREIGNERS MAY DO ON LAND.

No restrictions are thrown round the legally admitted emigrant; he seeks and may obtain employment where he will; he may underbid the native worker, and does underbid him; factories use him to break the strikes of native labor and to keep the normal wages as low as possible; he is not required to naturalize himself and fly the American flag over his head in order to compete with American-born citizens; he is entitled to a "square deal" and a "fair show" whenever and wherever trusts and protected interests need his services to batter down the higher wages demanded by Americans who live in greater comfort than any workman in the world.

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If trusts and monopolies may use foreign labor almost unrestrictedly to enlarge their profits, why should not American shipowners have the same privilege—in a higher purpose—the making of a greater American merchant marine.

In 1900 there were 21,329,819 males of voting age in the United States, of whom 5,102,534 were foreign born, or nearly 25 per cent. According to Gen. Francis A. Walker these have—amounted not to a reenforcement of our population, but to replacement of native by foreign stock. That if the foreigners had not come, the native element would long since have filled the places the foreigners usurped. (Discussions in Economics and Statistics, vol. 2, p. 422.)

If we are so tenderly respectful of the principle of foreign competition in industrial matters at home—where the interests of 29,000,000 workers are affected—why be so harsh when the manning of ships is concerned, an industry employing less than 100,000 souls and to which an American will not go unless shanghaied.

American labor is hurt by foreigners in the home field; but why pursue a less liberal policy when we are trying to restore our merchant marine? Get the ships first. Build an American marine, and the labor question will adjust itself to reasonable conditions, out of which will grow American manning when a seafaring life becomes more attractive to Americans.

In 1900 we had 1,086,439 foreign whites who could neither read nor write competing with natives for jobs and lowering the American wage scale. We had 623,298 souls who could speak no English, all free to place themselves anywhere they could at wages to be determined by tariff-protected operators of mills and factories.

In 1900 there were 26,198,939 persons having one or both parents born abroad, of which 21,074,679 had both father and mother of foreign birth.

Of the 5,102,534 foreign-born voting population of 1900 over 12 per cent. were illiterate. These illiterates can work under the American flag on land, but not at sea, under the Humphrey bill.

AMERICAN EMPLOYEES ON LAND HAVE THE RIGHT TO EMPLOY WHOM
THEY PLEASE, AND DO SO.

Why should shipowners be subject to another rule?

There is no reason for the free entry of foreign workmen into the country to be freely employed by all employers under the flag which does not apply with equal force to labor employers on the sea. Not only is this so, but it might with propriety be argued that a greater latitude should be permitted shipowners than other labor employers on the land. Shipowners must compete on the sea with all character of ships and all character of manning. The greater the freedom the more certain the result. The freedom on shore is absolute to every employer; let the same freedom extend to the sea.

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FOREIGN LABOR LEAVES ITS NATIVE LAND—

1. From primary necessity.
2. To escape military service and other burdens.
3. To become self-supporting.

It seeks employment on its own terms, and few restrictions are placed in its way on land to retard its chance or to make unfair its deal. The same reasons impel labor to seek employment on ships, and it should have the same opportunity there as is given it on land. It is poorly paid labor, but not pauper labor. It is an insult to labor to call the low-priced part pauper labor. The great work of the world in its entirety is made possible from the fact that the average price of all labor is less than \$1.50 a day. The number of employees engaged in manufacturing in the United States in 1905 was 5,470,000, and the total wages paid \$2,611,540,000, or \$477 a year. Allowing three hundred and thirteen days to the year, this would be \$1.52 a day; taking three hundred and sixty-five days, the rate is \$1.30 a day.

I have presented these figures to show that foreign labor is coming in sharp competition with American labor in our protected industries, and yet it is claimed with much force and eloquence by subsidy advocates that the law of March 3, 1891, and the Humphrey bill require American subsidized ships to be manned in large part by American citizens, receiving American wages, and hence the need for subsidies to enable them to compete with foreign ships; also that American ships receiving subsidy will be required to carry a certain number of naval apprentices, or cadets, according to the tonnage of the vessel.

While the law of March 3, 1891, does provide that vessels employed in the mail service under said act shall be officered by American citizens, and upon each departure from the United States the following proportion of the crews shall be citizens of the United States, to-wit: During the first two years the contract for carrying the mails, one-fourth thereof; during the next three succeeding years, one-third thereof; and during the remaining time of the continuance of such contract, at least one-half thereof; yet we are told that in practice said law is a dead letter. A representative of the American Steamship Association, in statements before the Committee on Merchant Marine and Fisheries in April last, said: "The American sailor is an extinct bird; we have very few of them here;" that less than 10 per cent. of the crew, excluding licensed officers, are American citizens, and most of the officers are naturalized, not native born; that the crews for the most part are Portuguese, Spanish, and Italian, and that this is true of the crews of the *St. Louis*, *St. Paul*, *New York*, and *Philadelphia*, all receiving subsidies under the act of March 3, 1891, as well as other ships under the American flag. Another reason urged for subsidies is that our navigation laws require better food and better quarters for American sailors than are required by the navigation laws of foreign countries.

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It may be a disappointment to honest advocates of subsidies of American ships to know that this is not correct. The food scale required by our navigation laws is no better than that required by the navigation laws of England, Germany, and France, while the space for each seaman on merchant ships of those nations is 120 feet, as against 72 feet on American vessels. The seamen's bill, known as the Spight bill, now pending before the Committee on Merchant Marine and Fisheries, seeks to ameliorate the condition of American seamen in this and other respects.

It is bitterly opposed by the shipping interests, who claim that if enacted into law it will add further and great burdens to the existing handicaps of the American merchant marine. The minority of the committee fully realizes the many difficulties that must be overcome if we can hope to restore our merchant marine. We have tried to point out some of them. There are many obstacles that can not be remedied by legislation. The seafaring life seems no longer to attract the American youth. They can find more profitable and congenial employment on land, and so it may be said of American capital, that it finds more profitable investment in other fields.

While the substitute for the Humphrey bill may not accomplish the desired result in restoring our American merchant marine, we feel sure that it is a step in the right direction. When the time comes that the American shipowner may buy and navigate his ships on the same terms and under the same conditions as his foreign rival, then and not until then will American cargoes be carried in American bottoms and the American flag float proudly at the masthead of the American ships and be seen in all the ports of the world. [Applause.]

SUBSIDIES

Speech of Hon. JAMES W. COLLIER, of Mississippi, in the House of Representatives, Thursday, February 24, 1910. [Part of Congressional Record.]

Mr. Collier said:

Mr. Chairman—I shall take this opportunity to voice my protest against the proposition of giving subsidies to American ships. I desire the restoration of our foreign shipping trade as earnestly as any Member of this House, but I do not believe that this end can be accomplished by giving subsidies to the owners of private and individual interests. It is wrong in principle that the general public should be taxed to increase the profits of a special few now engaged in the shipping business. While the bill now pending before this Congress does not of itself contemplate the immediate spending of vast sums of money, yet it can not and it will not be successfully denied that the passage of the bill introduced by the gentleman from Washington [Mr. Humphrey], or any other ship-subsidy bill, is

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but an entering wedge which in the near future will be used as a precedent to extort millions of dollars from the Treasury of the United States to bolster up the profits of special enterprise.

We are confronted with a deficit, an ever-increasing deficit, and the highest tariff rates the history of the world has seen have not only increased the cost of living to the American people, but are proving wholly inadequate to produce revenue sufficient to meet the expenses of a government whose reckless extravagance causes uneasiness and concern to all thoughtful minds. With such condition confronting us, is this the time to donate millions of dollars of the people's money to shipping interests because the owners of certain American vessels are not making satisfactory dividends on their capital invested? The merchant at the close of a year's business who fails to make a satisfactory profit is as much entitled to a subsidy as the man who owns a ship and fails to make the profit he expected.

While it is absolutely true that all foreign countries which have recklessly given away public moneys as donations to shipowners to build up their foreign shipping trade have found that their efforts have been worse than useless; while all this is absolutely true, yet, in the limited time at my disposal, I shall not go into that nor attempt to discuss this question in all its phases. I will endeavor to show to this House and to the country that the decline of our foreign merchant marine is due to two causes: First, the laws which forbid Americans to register in the United States ships built in foreign countries; and, second, by reason of a protective tariff.

The Humphrey's bill makes a pretense of restoring free shipbuilding. Like many measures which come so frequently from the other side, it makes it possible for the rich to secure some benefit from this bill. These benefits apply only to steam vessels of certain tonnage. A steel vessel of not less than twenty-five hundred tons can be built abroad and registered in the United States, but even that vessel can not be used in domestic or coastwise trade without being forfeited to the Government; so this bill fails altogether to restore free shipping.

But free shipbuilding by itself can not build up our foreign marine trade unless the prohibitive tariff rates are materially reduced. Free shipping would undoubtedly stimulate this trade, for it would permit an American citizen to purchase his ship where he could get it the cheapest and then fly the American flag, which our laws now will not permit. Buying vessels abroad at 20 or 30 per cent. less than they can be built here would, of course, place more ships in the American foreign trade.

The policies of the Republican party have killed our foreign shipping trade. Fifty years ago, when you secured control of the Government, our merchant marine was in the zenith of its prosperity. To-day by laws enacted by the Republican party, according to your own admission, it is dead. I shall show that in 1846, when the tariff was reduced, our foreign merchant marine, in both tonnage and business, increased with amazing rapidity. I shall show that when you got in power and began

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to enact your tariff laws, making all the people pay tribute to give special privileges to a favored few, our merchant marine went down. The pen that records the upward progress of your tariff rates has written the melancholy epitaph of American shipping upon the high seas. [Applause.]

As the tariff rate went down, the volume of our seagoing trade went up. As the tariff rate went up, the volume of our foreign shipping trade went down. When our country enjoyed a minimum tariff rate, it also enjoyed a maximum volume of foreign shipping trade. And to-day, when our land is groaning under a maximum tariff rate, we have a minimum volume of foreign shipping. When you took control American ships were carrying over 65 per cent. of the value of our total exports and imports. Now, after forty years of Republican control, American ships are carrying less than 10 per cent. of the value of our total exports and imports. [Applause on the Democratic side.] When you took charge of the Government we had vessels of over two and a half million tons engaged in foreign trade. The tonnage of these vessels to-day is less than 1,000,000 tons. When you took charge of the Government American vessels had carried over \$500,000,000 of our foreign commerce in one year. Now these vessels are carrying less than \$275,000,000 of this commerce, while, at the same time, our foreign commerce increased over 400 per cent.

Robert J. Walker, probably the greatest authority on tariff legislation our country has produced, in 1845 said:

American tonnage has not increased in the proportion as British tonnage in the last ten years. Even in the ports of the United States there has been a great increase of foreign vessels in the last few years. It is unprofitable under these circumstances to own vessels, and there is no other way for accounting for the depressed state of the shipping interest than that the tariff, in the first instance, enhances the cost of vessels and then cuts off their employment by prohibitory duties, which diminish imports and cripple commerce, while our greatest rival and competitors proclaims to the shipbuilders: "Take free of duty all that you require for your outfit."

* * * * *

Wages upon the sea which an American would scorn are eagerly sought for by the seamen of the overcrowded countries of Europe and the Orient. Shall we tax our people to put them out of business when our people do not want to do this work themselves; and will not do this work unless you pay them much more than now satisfies this cheap labor? Is such policy dictated by either humanity or common sense? We are the great export country of the world. Therefore, let us carry our goods to our markets as cheaply as we can. If, according to your theory, by subsidies we raise wages and take employment from those who buy from us, we will, of course, have fewer markets in which to sell. When we take employment from the pauper labor of other countries, this labor will come in swarms to our own. And the very ships which are asking us to enrich them by these subsidies may have labor agents all over Southern Europe and Russia inducing thousands of the illiterate, the

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anarchistic, the pauper labor of those countries to come in swarms to the United States to swell the dividends of the owners of these subsidized vessels, not alone by their passage money but also for the purpose of placing them in the manufacturing industries of the United States in direct competition with American labor. [Applause on the Democratic side.] While the tariff-swollen manufacturing industries clamor so loudly for the protection of American labor, yet if these same industries can secure this pauper labor at a wage lower than our people can work for and live, their boasted love for the American working man, like Bob Acre's courage, will ooze from their finger tips, and American labor must either come down to the reduced wages or else seek other employment. [Applause on the Democratic side.]

If anyone doubts this assertion, I will refer him to conditions in the States of Rhode Island and Pennsylvania, the most highly protected States in this Union, where I am reliably informed that in the cities of Providence and Pittsburg a large per cent. of the labor of the manufacturing industries are foreigners, many of whom can neither read nor write nor speak the English language.

The Chairman—The time of the gentleman from Mississippi has expired.

Mr. Moon of Tennessee—I yield five minutes more to the gentleman from Mississippi.

Mr. Collier—While the prohibitive tariff has done more to increase the cost of living than all other causes combined, yet you tell us that the reason for the increased cost of the necessaries of life is due to the fact that so many people are leaving the farms and going into other business. The population of the country is increasing; the consumers of food products are increasing, while, on the other hand, the producers of these products are decreasing and going into other vocations of life. If this be true, if the farms are being abandoned, if labor is scarce in the fields of productiveness, why—by subsidies, according to your theory—why increase wages so that others will be induced to leave these same fields of productiveness and add themselves to the great mass of consumers, and by so doing still further decrease the productive wealth of the Republic.

Mr. Clark of Florida—Will the gentleman yield for a statement?

Mr. Collier—I will yield to the gentleman.

Mr. Clark of Florida—I want to state for the gentleman's information that the president of the Seamen's Union of America testified before the Committee on Merchant Marine and Fisheries today that there was absolutely no difference between the wages paid seamen on American vessels and those paid seamen on foreign vessels.

Mr. Collier—I am obliged to the gentleman. Such has been my information. I do not care how much you subsidize these vessels. I do not believe that the American seamen will get any more wages. [Applause.]

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The reduction of the tariff will restore our merchant marine, but the party of protection will never agree to this. Rather than yield the tremendous profits they now enjoy by tariff legislation, these protected industries, so loudly clamoring for a ship subsidy, would see our merchant marine at the bottom of the sea. Rather than surrender one tithe of the enormous sums wrung every year from the pockets of the great masses of the American consumers, these commercial patriots would furl Old Glory forever and continue to sail on, under the piratical flag of protection.

For you may as well go stand upon the beach
And bid the main flood bait its usual height;
You may as well use question with the wolf,
Why he hath made the ewe bleat for the lamb.
You may as well forbid the mountain pines
To wag their high tops and make no noise
When they are fretten with the gusts of heaven,
You may as well do anything most hard

than which what is harder—make a Republican see through the smoke of tariff-swollen industries and over the ramparts of protection, the struggling tolling millions of the American people, who, with despairing faces and outstretched hands, are vainly looking for relief from the party in power today. [Loud applause.]

SHIP SUBSIDY

Speech of Hon. ALEXANDER W. GREGG, of Texas, in the House of Representatives, Saturday, May 21, 1910. [Part of Congressional Record.]

Mr. Gregg said:

Mr. Chairman—I wish to discuss the Humphrey bill, which is commonly known as the ship-subsidy bill and which has been favorably reported to this House.

I wish, first, to dispose of the contention which is made and which has been sent broadcast over the country that this bill will not cost the taxpayers anything. That there is a profit on the ocean mail and that this profit—the difference between what is received as postage and the amount paid out for carrying the ocean mails—will pay the subsidies provided in this bill.

This pretense that the amount paid in subsidies will be derived from the profit on ocean mail is not a fair statement of the case. If there is a profit on part of the mail carried, it should be used to make up the loss on the other; all receipts should be put into a gross sum, and the difference between the receipts as a whole and the expenses should be ascertained. No true balance can otherwise be struck.

The postal deficiency last year was \$17,000,000. This was after using the \$3,000,000 profit on ocean mail. If this \$3,000,000 had been paid out in subsidies, the deficiency would be

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\$20,000,000; and instead of taxing the people to pay the \$17,000,000, they would be taxed to pay \$20,000,000. Does not this make the subsidy cost the people \$3,000,000? Then why should an effort be made to deceive the people and make them believe that this subsidy will cost them nothing. [Applause.]

Our Government does not nominally pay any other subsidies than postal subsidies. The amount paid for the carriage of our foreign mails by the Government is extravagant in price, and to the extent the amount paid exceeds what the service is reasonably worth it is a bounty pure and simple. To an American ship carrying mails to Europe we pay \$1.60 a pound for letters and post cards and 8 cents a pound for other articles. In addition our Government pays the American Line \$12,000 for each voyage, while theoretically the amount paid is simply the freight for carrying the mails in truth, and in fact in these foreign subsidized mail contracts the Government of the United States is fleeced to the extent that the amount is more than the service is worth. It is simply a bounty paid by the Government for a service which, if open to the world, could be had for one-half the amount now paid. Hereafter lexicographers in defining an American ship subsidy will say that it is simply a bounty paid by the Government to enable the shipbuilders and shipowners of the United States to conduct their business at a loss.

The protective tariff is the cause of the decay of the American merchant marine!

Mr. Chairman, you may have free ships, you may authorize the American shipowner to hire his crew where he can get it cheapest, but we will never have a merchant marine until we tear down our tariff walls and admit the commodities of all foreign nations to be imported into the United States upon the payment of a moderate tariff duty. Until a tariff for revenue only becomes the accepted policy of the United States we can never have a merchant marine worthy of the name. [Applause.]

Our merchant marine disputed with England the mastery of the seas when we had a tariff for revenue only, and our decline is coincident with the imposition and maintenance of a high prohibitive duty on rolled iron and other commodities.

When we abandoned the wise policy of a tariff for revenue only and threw ourselves into the foul embraces of a monopolistic protective tariff, we surrendered to foreign ports and proclaimed a blockade against trade and commerce with foreign nations.

We can only sell where we can buy. All trade is at last barter. Until our tariff is lowered to a revenue basis our ships may export our products to foreign ports, but they will return without a cargo and in ballast only. The shipping business to be successful must have the benefit of an outgoing and an incoming cargo. American ships have not now, and for the last forty years have not had, in a great majority of voyages, a return cargo. The city of Galveston, Tex., which I have the honor to represent in Congress, is in volume and value of exports second only to the city of New York in the United States. In the fiscal year ending June 30, 1909, there were exported

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from the city of Galveston commodities to the value of \$189,464,335. In the same year there were imported into the port of Galveston commodities of the value of \$3,355,354. Of this amount there were imported free of duty commodities of the value of \$2,198,750. There were imported dutiable commodities of the value of \$1,156,604, and the same proportion holds good in every port of the United States with the exception of New York City.

Mr. Chairman, I am opposed to any form of a ship subsidy. It is simply protection applied to the ocean. Nearly forty years ago Senator Edmunds, of Vermont, in a debate declared that it was as much unconstitutional and wrong to grant these subsidies to Americans as to foreigners and that he could not support them.

SHIP SUBSIDY

Speech of Hon. WM. E. COX, of Indiana, in the House of Representatives, March 18, 1910. [Part of Congressional Record.]

Subsidies have never developed a merchant marine; subsidies have never encouraged seamanship either in this country or elsewhere; subsidies have never strengthened a navy; on the contrary, quite the reverse. I assert that, desirable as is a great merchant marine from the commercial point of view, it actually tends to weaken a navy, for it is ever and always the prey of the enemy's war ships, and war ships must always be drawn upon to give it protection. A subsidy, then, as proposed in the various bills that have thus far been introduced in this Congress, reduced to absolutely plain, unvarnished terms, is nothing more nor less than a scheme whereby the many are taxed for the benefit of the few. A ship subsidy taxes the farmer, the wage-worker, the merchant—everybody—for the benefit of the shipowners. Mark you, I say shipowners, not shipbuilders; for, judging the future by the past, shipbuilders will not be greatly stimulated by an arrangement which will benefit a very limited class of vessels.

First, then I maintain that ship subsidies have never developed a merchant marine. It is the outgrowth of normal conditions, not the fruit of hothouse forcing. In the early days of our Republic our merchant marine was the superior of that of any other nation except Great Britain, and nearly the equal of that. In the short space of six years after Washington's first inauguration we had quadrupled our tonnage in the foreign trade and were carrying 90 per cent. of that trade in American bottoms. In less than twenty-five years we had acquired a registered tonnage practically as large as that which we have now. Our ships were of such excellence in their construction and were so well manned and sailed that we easily outsailed the vessels of other nationalities on voyages both long and short. The American clipper ship had not its equal afloat. It is necessary to rehearse the cause of a decline which can not be remedied by governmental bounties of any sort.

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Subsidies would not lower freight rates to American shippers, nor would they have the effect of developing the American ocean-carrying trade. So long as foreign subsidized or unsubsidized steamers are allowed to enter our ports and bid for our carrying trade on equal terms with our own steamships, so long they can underbid us and secure the lion's share of the commerce. This is possible, because foreign vessels cost less to build and are manned and sailed less expensively than American vessels. Even if it were possible to stimulate by means of bounties the building of ships in this country, these bounties could not help the ships in getting profitable business. Americans, like all other people, will give their trade to the lowest bidder. You can not make a logical, effective appeal against that on the score of patriotism. The history of subsidized ocean freight carriers shows that subsidized lines have usually discriminated as to freight rates against their own nationality and in favor of foreign nations. They have taken advantage of the opportunity that the subsidy has given them to charge their own people's traffic all it would bear, while cutting rates to foreigners. In other words, these specially favored interests, after robbing the taxpayer, finish the job by cutting his throat.

One of the arguments of the advocates of ship subsidies is that thereby seamanship will be encouraged. That argument is as fallacious as most of those brought forward in support of the proposition. In the early days of the Republic there was no scarcity of Americans who shipped before the mast, either on war ships or merchantmen. Why was that? The country was undeveloped; comparatively few avenues of remunerative occupation were open to the young men of that day. Farm work was in its infancy. Mercantile life offered few opportunities; industrial life almost none. There was not much choice as to a career. The bulk of the population lived in the narrow zone of the Atlantic coast. What more natural than that the young men to whom the ocean was a familiar element should have turned to it to make a living. Thus our war and merchant vessels never lacked the material for good crews. It is different to-day. American boys and young men have found something better suited to their tastes than a seafaring life. They have found larger opportunities on land.

If any one thing is already established, proven beyond the possibility of contradiction, it is that subsidies do not produce trade. There is not an instance on record of the commerce of any nation having been increased in any measure by such means. Success in this direction rests upon the basis of individual or collective effort, ingenuity, diligence, careful development of resources, painstaking regard for the needs and convenience of customers. Many other details might be cited that go to make up the sum of successful endeavor in the world's commerce, but subsidy—giving something for nothing—is not one of them. The successful American business man asks no special favors from the Government; all he wants, all he needs is a free field and a fair chance. He realizes instinctively that he has no right to the payment of a bonus for doing a profitable

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business, such a bonus being taken from the collective contributions of all the taxpayers. In view of such incontrovertible facts, why this cry for pecuniary assistance from the National Treasury for one particular industry.

The subsidists declare that these bounties must be paid to American shipowners engaged in foreign trade in order to make it possible for them to carry freights as cheaply as foreign shipowners. Nothing is said about shipbuilders. Why? Because these subsidies will not result in the building of a single steamship for the foreign trade. The money will simply go into the pockets of those owners who already have contracts with the Government for carrying the mails and get better pay for that service than either the British or German lines, which carry far larger quantities of mail. The complaint is that foreign steamships come into our ports and carry our products more cheaply than do American lines. It is rather a unique complaint, but it certainly does not proceed from those immediately interested—the shippers. The American farmer and producer of other commodities is not “kicking” because freight rates are low. These low freight rates certainly have not affected our export trade disadvantageously. With two or three exceptions, due to natural causes which it is not necessary to consider here, our exports during the past decade have exceeded our imports annually by from \$400,000,000 to \$500,000,000.

Here is the crux of the whole story:

Because the American shipowners can not carry the products of farm and factory as cheaply as foreign shipowners the American people are forced to make him a present of enough of their money to enable him to carry on his business without a loss.

Let us call this thing by its right name. *It is graft!* Nothing more, nothing less. It is taking from the masses and giving to the classes, or, more accurately, to a class. You may ransack the dictionary, you may exhaust all the forms and artifices of speech for euphemistic terms to disguise the true character of the proposition, but when the thing is stripped of all finery and stands forth in native nakedness its name is *Graft!*

What right has the Congress of the United States to say to the American taxpayer: “It’s none of your affair whether John Smith, shipowner, carries on his business at a loss or not, but nevertheless we shall make you chip in and we will hand over to him every year some millions of dollars to hold him harmless. You farmers and manufacturers do not care what ships take your products and carry them to all parts of the world, so that you get them carried cheaply, but we, the Congress of the United States, must see to it that the American shipowner can get a wack at the business. And you must pay the bill!” Just that, Mr. Speaker, is what all it amounts to. To the extent and amount of proposed ship subsidies we lay a tax on every producer, on every wage-worker, on every merchant; a tax which does not go into the Treasury of the United States, but into the pockets of private interests; a tax which serves no common purpose, but the proceeds of which increase private fortunes. If ever a lawmaking body was called upon to do anything more unrighteous, more indefensible, more absolutely wicked, I fail to have noticed it.

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RAILROAD BILL

Speech of WILLIAM C. ADAMSON, of Georgia, in the House of Representatives, April 14, 1910. [Part of Congressional Record.]

Mr. Adamson—Mr. Chairman, I have such respect for you, my colleagues, and the cause of right that I wish neither to omit nor inaccurately to state any material matter; nor do I wish to be prolix. I dare say, however, that I need not be overparticular on that point since the performance of the gentleman from Illinois [Mr. Mann], with which you have just been so highly entertained. He has long been celebrated as a rapid-fire talker. He next made a reputation as the most frequent speaker; but he has now blazed into splendor and made a new record as the longest talker who ever spoke on a commerce bill.

The gentleman from Illinois has made a magnificent speech. I have enjoyed it exceedingly; I can not follow it just in the way he has proceeded, because we approach the subject from different angles. He bears upon his shoulders the stupendous burden of carrying the administration measure. He has performed his duty to the best of his ability, in my judgment. To present new and wrong propositions, to present things not only radical, but reactionary, to present propositions which do not advance reform of railroad regulation, but really mark the turning point, effecting an absolute reversal of progress, made slowly at the demands of the people during the last twenty years, turning reform of regulation of interstate commerce back the other way, was his task. It will not require half so long to combat his efforts at showing reasons.

It is not necessary to discuss all the matters that he discussed. Most of the good things in the bill are put there as much "by us" as by him, by amendment. There were good men at both ends of the table, enough to put on this bill many of them. Mr. Chairman, in putting them on, we did not think they would blind us, as part of the speech of the gentleman may blind some people to the obnoxious parts of the bill, and induce us to vote for the whole bill. You might just as well turn a lion loose because you had trimmed his mane and tail as to fasten the obnoxious features of this bad bill upon the people because in this House we have put some good amendments on it. We all know that the lion's mane and tail will grow again, and we know that his fangs and claws are still there. [Laughter and applause.]

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Likewise we know that it is not the intention of the administration, which has ordered the passage of this bill nor the statesmen in another place, unmentionable by good Congressmen here, that any part of these amendments that we have put on shall ever be in the law when it is signed by the President. If we are misled by these amendments into voting for the bill here, then it goes into conference, and there they will all be taken off and the original bill brought in to us. So there is no inducement nor reason for us to be deceived. [Applause.]

He divided the bill, like "all Gaul," "into three parts." Though I followed his discourse closely, I am unable to distinguish clearly but two parts to this bill—the good part, which I like, and the bad part that I do not like.

The good part I can not get, the bad part I can get, and may be compelled to take; but do not want it under any terms, not even when sugar coated with the good part. That sugar coat is not thick enough, nor sweet enough, nor extensive enough to cover, destroy, nor disguise the bitterness of the "wormwood and the gall" of the bad features. As I am not trying to pass the bill I shall not dwell upon its few good items, for they are not indigenous to the soil which germinated the bill nor congenial to its main terms. They are put on by amendment, and we would vote for them with pleasure if separated from the vicious provisions. The authority to allow the attorneys of parties at interest to appear in court under certain conditions subject to the control of the Attorney-General, so long dwelt upon by the gentleman from Illinois, is one of the amendments which was designed to alleviate a bad situation threatened by the original provision to give the Attorney-General absolute charge of litigation. Of course, the amendment improves the section, but by no means does the amendment render the original perfect or even acceptable. We ought to amend by striking out the proviso entirely on page 43 and inserting—

Complainants before the Interstate Commerce Commission interested in a case shall have a right to appear and be made parties to the case and be represented before the court by counsel, under such regulations as now permitted in similar circumstances under the rules and practice of the equity courts of the United States.

That provision was a part of the scheme to which sections 7, 12, 13, 14, 15, 16, and the repeal of certain words in section 1 of the original law were intended to contribute, devised by the reactionaries with a view to moderating the efforts at regulation and obviate the force and avert the penalties of the anti-trust and antipooling statutes.

The framework of the scheme of the reactionaries consists of—

THE COMMERCE COURT.

SEC. 12. Repealing the proviso in section 1. Giving the Attorney-General control of cases. Section 7 nullifying the law against combinations

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SECTIONS 13, 14, AND 15.

The first two are reciprocal in their purposes. The court is to transact the business desired as proposed in section 12. Section 12 is to furnish the business to make the court necessary. To facilitate that and other work essential to the plan the repeal of the proviso in section 1 is considered necessary. Giving the Attorney-General control of all litigation is absolutely essential to the scheme. The provisions of 13, 14, and 15 can be easily made to do the work of ratification, of consolidation already made, new consolidations as far as desired, and the prevention of developing the country in the future by construction of new and independent lines to compete with monopoly now existing and to be perfected.

It is unfortunate that the Executive and my amiable and able friend, the gentleman from Michigan [Mr. Townsend], were misled and deceived into lending their powerful sanction to the measure which they may not know to be so iniquitous, which they may not even believe to be such, and in fact both might probably deny it with perfect sincerity. I have no doubt their intentions are good, but their efforts meet more favor from the reactionaries than from the people, and however honestly intended are welcomed by special interests as calculated to help them secure improper ends and accomplish improper purposes. One of the sublime poets described a point between two worlds as "where gravitation, shifting, turns the other way." This bill registers the turning point where improvement in regulating interstate commerce, "shifting, turns the other way," assuming the form of radical though insidious reaction.

In presenting the substitute bill to the House the gentleman from Illinois, the distinguished chairman of our committee [Mr. Mann], has buttressed it with an elaborate report. It is presumed by their silence that all members of the committee who have not signed any statement, passively and tacitly at least concur in that report. Two members of the committee have submitted a statement commending and particularizing certain advantages possessed by the substitute bill, most of which are amendments.

The minority views signed by four of us, who actually and vigorously oppose the bill on account of its vicious provisions, despite a few beneficial amendments adopted through our aid, concede that the bill has been improved in committee by amendments, but is confined to outlining our objections to the obnoxious features of the bill, which, though altered in some minor particulars, do not now differ materially from their original character.

I shall endeavor to take up the subject in the order in which I have referred to these reports.

The majority report begins with quoting the special message of the President, in which he makes an argument for the commerce court, recommends that the Interstate Commerce Commission be relieved of its duties to initiate and defend litigation, as those duties engender partisanship or the accusation thereof; advocates giving carriers permission to make agree-

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ments now thought to be interdicted by the antipooling law; advocates the right of shippers to route their freight; recommends that the commission be authorized to initiate inquiries as to unjust rates and to investigate them before they become effective; that carriers be required, under penalty, to quote correct rates; and winds up with a labored argument in favor of the Federal Government undertaking to control the subject of competing lines and the consolidation thereof and the issue of stocks and bonds by taking actual control thereof, and allowing nothing done except on the authority of the Interstate Commerce Commission.

It is presumed that the argument is begun by the quotation of this message in order to command the solid cooperation of all the regulars, insurgents, and near insurgents, either present or past or hanging doubtful in the balance as to insurrectionary proclivities in the future. It will be observed that the powerful artillery of involving the Republican platform is called into exercise, in support of sections 12, 13, 14, 15, and 16. If that is an unanswerable argument why all stripes of republicanism should support any part of the bill, the President could have gone further and put behind the provision for the annulment of the pooling law, also a demand of the Republican platform, and right here I will call attention to the fact that the Republican platform demands that the carriers be given the right to make and publish traffic agreements subject to the approval of the commission. I believe those, however, are the only provisions of the bill touched upon by the Republican platform. The argument for the commerce court has no foundation in any party authority.

As we all know, the gentleman from Michigan [Mr. Townsend] is the inventor of that, and entitled to whatever credit or discredit attaches to it.

The Republican platform makes no mention of it, so no Republican, nor near Republican or whatever degree or quality, need halt and fear and tremble about that as the deliverance of cardinal Republican doctrine. If you insurge against anybody on that it will be against the ipse dixit of the President alone on a bill appropriating Mr. Townsend's court, prepared by the Attorney-General at the request of the President, and sent simultaneously to both Houses of Congress with orders to enact it into law.

Congress considered that court six years ago and refused to adopt it. As now presented, the proposition is much worse.

It will be observed that the argument in behalf of the commerce court is not as enthusiastic and convincing as the usual arguments made by my distinguished chairman, the gentleman from Illinois [Mr. Mann]. In fact, it is so conspicuous from the evident weakness and scarcity of argument, that, knowing the gentleman's resources, we may conclude there are no arguments in its favor.

His friends know that he was not originally in favor of the court, and believe that if he finally votes that court it will be out of official deference to the President, substituting for his

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own conscience and judgment the imputed conscience and judgment of the President. If the gentleman from Illinois does make such a substitution I do not believe he will substitute any better conscience and judgment than his own, and his real friends hope he will not do so.

The provision as to initiating inquiry into rates and practices the President borrowed from the Democratic platform, just as the party in power has taken up every other valuable thing it has ever done or pretended to do. Repeated recommendations of the Democratic national convention forced the action which resulted in the Hepburn law. It is impossible for Republicans becomingly to wear Democratic clothes or effectively to carry out Democratic doctrines. They are under so many obligations to people who are mixed up with the special interests that it is impossible to take any good thing and put it straight through in good order. They must twist and contort it, and adulterate it so as to impair its effect and possibly vitiate its operation. The first mention that can be found in any Republican platform referring to reformation of transportation was in 1908, when it commended the efforts of the Republican party in the Fifty-ninth Congress, when the recommendations of the Democrats were partially adopted by the Hepburn Act, and that commendation was coupled with the complaint that the pooling privilege was being interfered with and demanded some interference with stocks and bonds, which some were simple enough to believe was thought to be in the interest of rate making. Our experience with this bill has dispelled that illusion.

The President's recommendations as to relieving the commission of the duty of initiating and defending litigation is of doubtful wisdom and unsupported by sufficient reason, but we have been so busy fighting greater evils that we have not actively antagonized that change.

The explanation made by the chairman of the committee as to the appearance of counsel for parties at interest hardly does him credit. His statement that in purely civil cases the court will direct, review, and correct control of the leading counsel as to conduct and disposition of cases on their merits is untenable. Even without the express language prohibiting interference with the Attorney-General's control of a case, the most that any court would do under the authority to prescribe the terms or with such an appearance could be made would be to direct the order of procedure as to introducing evidence, the number and length of arguments, the order thereof, and so forth. Only in criminal cases do the courts take control or make suggestions as to what the Government's counsel shall do as to pressing or abandoning the case. Granting nonsuits, directing verdicts, and suggestions in some equity cases present no analogy to the cases under consideration, which arise from property rights and complaints of persons, natural and artificial, such as are not usually committed to the charge of Government's counsel.

The President's recommendation as to quoting correct rates by the carrier we have not opposed at all. The other recommen-

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dation that the commission may arrest a rate before it goes into effect and investigate its fairness, the President also borrowed bodily from the Democratic platform, so that the best two things in his original bill are taken from the Democratic platform.

The majority report truly states that the committee gave extended hearings and afterwards took up the bill for consideration section by section; that is, as regularly and consecutively as we possibly could consistent with the evolutionary progress of the bill and its numerous appearances and amendments by its authors. Of course, during the long period of frequent transition we were unable to prophesy just how important the amendments offered by the authors were going to be, so we never knew just how nor when we could rely on the stability of the administration bill far enough to go to work and try to consider it. So, very naturally, we set out to get up some amendments of our own, and when we did get down to work on the bill the newspapers say—of course I can not say, being a member of the committee—that progress was greatly retarded from the fact that when the provisions of the bill encountered obstacles there had to be delay and further conferences with the executive department as to how to proceed, but your committee finally got through and reported the bill by substitute.

The majority report correctly states that different theories are entertained as to control and regulation by government of transportation, but it is a grave and fundamental error to say that the theory adopted by our Government, following the theory of the state governments, is that the right of eminent domain and certain other rights granted to certain persons to construct, control, and own and operate railroads carries with it the power exercised on the part of the Government to regulate. The true theory is that because a State commits to State corporations the quasi governmental function of running trains on the railroad, accommodating the public for profit, and maintaining order thereon, it permits to them the right and power of eminent domain in order to effectuate their purposes. The State government regulates their operations because the State has granted the charter, a part of the law of the land, and their functions being quasi public, it is lawful and proper and requisite that the State should regulate their rates and practices as to transportation and the honesty and fairness of their transactions, so far as concerns their corporate dealings with others. Not one of these considerations has any application to federal regulation of interstate commerce.

The rates and practices of carriers engaged in interstate transportation are to be regulated by the Federal Government under act of Congress simply and solely because a provision of the Constitution gives to Congress the authority to regulate interstate commerce. There is no sense nor necessity in mixing it up with any other questions or analogies. There is danger and constant tendency to stretch that constitutional provision beyond its original intention and make it do a great deal of mischief in the direction of consolidation and centralizing all gov-

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ernment at Washington, but there is no question as to its conferring the sole and only necessary power to regulate rates and practices in interstate commerce. The tendency to stretch it is in the opposite direction from the intention of the clause. The clause was put in the Constitution, not because anybody expected the Federal Government to assume the burden of scrutinizing and conducting all the details of interstate commerce, but for the purpose of enabling Congress to prevent one State from adopting laws and practices which would discriminate against the citizens and commerce of another State.

The majority report states that the Hepburn law of 1906 vastly improved the original act, but the propositions involved in the substitute bill are of even greater importance, and after this extended comparison of the original law, the Hepburn bill, and the present reactionary administration measure, the report, true to the invariable Republican instinct of a saving clause, apologizes by saying this climaxical bill does "not impose undue burdens upon the railways of the country nor unduly interfere with the power of the railway managers," professes that it confers benefits on the shipping public, and then gets clearly away from the subject of rate making and discloses the traditional "cat in the meal tub" by making an assurance of salvation to the "investing public." Our chairman could not have made the joke any better, even if he had reminded us that the same gentleman who, as Attorney-General, reassured the carriers and the investing public that the administration did not intend "to run amuck" on the reform is still in the Cabinet and at its head, and he could have maintained the high character of the joke by suggesting that the present distinguished Attorney-General is very much like him.

The argument for the commerce court fails to sustain it. The evidence on the hearings failed to sustain it. The use by the President of analogy to the court of customs is very unhappy. The suggestion that it is like a patent court is not at all pertinent. The first question generally discussed here and elsewhere as bearing on the court has been that the court would entail great expense. On that point the question with me is, Is it a proper expenditure? If the court be necessary and proper, it ought to be created, regardless of the expense. If it is neither necessary or proper, it ought not to be created at all, though it costs nothing or came accompanied by a large bounty. The evidence satisfies me that the court is entirely unnecessary. Decisions of the Supreme Court rendered since the President's message have clarified the situation and shown, according to the opinion of the commissioners, that the questions will be so much simplified by those decisions that business of that character will be much less in the future than in the past. There have been so few cases in the past as to create no necessity for the court. The circuit judges throughout the country are not dying from overwork nor resigning, so far as I can learn. They are able to take care of all of that kind of business that may arise. It is not insisted by anybody that circuit judges will know any more while sitting in commerce court than when presiding on circuit.

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The demand for uniformity in decisions is little short of ridiculous. As long as God makes many men of many minds, as long as different environment, heredity, education, kinship, and financial interests produce different modes of thinking and different predilections, as long as this great country, stretching from ocean to ocean and from the frozen North to the tropic seas, teems with the thrifty sons of all nations of the world, with the body of the text and practice of the laws of all civilized nations, the idea of uniformity in anything is absolutely impossible, and our Supreme Court has so declared. The only possible tribunal that can be relied upon to harmonize and unify different theories, practices, and ideas, and declare what shall prevail is the Supreme Court of the United States, and though you create this court and a dozen other special courts, there will still be, although fugitive cases, instances and forms of litigation in which all those questions may reach the Supreme Court from courts other than the commerce court, and the final unifier, if one can be found, will be the Supreme Court. A great objection to the court is that it specializes litigation touching particular lines of business. This is abhorrent to the American sense. The customs court referred to by the President in his message is a misnomer. It ought not to be called a court at all. It passes on cases arising under the collection of revenue, and it ought to be called a commission or a board of appeals.

The judicial nomenclature ought not to be confused nor corrupted by calling such a board a court. When you seek a perfect analogy it is safer to examine the substance rather than to sound the name. I object to the proposition to specialize all the commerce litigation so as to withdraw from lawyers over the country generally all the inducement afforded by hope of fees to become expert and accomplished in a branch of the law in which all of our people are interested. It smacks too much of the dark ages and the woes of a priesthood-ridden people to say that the leading subject of interest to the people if not the greatest field of litigation should be committed to a particular guild of lawyers, a class specially trained and devoted to that court who shall take the emoluments to the exclusion of all others. Furthermore, those who insist that there will be business enough to engage that court unwittingly suggest the alternative idea that if you take away business from the circuit courts enough to engage that court, it will to that extent leave the circuit courts idle and congest the business in the commerce court. In this connection it is noted that the carriers have not raised any rough house against the creation of this court. They are utterly amiable about it and ready to submit gracefully to its establishment. Its establishment, with most of the business transacted at Washington, would enable them to make common agreements about employing lawyers, as well as transportation.

Fewer lawyers with better fees and yet smaller contributions from each carrier would enable the same lawyers to represent all the carriers. It would be very economical to the railroads. Then all business having to go through that court, due decorum be-

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ing maintained as to taking testimony and everything else, the business would become clogged and stagnated and the carriers would secure that dearest boon to corporations, "the law's delay." The carriers can afford to submit, and they evidently think so themselves.

Another peculiarity about that court is the way its personnel is to be constituted. The advocates of the court started out with the proposition that ordinary judges throughout the country do not know enough about the technical subject of commerce to make competent commerce court judges; therefore they desire to select the wisest and best and dedicate them entirely to that line of law. *Mirabile dictu!* The scene changes! And they propose not only to limit the time of service of the judges on the commerce court, but to appoint five new judges, assign them to initiate the court, and start it off as the first occupants of that peculiar bench. What goes with the idea of experience, and training, and expert judges? That is exceedingly plain to the man who wants to see. They are to receive their training in corporation law as corporation lawyers before being appointed circuit judges; and no man need doubt that when these five new judges are appointed they—or at least three of them—will be men who know more about commerce instrumentalities, commerce transportation, manipulation of stocks and bonds, consolidation of railroads, destruction of competition, and disregard of public right, through long training as corporation lawyers, than any other five circuit judges, or all circuit judges in the United States combined. If anybody doubts this, let him wait and see. Why, corporation lawyers are now regarded as best qualified for the Cabinet.

On the hearings it was argued that the chief justice might not enjoy the task of assigning judges to fill the vacancies occurring annually on the commerce court. While the friends of the bill were "scratching in the bark" instead of "cutting to the heart of the tree," straining at knats and swallowing camels," making a fuss about little things to divert attention from great big bad things, I felt sorry for them. Being naturally good-natured and kind-hearted, I wanted to help them; so in perfect innocence I suggested to the distinguished gentleman who drew the bill and sent it to us to pass that he could relieve both the chief justice and the President of the embarrassment and responsibility of assigning a judge each year by writing it into the law that whenever a vacancy occurred the circuit judge holding either the oldest or youngest commission should fill the vacancy. Either way the law fixed it it would work automatically. Whether the law said the oldest or youngest commission, the eligible judge would know it, and everybody would know who the next judge would be, because the eligible would stand, like the crown prince, waiting to take the vacancy when it occurred, and could devote his leisure to studying commerce law and the interests of investors. The gentleman did not seem to admire my proffered assistance, but said he was not looking for automatic things. I then told him what a good old Republican friend had suggested to me, that the President, having named five new judges to start the court,

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might just appoint another new one every time a vacancy occurred. He smiled at that, and I quit trying to help him.

I am too good-natured to suggest anything mean; I hate to tell it, even as bad as I believe it is going to happen; but I will tell you what could happen. Five new judges could be appointed and start off the commerce court with terms, respectively, one, two, three, four, and five years. Under the provisions of this substitute bill each man can be reassigned up to 1914. The court being organized in 1910, the one-year man can be reassigned in 1911 for a term ending in 1916, and so on up to the fourth man, whose term would expire in 1914, he can be reassigned up to 1919. That would hold a majority of the original appointees in office until 1917, or seven years, long enough to start a line of decisions, establish a line of precedents, and do lots of mischief to the cause of justice in the United States if everything worked out that way. But the hardest class of folks on the face of this earth to rely on for systematic wrong and corruption is the lawyers. They get in the habit of respecting the law and the courts and the civilization protected by those bulwarks, and though you find one occasionally inclined to go wrong or temporarily crooked from bad company or environment, it will not do to count on holding three corrupt lawyers together for seven years. In the nature of things it is utterly impossible. You do not find a Jeffries more than once in a century, and there never have been three of a kind at one time since the dawn of jurisprudence. If that scheme were possible and any of the plans which the reactionaries hope for under this bill were to receive the sanction of that court, the Supreme Court would reverse it with all the stinging and burning indignation compatible with the dignity of that august tribunal.

The President is much more reliable and less likely to do wrong from his training and practice as a lawyer than from his accomplishments as a Republican politician. Whatever good he may develop or whatever evil he may refrain from will be due to his legal training and restraint and not to his efforts to meet the exigencies of Republican politics, but rather in spite of them. Furthermore, as a lawyer, I object to the name "commerce court," and so do the American people. They love justice and revere law; they like a law court, a court of justice; they know what that means and respect it; it has never been their idea that commerce should become the dominating principle and passion of the American people. This is intended to be a land of liberty and sentiment, and education, and religion, and morality, and refinement, and law and order. We cultivate commerce as necessary to provide means of support. We do not intend to make it the dominating factor. Instead of securing unity and uniformity and simplicity, creating this court would further diversify our jurisdiction and practice, confound and confuse matters, and make our judicial system more unsatisfactory than at present, besides administering a rude shock to the sensibilities of our people. For these reasons, being a lawyer, I refuse to subscribe to the creation of that court. I love the law and honor the administration of justice as the

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sheet anchor of our social, industrial, and political fabric. I can not, as a lawyer, consent to reflect upon myself, my associates at the American bar, and the exalted cause and science of jurisprudence by indorsing any such anomaly.

Next in the majority report is the recital of some amendments put on by the committee, not demanded by the President nor the Attorney-General nor provided for in the reactionary administration bill. Among them we provide for giving the Interstate Commerce Commission power to require the carriers to provide proper bills of lading concerning which we have had extended hearings; also to require regulations as to carrying the baggage of commercial travelers, which we have considered at length, and a great many other valuable provisions, all of which but one we indorse. That is, the repeal in section 1 of the original act, of the proviso which declares "that the provisions of this act shall not apply to the transportation of passengers or property or to the receiving, delivering, storage, or handling of property wholly within one State and not shipped to or from a foreign country from or to any State or Territory." I understand the reasons why this was stricken out, and for those reasons I am opposed to striking it out. It is claimed "that it would be of assistance to the commission and courts, in determining questions of interstate character, to take that language out, as it would remove a limitation which might otherwise be claimed to be binding on the courts themselves." In other words, that language is a warning not to try to stretch federal authority to interfere with local and domestic institutions and instrumentalities. The peculiar provisions in this bill insisted on by the administration render more than ever important the retention of this language.

This is not the language of a state law that would operate like a red flag in the face of a mad bull when read by a centralist, who forgets all respect for his own State in belittling other States in toadying and fawning before the usurpation of centralized power. It is the language of the Federal Government directing its own officers and agents not to claim or insist on interfering beyond a certain point. It is for their safe guidance and warning as to constitutional limitations and the proper scope of their work. Officials who say that the language ought to be repealed because it is sometimes embarrassing to them and hinders what federal officials want to do are the very officials who most need that statutory instruction constantly before their eyes. The best thing in this substitute bill is next mentioned by the majority report. Soon after the commerce law was first passed the Supreme Court construed the conditioning clause "under substantially similar circumstances and conditions," placed in the bill by the Senate at the instance of the reactionaries, so as to emasculate the bill. We have been trying ever since to restore the virility of the law by repealing those words. Our committee considered it when the Hepburn bill was up, and it was again considered over at the other end of the Capitol, but the opposition was too strong for us and we failed to eliminate the words. If we could have done that, the Hepburn bill would have been almost ideal; but

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we can not overcome our objections to other features of the bill because of this amendment here. We have already been assured that this House is the only place where that amendment can secure any support, and will lose out in the end.

I was much interested in the discussion of the long-and-short-haul clause by the gentleman from Illinois [Mr. Mann]. He correctly answered in the negative the question of the gentleman from Illinois [Mr. Cannon] as to the possibility of enacting a valid law to prevent shipments by water from New York to San Francisco at lower rates than the transcontinental railroad could afford to charge. If natural advantages give people cheap rates, it would hardly be right to increase them in order to transfer the business to railroads otherwise unable to compete. The railroad can properly decline to seek business for which it can not offer fair terms and give its attention to other business more profitable needing attention. His answer to the question of the gentleman from Georgia [Mr. Bartlett] was not so satisfactory. He was asked if repealing the conditioning clause under "similar circumstances and conditions," in section 4 of the original act, would prove effective or would not the same condition be restored by the first proviso in section 6 authorizing the carrier to petition the commission for authority to make exceptional rates. The answer should have been no. With the qualifying clause in the act the carrier is permitted to take the initiative, judge the circumstances and conditions, and put the rates in force. The burden is then on the shipper to institute action, assail an entrenched position, negative a prima facie case showing a situation legal on its face, while on the other hand, if that clause be repealed and the proviso relied on instead, the burden will be transferred to the carrier to commence the case and make his proof to satisfy the commission that the situation is sufficiently exceptional to justify a variation of the rule for them. Only in that way can the carrier be authorized to put in such exceptional rates.

In my judgment a solution of the problem to fix rates according to distance is to give more attention to the terminal and handling expenses, which are as large for a short haul as for a long one. That accounts for the per ton mile charges appearing to be higher in England than in this country. The average haul here is more than five times as long as in England. In England every shipment pays the terminal and handling expenses. If adequate charge be made for loading, unloading, receiving, and delivering, infinitesimal differentials on the increasing rates for successive stations would prove satisfactory and prevent many complaints.

The next subject is that of agreements between common carriers. The Democrats kept insisting on legislating against pooling and combinations in restraint of trade, until in an unlucky moment for the reactionaries, when they were not looking Congress "run amuck" (although the administration never does) and enacted a law which, properly enforced, would really prevent pooling and maintain competition. The reactionaries have insistently and consistently battered at the doors of both

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parties to secure such modification as will restore to them the joys of the immense profits of monopoly. Despairing of their ability to repeal the law in plain terms, they decided to call it something else, and they said if we would make it lawful for them to enter into agreements as to rates and practices they were willing to retain the nominal inhibition against combinations and pooling. So they secured deliverances from both the last two national conventions. The Republican convention, as usual, proposed "to give the railroads the right to make and publish traffic agreements subject to the approval of the commission."

The pending bill follows that proposition, and, although it goes through the perfunctory performance of reenacting the law against pooling, that language is made to follow the language positive and conclusive, although veiled by awkward expression and the misleading use of the double negative by the positive declaration that the agreement is lawful if filed with the commission. The English language can make nothing else out of it. It is abhorrent to common honesty and repugnant to common sense. We favor the suggestion in the Democratic platform that all such agreements shall be "unlawful unless filed with and approved by the Interstate Commerce Commission." We shall offer that amendment to the section and the further amendment that if the agreement is contrary to the antitrust law it shall not be held to be lawful although approved by the commission.

A remarkable feature of this bill, an evident effort at linguistic jugglery, not by the executive department nor putative author of the bill, however, is this section. We challenge the judgment of any grammarian on that, whether or not he knows any law, or any lawyer, whether or not he knows any grammar, on the statement that any agreement is legalized by that section provided it is filed with the commission, that it can only be corrected or gotten rid of by dealing with each separate part of the rate severally, as in case of other individual rates; that it substitutes another name for pooling, with the same substance; and that by the operation of that section all the evils of pooling may be visited upon the people despite the antitrust and antipooling laws. For be it remembered that the great evil of pooling is not that the separate carriers divide the work and profits arbitrarily—that might not affect the public, but only themselves—but the evil is that it practices consolidation, destroys competition, and the people suffer in their facilities, rates, and fair treatment as to transportation through monopoly.

If we are mistaken as to the meaning, the language has no meaning. In explaining the apparent willingness of the shippers that the carriers be allowed to make agreements which would circumvent the antipooling law the gentleman from Illinois [Mr. Mann] failed to note that the leading shippers are factors and jobbers who care very little how high a rate is so it is uniform and so stable that they can rely on its permanence through the transactions of a business season or cam-

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paign. They want to know what the rate is before they sell or buy so they can avoid loss and make profit. If they buy commodities they reduce the price enough to recoup for the freight. If they sell, they add the freight to the price. The public pays the freight both ways and the common people are interested in the amount and want low rates. The shippers are satisfied with stable rates. In the message quoted in the majority report the President makes this very clear. I shall not consent to any collusive arrangement between the shippers and the carriers to make secure their own profits at the expense of the public. The hearings disclosed a decided tendency in that direction, to which I object.

There are several other good amendments which we would be glad to see enacted into law, but they are not sufficient to induce us to accept the features already objected to and the obnoxious provisions which follow. If we should consent to be misled in that way into supporting this substitute bill because of these amendments the result might be that all these good features would go out in conference and the bill would pass with only the original obnoxious features. We have already been authoritatively advised that however we may discuss and amend around the edges, the conference committee is expected to preserve the original features of the administration bill in all their enormity, and that the beneficial amendments that we have made will go out of the bill before it becomes a law.

Here the discussion ought to end; for this ought to be the end of the bill, as there is no further reference to the regulation of rates and practices in interstate commerce, the only subject germane to this bill. But here is where our centralist friends propose to pervert the purposes of federal legislation and stretch our jurisdiction to do something entirely foreign to the intention of the commerce clause of the Constitution.

Section 12 of the bill, in addition to dealing with a matter entirely out of our jurisdiction, proceeds in an uncandid way to pretend to do a thing already provided for in the antitrust laws and then nullify it. It pretends to prohibit the acquirement of one competing line by another. And the authors of the bill were filled with surprise and consternation when we put into the first part of that section an amendment prohibiting the same person from being an officer or director in two competing companies. Pretense was all that was intended, real accomplishment was not desired. If anything is constitutional in that section that amendment is the most valuable thing in it. But that part of the section is an officious assumption of unwarranted jurisdiction over morals and common honesty, for the protection of investment, and the safety of business transactions, with which the Federal Government has nothing to do, except in the case of corporations chartered by the Federal Government. It is confessed now that this and the three following sections have no relation to rate making, the physical possession of the roads engaged in interstate commerce and the commerce clause of the Constitution providing all the power we need in that respect without assuming the burden of internal details of corporate and financial business.

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The truth is, the pretense made in the first part of section 12 is entirely unjustified. The subject of consolidating two competitors into a monopoly is within the terms of the antitrust law. If that law is not sufficient, an amendment should be proposed and referred to the Judiciary Committee, but the trouble is the antitrust law is sufficient. The defect, if any, is in the enforcement of the law. The truth is, the corporations dread that law. It hangs like the sword of Damocles over their heads. Some administration might come along that would "run amuck" and enforce that law and get them into trouble. So the same ingenuity that urges the commerce court planned section 12 in order to give the court business and the same malefactors who laid the scheme provided in section 12 demanded the creation of the court in order to do that work. The scheme provided in the first part of the section is a mild imitation of the prohibition of the consolidation of competitors, and then, in the second half of the section, provides for the practical nullification of that provision and the penalties of the antitrust law. It is deliberately proposed that before a consolidation shall go into effect, although agreed upon, the commerce court shall by a liberality of practice in taking testimony, of which, I understand, our fight upon it has compelled a modification, not only at variance with legal precedents, but repugnant to the moral sense, proceed in advance to determine and declare by conclusive judgment, amounting to future guarantee against the penalties of the antitrust law, that the consolidation can be made and competition destroyed.

In the original bill very great latitude is expressly given to people who have already begun to violate the law to go ahead and complete their scheme and receive perfect absolution from punishable guilt under the antitrust law. Anticipating the future by judicial action, taking up the ventures and investments of rich men, and judicially determining in advance what their future conduct shall be and their criminal responsibility therefor, is something unprecedented in the annals of jurisprudence. Here again attempt at analogy runs amuck. We are told that it is like a suit to quiet title or a bill by a trustee for direction, but there is no sort of similitude. Both of those well-known actions deal with accomplished facts already passed, and in both cases the action sought of the court is adjudication as to the things already done, beyond alteration by the parties, and the question is what judgment and directions should be given as the result of these accomplished facts. In this case it is proposed that the court take up the direction of transactions for the future and tell people in advance what they may do and what they may not do, and whether they will be liable to penalty therefor or not. This looked ridiculous to me, until the statement was openly made that the purpose of this contrivance is to circumvent the terms of the antitrust law and legalize by the sanction of the judgment of the commerce court the destruction of competition and the effecting of consolidation contrary to the terms of the antitrust law, it being deemed impossible to repeal that law outright.

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Everybody knows that the power to fix a reasonable rate is just as plenary whether there is one road or a hundred between points. The question of competition may be a circumstance to regard as evidence in considering the question, but the power to fix the rate is absolute. If we are to stretch the Constitution and stretch the science of jurisprudence out of all reasonable shape by projection court investigation into the future transactions of men and break down all local authority and state autonomy by perverting the commerce clause of the Constitution, it will simplify the question of marriage and divorce. Men before marriage can have a court to decree a divorce, adjust all property rights, and dispose of all children produced and allowed to live to be disposed of. There is another interesting feature in that situation, and that is the amiability of these special interests who say they want to be law-abiding citizens and will obey the antitrust law if you will change it in some way so as to fit their conduct. That is a beautiful proposition; there are many things we all like and many things we would like to do for our own pleasure and interest, but the law of the land and rights of other men interpose obstacles.

It would be equally fair to us all and fully as rational to provide a general-latitude clause providing that all laws which stand in the way of our desires and purposes shall bent to conform to our wishes and interests so that we can all respect and obey the law. The next three sections are just as foolish. They undertake to interfere with all corporate transactions without regard to the authority granting charters and to prohibit the issuance of any stocks or bonds without the permission and authority of the Interstate Commerce Commission. There is no pretense that this is necessary to regulating rates and practices, but it is for the purpose of protecting existing lines of railroads and enabling investors to take care of their investments without regard to anybody else, and prevent further development of the country. It is intended that a few capitalists may control all lines of transportation, prevent the construction of new and independent lines as competitors, allow no further railroad development except such as they see proper to make in extension of their own lines, and control regulation for their own security and enrichment.

These provisions would impose a world of work on the commission, and if not promptly and wisely performed might permit a saturnalia of corrupt dealing, watered stock, fraudulent bonds, wild speculation, and a deluge of panic and disaster. The only advantage would be the satisfaction and security to the wreckers that their performances have been legalized. These propositions would overshadow our country with such menace to new enterprises that the present holders would gratify their hope of preventing further development. They would be legally authorized to exploit and complete their consolidation of existing lines, and through legalized monopoly continue to exploit the people who pay the bills and appeal to us in vain to guarantee fair and just treatment. There is no escaping the obvious conclusion that these provisions are not

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designed to secure just and fair rates and practices of transportation nor bear any relation thereto. Their evident purpose is to anticipate and set up by indirection, for the advantage of present security holders, the impossible federal incorporation act by an improper use of the commerce clause to take control of the subject of investments and look after securities in speculation. If that is a good purpose, it should find manifestation in an honest effort to enforce the antitrust law instead of trying to invent means to nullify it. If further legislation is necessary and appropriate for that purpose, the bill should go to the Judiciary Committee. It has no place on a measure to regulate transportation.

We need thousands of miles of new railroad in the South and the West. The enactment of these provisions would paralyze all efforts to secure them for years. We protest against such iniquitous interference, which has no other purpose than the aggrandizement of existing powerful corporations which can take care of themselves and need no such help from the Government. It is fair to admit, for the benefit of the inscrutable wisdom of those insurgents and near insurgents, who deceive their constituents and themselves by pretending that Cannonism is worse than Taftism, that the Republican platform does mildly "favor such national legislation and supervision as will prevent the overissue of stocks and bonds in the future by interstate carriers." But even that declaration fails to describe or justify the enormity of these propositions. There was a rational declaration by the Democratic convention asserting "the right of Congress to exercise complete control over interstate commerce and the right of each State to exercise like control over interstate commerce." It made the absolute demand "to compel railroads to perform their duties as common carriers and prevent discrimination and extortion." It favored the efficient supervision of rate regulation of roads engaged in interstate commerce, and recommended valuation of railroad properties as a circumstance to help determine the justice and fairness of rates. We favored that, and shall offer that amendment, but the reactionaries behind this bill do not want it, and will not have it, because the knowledge of the true value of their properties would justify increased taxation.

We concede that the Federal Government ought to use all its powers to secure information of every character that would be valuable in aiding the Interstate Commerce Commission to determine just and reasonable rates. We abhor dishonesty and irregularity in the management of corporate affairs. The discussions of this bill disclose some loose and dirty methods of organizing corporations and issuing stocks without turning the cash into the Treasury, and issuing bonds, selling them for what they will bring and using the money to pay dividends on the stock. The States in which those things occur ought to put the perpetrators in the penitentiary, and if those States have not character enough to do that they ought to be required to discharge their duties of government or surrender their territory to States which will discharge them. My own State and

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such other first-class ones as I am acquainted with, recognize the honest principle of chartering, organizing, and conducting corporations. When an issue of stock is made simultaneously the same amount of money is placed in the Treasury, the stock certificate simply shows each man's interest in the corporation and each man owns his stock. The corporation becoming an artificial person, owns the money and whatever it buys or builds with the money. It does not sell stock; it has none to sell. If it wishes to increase its capital stock more money can be paid into the Treasury and a corresponding amount of stock certificates issued to those who pay the money.

Having thus been honestly organized, if necessity or business opportunities make it advisable to use more money than they have on hand, they have a right, just as natural persons, to use whatever credit they have, to borrow what they need on the market, and it is no business of the Federal Government to obtrude any inquisitorial interference or requirements into the domestic arrangements of state corporations. The States can be relied upon to look after the question of morality and honesty and the conduct of the corporations they create. Those questions bear no sort of relation to rate making by the Federal Government to interstate commerce. Having physical possession of the roads actually engaged in interstate commerce, the power to regulate rates and practices is absolute, regardless of all other circumstances and conditions. The question of practical honesty and sound morality and protection of investments, the Federal Government has no concern with, and fortunate it is for the cause of honesty and morality. My State has rigid regulations to govern all of those subjects—protect investments, promote honesty and morality—and at the same time encourage further development and progress, which we so much need and which the passage of this bill would render impossible for many years.

Our final and strongest objection to this legislation is the manner in which it originated and came to Congress. If I am wrong I am in good company. Many statesmen of patriotism and renown have entertained the same view. It was intended that the legislative, executive, and judicial departments of the Government should operate in their respective spheres independent of one another. It was fondly hoped that the safeguards, reservations, and limitations upon exactly specified and delegated powers would foster and preserve forever our Republic to administer our benign institutions. Unfortunately, just as in the beginning, "the serpent was more subtle than all the beasts of the field," so in framing our Constitution Hamiltonian suggestion was more cunning and insidious than the open candor and honest statesmanship of the great and good men who gave character to our young Republic. Not being able openly and directly to form a centralized monarchy, indirection and finesse were employed by the crafty prototypes of the dominant party of this day to secure indefinite provisions for construction to work upon. That party has not been slow to utilize every loophole and license which could be construed or stretched

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to benefit the privileged classes and injure the masses. It is defiantly asserted that the commerce clause will permit the practical elimination of State lines and the ultimate destruction of local authority through the gradual assumption of all power by the General Government. It is claimed that the general-welfare clause will authorize federal legislation on any subject affecting anybody's welfare. No wonder that Jefferson feared and trembled for the perpetuity of the Republic in apprehension of the broad construction to be exercised by the federal courts in their power to construe the Constitution.

The provision, however, making it the duty of the President "to give to Congress information as to the state of the Union and recommend to their consideration such measures as he shall judge necessary and expedient" seemed to occasion no alarm. It appeared quite natural and proper that the President in executing the laws might discover defects in them or subjects which they did not reach and report them to Congress, advising Congress also as to general conditions at home and abroad under his administration of the Government. All the Presidents appeared to understand it; it worked well, the duty was performed, the power was not abused, and the legislative function of Congress was respected until quite recently. It has now become the fashion for the President to have pet policies for sensational and political purposes, for nobody has discovered where they have accomplished any practical good, nor is it deemed sufficient for those policies to be limited to the legitimate executive function of administering and enforcing the law. Positive legislation of specific prescribed character, to the utmost detail, must be the corner stone and foundation of these policies. Conferences are held with the parties interested, legislation is determined upon by the Executive, bills are drawn and sent to Congress with orders to pass them. According to the newspapers, which generally tell the truth, we are ordered to pass them substantially as presented.

We are informed that if this House alters them, the amendments will be eliminated before the bill becomes a law. In my judgment this is the most violent and insulting act of usurpation and dictation to Congress by way of interference with its functions ever indulged in by an Executive. I would not personally disparage the President nor speak unkindly of him. I refer to him officially and have no doubt he is as good as his party—certainly as good as any Congressman pliant enough to swallow the affront to him and to Congress by servile obedience to the command. I care not how good, great, and able the President may be, this breach of the privilege of Congress ought to be resented. We should defeat this bill on account of its dictation by the Executive, regardless of its character. It constitutes a serious assault upon the dignity, freedom, and independence of Congress, fraught with danger to our institutions. Respect for myself, my constituents, the constitutional powers and duties of Congress, and the free institutions of my country compel me to resist the measure, as much on account of its origin as because of its obnoxious provisions.

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COURT OF COMMERCE

Speech of Hon. A. O. BACON, of Georgia, in the Senate of the United States, March 23, 1910. [Part of Congressional Record.]

Mr. Bacon—With the permission of the Senator from Iowa I want to recall an incident which I once witnessed in this Chamber when a very distinguished Senator who then ornamented this Chamber, and who has now, unfortunately, gone to his long home, standing immediately in front of where the Senator from Rhode Island stood a moment ago when he invoked the name and influence of the President of the United States—the late Senator Hoar—resented and denounced it as an invasion of the privileges of this Senate for any Senator to state in this place whether the President of the United States was or was not in favor of any proposed legislation.

Mr. Aldrich—Mr. President, I did not say what the President of the United States was in favor of. I simply stated what every man in the Senate knows and every man in the United States knows, that this bill was prepared by the Attorney-General of the United States under the direction of the President; but I did not undertake to say what their motive was in offering it here.

Mr. Bacon—If the Senator will pardon me, I want to say that I think if the President of the United States or the Attorney-General can prepare a bill and bring it to this Senate, and it can be passed under their dictation, the Senate has fallen from its high estate.

* * * * *

Mr. Bacon—The Senator from Rhode Island has been here twice as long as I have. I have been here fifteen years, and never, until within the past twelve months, have I ever known the repeated admission and acknowledgment of the fact made on the floor of the Senate, as it is made by the Senator from Rhode Island to-day, that we are proceeding in the consideration of measures which did not originate with this body, the terms and particulars of which were not thought out by any member of this body, but which are accepted at the dictation of those who do not belong to the legislative department of the Government.

* * * * *

Mr. Bacon—I am very much obliged to the distinguished Senator from New York for the compliment he pays me in suggesting that possibly I am solicitous for the careful guarding of all the provisions of the Constitution, though I do not at all arrogate to myself the high office of being one charged with any greater degree of responsibility or of solicitude in that regard than any other Member of the Senate is, or at least

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should be, considering that each one of us before we took our office in this body was required to take a solemn oath that he would thus preserve it in all of its features.

I desire to say to the Senator that in what I have suggested I have had no disposition or desire to unduly criticize the President, but that I am animated simply with a proper solicitude for the recognition and preservation of the rights and privileges of this body as a branch of the legislative department of the Government. I have not been forgetful of the provision of the Constitution which the Senator from New York has so kindly read to the Senate, nor am I forgetful of the exalted station and of the high constitutional prerogatives of the President.

But, Mr. President, I think I can say with absolute confidence that the Senator himself does not construe that provision to mean that the President of the United States is to communicate to the Congress what he may deem to be of importance in the way of information, or of measures which are entitled to consideration by the Congress, in any other way than in a message to Congress. The Senator from New York is too good a lawyer, being recognized as one of the best in the land, for me to suggest to him any argument in support of such a proposition. Nobody disputes the right, but, on the contrary, everyone recognizes the right of the President of the United States to formally communicate to Congress and to suggest any matter of legislation which he may deem proper and important for the attention of the Congress.

But that is a very different matter from the framing in every detail of measures outside of Congress, not only one, but many, which are advertised in the newspapers as administration measures, with the full knowledge and avowal that their enactment is required of the Congress. When such requirement can be undisguisedly made, and is as undisguisedly acquiesced in by Congress without regard to the individual views of its Members, then I repeat the legislative department has fallen from its high estate.

Mr. President, there is a wide difference between the performance of the duties as contemplated by the Constitution, in which the President by reason of his continuous engagement—

Mr. Cummins rose.

Mr. Bacon—As I have started, I hope the Senator from Iowa will let me finish my answer. Engaged as the President is in the continuous performance of his duties and the public matters constantly under his attention, there is a wide difference between his not only having the power, but also being under obligation to communicate to Congress matters of public interest which may require legislation, and his proceeding to secure the enactment of certain measures communicated to Congress in an altogether different way, and with the advertised purpose to require the enactment of those measures. The functions of the executive and legislative branches of the Government should be exercised separately and kept apart.

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As I have been permitted to respond to the Senator from New York, I hope the Senator from Iowa will permit me to go a little further to illustrate this matter. There is a wide difference between the proper function of the President of the United States in the suggestion of proper matters of legislation and his going forward to practically control Congress in the enactment of legislation. It is a matter of degree under different circumstances.

Mr. President, I desire to narrate something which illustrates the fact that a deliberative body can come to a point where it ceases to be a deliberative body—where it ceases to have any will and is only the expression of the will of the executive. I wish to narrate what I have seen in another country, a country having the form of a republican government. I will not name the country, because it would not be proper that I should do so, but I am very willing to tell any Senator who may ask me what country it was. I will not state it in this place.

I have been in the capital of a country which in form is republican. I have for a week attended the sessions of a house corresponding to our House of Representatives. I have seen the deliberations of that body during all those days in which there was not a word of debate, in which nothing was ever done except to vote upon bills, and in which I never saw a vote cast in the negative upon any bill. Day after day, without a word spoken in debate, I have seen measure after measure read to that body, and then the roll called—they did not take the vote in the ordinary way, but always by a call of the roll—and in no single instance, in a week's observation of that body, did I ever see or hear one single member vote in the negative, but always "yea."

Being struck by that remarkable scene, I sought an interview with one of the members and asked him: "How is it that in no instance has there been cast a negative vote upon any bill? How is it that nobody has anything to say? How is it that nobody ever makes a motion or objection to anything? And," said I, "for illustration, to-day I saw two long bills passed in the house. The clerk read the bills; then the proper officer of the body called the roll, naming each member present, and in each instance each of the two bills was passed by unanimous vote, the only answer being 'yea' on the part of each member." He said: "Those were simply bills sent to us by the President, and there was nothing to debate and no reason why we should vote against them."

I will not detain the Senate longer, but I want to state something that happened a few days ago. I narrated that incident to a group of Senators, some of them Democrats and some of them Republicans, and after narrating it I said that if any member of that house of representatives in that country had voted in the negative, doubtless he would have been dismissed from office. I said, of course, the President of the United States can not dismiss anyone from legislative office, and one of the Republican Senators spoke up and said: "Yes, but he can take away the patronage of a Senator, which is the same thing as dismissing him from office."

CORPORATION AND LABOR LEGISLATION

Mr. President, that is all I desire to say in the matter. I did not expect to have the necessity of saying this, because by no suggestion would I impute a wrong motive to the President; but when the Senator from New York reads a section of the Constitution and implies that I am forgetful of the right of the President of the United States in this matter, it is proper that I should point out what I think, in all courtesy and respect to him, is his constitutional function.

While, of course, I have no anticipation that men of our blood and men of our race will ever be reduced to the position of the country to which I have alluded, it is simply a question of degree. While men may not come to the point where they will unanimously vote in accordance with what in effect is practically the dictation of the executive department even though not so intended, it is certainly an approach to that condition when the majority of them can accept a measure simply because it happens to come from that source; and when the majority thus act, the practical effect is the same. The Congress is by such act made to abandon its legislative function.

AMENDMENT No. 76—LABOR

June 23, 1910.

The Speaker pro tempore—The Clerk will now report amendment No. 76.

The Clerk read as follows:

Provided further, That no part of this money shall be spent in the prosecution of any organization or individual for entering into any combination or agreement having in view the increasing of wages, shortening of hours, or bettering the condition of labor, or for any act done in furtherance thereof not in itself unlawful.

Mr. Hughes of New Jersey—Mr. Speaker, I move that the House do further insist on its disagreement to amendment No. 76.

Mr. Speaker, this amendment provides that no part of \$100,000 appropriated by the House, which was increased to \$200,000 by the Senate, shall be spent in the prosecution of any organization or individual for entering into any combination or agreement having in view the increasing of wages, shortening of hours or bettering the condition of labor or for any act done in furtherance thereof not in itself unlawful.

In another body this amendment was considered, and the request was made that it be sent into conference in order that the effect of the provision might be considered. I would like to have this House pass upon it, so that the other body may know the temper of the House in regard to the matter.

A curious situation has arisen in regard to the status of organizations of labor. It may be stated by gentlemen on the floor of this House that this is an unimportant matter, and

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that there is no disposition upon the part of anybody to commence these prosecutions. The statement is interesting, in view of the knowledge that Members of this House have that they have been flooded with telegrams against this amendment, and that these telegrams originated with the Manufacturers' Association of this country, an organization that is absolutely inimical to, and organized for the purpose of suppressing and exterminating all organizations of labor. But, gentlemen should know that one of the attorneys who took part in the suit of *Loewe v. Lawlor*, the Danbury hat manufacturers' case, is now in the gallery of this House, an interested spectator, anxious to see what the House will do with this amendment. Their interest in it has been great enough to cause them to send thousands of telegrams and communications to the Members of this House against this amendment. Yet it will be urged that it means nothing, and that nobody ever intended that these prosecutions should be had. The language of the decision of the court in the Danbury hat case shows any lawyer who will take the trouble to read it that, under that construction of the Sherman antitrust act, any organization of laboring men, entering upon a strike where the commodity manufactured may be the subject of interstate commerce, are offenders under this law. That is the situation that has developed, and that is the status of organized labor at this time. It is idle to say that this never was intended. We all know it never was so intended. The debates upon the Sherman antitrust law when it passed will show that it was far from the minds of the proposer or of those who voted for that statute that any such meaning should be given to it.

But the court of last resort has so decided, and so any organization of trainmen, any organization of men engaged in the product of a commodity which may become subject to interstate commerce, by the very fact of simultaneously withdrawing from work—the very fact of entering into a combination to withdraw from that employment, and to prevent the manufacture of transportation of that interstate-commerce commodity—brings them within the provisions of this act.

Mr. Cox of Indiana—Will the gentleman yield?

Mr. Hughes of New Jersey—Yes.

Mr. Cox of Indiana—Your amendment does not exempt labor unions from the provisions of the Sherman antitrust law, does it, then?

Mr. Hughes of New Jersey—Not by name.

Mr. Cox of Indiana—As I read your amendment, the only effect is it simply reads that no part of that appropriation be employed to prosecute labor unions?

Mr. Hughes of New Jersey—Of course; that is it precisely.

Mr. Cox of Indiana—And leaves the law in force?

Mr. Hughes of New Jersey—I am attempting legislation as far as I can legislate here on an appropriation bill. That legislation would be out of order if put on any appropriation bill, but this gives me an opportunity to test the temper of the House in the matter. It says in terms that no part of this

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money shall be spent for the purpose of carrying on criminal prosecutions of violations of the Sherman antitrust law on the part of these organizations.

Mr. Hughes of New Jersey—Mr. Speaker, I move that the House conferees be instructed to refuse to concur in Senate amendment No. 76.

Mr. Tawney—I make the point of order that that has been disposed of, and the conference has been agreed to.

Mr. Hughes of New Jersey—The motion comes at the proper time, before the appointment of the conferees.

The Speaker—The gentleman is correct. The gentleman will forward his motion to the Clerk, who will report it.

The Clerk read as follows:

Resolved, That the House conferees be instructed to refuse to agree to Senate amendment No. 76.

Mr. Tawney—Mr. Speaker, I do not know that I care at this time to discuss the motion offered by the gentleman from New Jersey. If he wants to discuss it I yield to him five minutes.

Mr. Hughes of New Jersey—I ask for a vote, Mr. Speaker.

The Speaker—The question is on agreeing to the instruction.

Mr. Hughes of New Jersey—On that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 154, nays 105, answered "present" 12, not voting 118, as follows:

YEAS—154.

Adair	Dawson	Hay	Macon
Adamson	Dent	Hayes	Maguire, Nebr.
Aiken	Denver	Heflin	Martin, Colo.
Alexander, Mo.	Dickinson	Helm	Mays
Anderson	Dickson, Miss.	Henry, Tex.	Miller, Minn.
Austin	Dies	Hinshaw	Mondell
Barnhart	Dixon, Ind.	Hitchcock	Moon, Tenn.
Bartlett, Ga.	Driscoll, D. A.	Hollingsworth	Moore, Tex.
Beall, Tex.	Driscoll, M. E.	Houston	Morrison
Bell, Ga.	Edwards, Ga.	Howard	Moss
Booher	Ellerbe	Hubbard, Iowa	Murdock
Borland	Ferris	Hughes, Ga.	Murphy
Bowers	Finley	Hughes, N. J.	Nelson
Brantley	Fish	Hull, Tenn.	Nicholls
Burgess	Fitzgerald	Johnson, Ky.	Norris
Burleson	Floyd, Ark.	Keliher	O'Connell
Burnett	Foster, Ill.	Kendall	Oldfield
Byrd	Gallagher	Kennedy, Iowa	Palmer, A. M.
Byrns	Garner, Tex.	Kinkaid, Nebr.	Patterson
Campbell	Garrett	Kinthead, N. J.	Pearre
Candler	Gill, Mo.	Kitchin	Poindexter
Carlin	Glass	Kopp	Pujo
Carter	Good	Kronmiller	Rainey
Cary	Gordon	Lamb	Randell, Tex.
Clark, Fla.	Graham, Ill.	Langley	Rauch
Clark, Mo.	Greene	Latta	Reynolds
Cline	Hamlin	Lenroot	Richardson
Collier	Hammond	Lever	Robinson
Cooper, Wis.	Hardwick	Lindbergh	Roddenbery
Cox, Ind.	Hardy	Lloyd	Rodenberg
Cullop	Haugen	Lundin	Rothermel
Davis	Havens	McDermott	Rucker, Colo.

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YEAS—Continued.

Rucker, Mo.	Slayden	Stephens, Tex.	Underwood
Sabath	Smith, Tex.	Sulzer	Watkins
Shackleford	Southwick	Talbott	Webb
Sheppard	Sparkman	Taylor, Colo.	Wickliffe
Sherwood	Spight	Thomas, Ky.	Woods, Iowa
Sims	Stafford	Tou Velle	
Sisson	Steenerson	Turnbull	

NAYS—105.

Ames	Fairchild	Knapp	Parker
Barchfield	Fasset	Knowland	Payne
Barclay	Foss, Ill.	Kilstermann	Plumley
Barnard	Foss, Mass.	Law	Prince
Routell	Foster, Vt.	Lawrence	Reeder
Burke, Pa.	Fowler	Longworth	Roberts
Burke, S. Dak.	Gardner, Mass.	Loud	Sherley
Calderhead	Gardner, Mich.	Loudenslager	Smith, Cal.
Cassidy	Garner, Pa.	Lowden	Sterling
Chapman	Gillett	McCreary	Stevens, Minn.
Cocks, N. Y.	Graff	McCredie	Sulloway
Coudrey	Grant	McKinlay, Cal.	Tawney
Cowles	Griest	McKinley, Ill.	Taylor, Ohio
Crow	Guernsey	McLachlan, Cal.	Thistlewood
Crumpacker	Hamilton	McLaughlin,	Thomas, Ohio
Currier	Hawley	Mich.	Tilson
Dalzell	Henry, Conn.	Madden	Tirrell
Davidson	Higgins	Madison	Townsend
Denby	Hill	Mann	Volstead
Diekema	Howell, N. J.	Miller, Kans.	Wanger
Dodds	Howland	Moon, Pa.	Washburn
Draper	Hubbard, W. Va.	Moore, Pa.	Weeks
Durey	Huff	Morgan, Okla.	Wheeler
Dwight	Hull, Iowa	Morse	Wiley
Ellis	Humphrey, W'sh.	Needham	Young, Mich.
Elvins	Johnson, Ohio	Nye	
Esch	Kelfer	Olcott	

ANSWERED "PRESENT"—12.

Bradley	Foelker	Kennedy, Ohio	Maynard
Butler	Graham, Pa.	Korbly	Padgett
Douglas	James	Lee	Ransdell, La.

NOT VOTING—118.

Alexander, N. Y.	Cook	Goebel	Legare
Allen	Cooper, Pa.	Goldfogle	Lindsay
Andrus	Covington	Goulden	Livingston
Ansberry	Cox, Ohio	Gregg	McCall
Anthony	Craig	Gronna	McGuire, Okla.
Ashbrook	Cravens	Hamer	McHenry
Bartholdt	Creager	Hamill	McKinney
Bartlett, Nev.	Edwards, Ky.	Hanna	McMorran
Bates	Englebright	Harrison	Malby
Bennet, N. Y.	Estopinal	Heald	Martin, S. Dak.
Bennett, Ky.	Flood, Va.	Hobson	Millington
Bingham	Focht	Howell, Utah	Morehead
Boehne	Fordney	Hughes, W. Va.	Morgan, Mo.
Broussard	Fornes	Humphreys,	Moxley
Brownlow	Foulkrod	Miss.	Mudd
Burleigh	Fuller	Jamieson	Olmsted
Calder	Gaines	Johnson, S. C.	Page
Cantrill	Gardner, N. J.	Jones	Palmer, H. W.
Capron	Gill, Md.	Joyce	Parsons
Clayton	Gillespie	Kahn	Peters
Cole	Gilmore	Lafean	Pickett
Conry	Godwin	Langham	Pou

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NOT VOTING—Continued.

Pratt	Sheffield	Stanley	Weisse
Pray	Simmons	Sturgiss	Willett
Reid	Slemp	Swasey	Wilson, Ill.
Rhinock	Small	Taylor, Ala.	Wilson, Pa.
Riordan	Smith, Iowa	Tener	Wood, N. J.
Saunders	Smith, Mich.	Thomas, N. C.	Woodyard
Scott	Snapp	Vreeland	Young, N. Y.
Sharp	Sperry	Wallace	

So the motion was agreed to.

The following pairs were announced:

For the session:

- Mr. Andrus with Mr. Riordan.
- Mr. Bradley with Mr. Goulden.
- Mr. Slemp with Mr. Maynard.
- Mr. Young of New York with Mr. Fornes.
- Mr. Kennedy of Ohio with Mr. Ashbrook.
- Mr. Henry W. Palmer with Mr. Lee.

Until further notice:

- Mr. Moxley with Mr. Conry.
- Mr. Smith of Michigan with Mr. Saunders.
- Mr. Scott with Mr. Rhinock.
- Mr. Pray with Mr. Page.
- Mr. Morehead with Mr. Livingston.
- Mr. Millington with Mr. Legare.
- Mr. Malby with Mr. Jones.
- Mr. McKinney with Mr. Johnson of South Carolina.
- Mr. McCall with Mr. Hobson.
- Mr. Kahn with Mr. Hamill.
- Mr. Joyce with Mr. Goldfogle.
- Mr. Howell of Utah with Mr. Godwin.
- Mr. Heald with Mr. Gill of Maryland.
- Mr. Goebel with Mr. Cox of Ohio.
- Mr. Focht with Mr. Estopinal.
- Mr. Fordney with Mr. Craig.
- Mr. Foulkrod with Mr. Cantrill.
- Mr. Foelker with Mr. Wallace.
- Mr. Calder with Mr. Boehne.
- Mr. Burleigh with Mr. Willett.
- Mr. Brownlow with Mr. Weisse.
- Mr. Bartholdt with Mr. Thomas of North Carolina.
- Mr. Anthony with Mr. Taylor of Alabama.
- Mr. Swasey with Mr. Stanley.
- Mr. Woodyard with Mr. Small.
- Mr. Olmsted with Mr. James.
- Mr. Hanna with Mr. Broussard.
- Mr. Wilson of Illinois with Mr. Pou.
- Mr. McMorran with Mr. Clayton.
- Mr. Sperry with Mr. Cravens.
- Mr. Martin of South Dakota with Mr. Gillespie.
- Mr. Capron with Mr. Gilmore.
- Mr. Hughes of West Virginia with Mr. Lindsay.
- Mr. Snapp with Mr. Reid.
- Mr. Vreeland with Mr. Padgett.
- Mr. Smith of Iowa with Mr. Peters.
- Mr. Butler with Mr. Gregg.
- Mr. Cook with Mr. Humphreys of Mississippi.
- Mr. Gronna with Mr. Jamieson.
- Mr. Graham of Pennsylvania with Mr. Flood of Virginia.
- Mr. Lafean with Mr. McHenry.
- Mr. Englebright with Mr. Bartlett of Nevada.

For the day:

- Mr. Bennet of New York with Mr. Harrison.

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From June 18 to June 21, inclusive:

Mr. Gaines with Mr. Sharp.

From June 17 until adjournment:

Mr. Alexander of New York with Mr. Ransdell of Louisiana.

From June 20 to June 23, inclusive:

Mr. Pratt with Mr. Covington.

Mr. Bates with Mr. Korbly.

Until June 23, inclusive:

Mr. Langham with Mr. Wilson of Pennsylvania.

From June 21 until adjournment:

Mr. Douglas with Mr. Ansberry.

Mr. James—Mr. Speaker, has the gentleman from Pennsylvania, Mr. Olmsted, voted?

The Speaker—He did not.

Mr. James—I have a general pair with him, and I wish to withdraw my vote in the affirmative, and answer "present."

Mr. Kennedy of Ohio—Mr. Speaker, did the gentleman from Ohio, Mr. Ashbrook, vote?

The Speaker—He did not.

Mr. Kennedy of Ohio—I voted "no." I wish to withdraw that, and answer "present."

The result of the vote was then announced as above recorded.

AMENDMENT No. 76—LABOR.

June 23, 1910.

Mr. Bartlett of Georgia—Mr. Speaker, I am opposed to this motion for the House to recede from its agreement to this amendment. The people of this country, Members of this House, and many lawyers of the country do not agree to the proposition that has been decided—that the Sherman antitrust law intended when passed to embrace in its provisions labor organizations and organizations of farmers throughout the country. [Applause.]

The debates on the floor of the Senate when that act was passed, and the history of the legislation shows that the bill once contained almost this indential provision. It passed the Senate and it was referred to the Judiciary Committee for further amendment, and when it was reported to the Senate the author of that bill, Senator Sherman, on the floor of the Senate stated, and afterwards in his memoirs declared, that it was not put in there because no Member of the Senate thought it covered this kind of organization.

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The House in 1900 attempted to amend the antitrust law. The minority members of the Judiciary Committee offered an amendment to the bill reported by that committee, which was as follows:

Amend section 7 as proposed by the committee by inserting, between the first words "that" and "this," in the first line of said section, the following words, to wit:

"Nothing in this act shall be so construed as to apply to trade unions or other labor organizations organized for the purpose of regulating wages, hours of labor, or other conditions under which labor is to be performed."

Upon that amendment, so offered by the minority members of the Judiciary Committee on the 2d of June, 1900, the roll was called in the House and only eight men had the courage to vote against it. Among the nays was the brave and stalwart Mr. Cannon, now Speaker. And amongst those voting for that amendment was the honorable gentleman from Minnesota [Mr. Tawney]. [Applause on the Democratic side.] There is the record of the vote. The gentleman voted then for almost this identical amendment to the Sherman antitrust law, which declared that in the enforcement of that law these organizations should be exempt. Now, we propose to resort to the power which the English Parliament often resorted to in order to enforce the recognition of the rights of the people at the hands of the King, resorting to the power which a Democratic Congress in 1877 resorted to protect the people of the South from interference by federal marshals at our elections.

I am in favor of declaring, by this amendment, that, in spite of the decision of the Supreme Court, we do not believe it is just and proper or within the province of the antitrust act to indict and prosecute members of labor organizations formed and organized for the purposes set out in this amendment. The country, in my judgment, has not and does not indorse the proposition that these organizations should be subject to the penalties pronounced in the act of 1890 against unlawful conspiracies to interfere with interstate commerce; and the sooner we make it plain by statute the better for all.

So, Mr. Speaker, while I have the utmost respect for law, while I would enforce it, I assert the power of a Member of this House when I say I will not vote a dollar for the prosecution of men who have organized legitimately and properly to better their conditions, as the labor organizations have. I reserve to myself the right that my ancestors exercised in the Parliament of England three hundred years ago when they said, "We will not give the government the power and money to carry out purposes which we do not indorse." [Loud applause on the Democratic side.]

FARMERS' ORGANIZATIONS

June 23, 1910.

Mr. Hardwick—Mr. Speaker, I was both amused and entertained at the thrust made just now at the South and the Democratic party by the distinguished gentleman from Illinois [Mr. Boutell]. At this juncture, when no party issue is involved, when no party discussion is pertinent, it was amusing to have our genial friend from Illinois fling into the teeth of Southern Representatives the one "monopoly" on earth that they possess. In behalf of those Representatives, and in behalf of that great section of our country, I wish to say that the "monopoly," and the only one in which we are charged with having any ownership, is one that comes from the God in heaven, who gave the South her soil and her climate. It was not made by man; it was not created by favoritism of the law; and whenever a people in any country or any section of any country possess a monopoly of that kind, it is not a thing of which they need be ashamed, but something of which they may well be proud. [Applause.]

There are monopolies and monopolies. The monopolies that result from legislative favor and the monopolies that come from artificial causes can not be approved, commended, or favored, or ought not to be. Those that come from natural causes and are the gift of the great Giver of every good and perfect gift are neither to be condemned nor despised.

The gentleman from Illinois seems to think that the farmers who produce the cotton of the South ought to be blamed because they have "organized." Not so. Perish the thought. Are not the spinners of New England who buy our cotton organized? Are not the spinners of the South who buy our cotton organized? Are not the spinners of Germany, are not the spinners of France, are not the spinners of Japan, and every foreign nation organized? And why are these ultimate buyers of cotton in every section of the world organized? For nothing on earth except to affect the price of the product they must buy, as far as they can, and in their own interests.

If that be so, what fair man can say that the people who have cotton to sell have not also the right to organize, provided they do not carry the purpose of such organization to an unfair or illegal extent?

According to the newspaper the gentleman read, what does it appear is the object of the organization? It is "in order to get a fair and remunerative price" for their product; not an unnatural one, not an unduly remunerative one, but a fair and reasonable price for the product they raise. I submit to this House and to the country that the cotton producers of the South have a perfect right, and that they would be less than men if they did not exercise it, to organize for the protection of themselves and

their families so that they may get a reasonable, fair, and moderate price for this great commodity that clothes the world.

Not only that, but when the buyer, whose natural interest is to buy as cheaply as he can, is organized everywhere, do you not think that the men who sell would be fools if they did not organize the best they could, to help keep up their end of the stick? [Applause.]

There is no violation of the Sherman antitrust law in this; no violation of any fair or reasonable law of trade or of morality or of statute in the protective associations that these men have formed. They are 5,000,000 strong. It is not a question of a trust composed of a few men, or a few combinations of men, organized to control and unfairly enhance the price of a great commodity, but it is 5,000,000 true and loyal American citizens, scattered through 11 States, trying to "organize" solely for their own protection, not to oppress other people, but to keep from being oppressed themselves. [Applause.]

LABOR-AMENDMENT 76

Remarks of Hon. THOMAS P. GORE, of Oklahoma, in the Senate of the United States, Thursday, June 9, 1910. [Part of Congressional Record.]

Mr. Gore said:

Mr. President—I merely wish to observe that the amendment simply seeks to strike from the pending bill a proposition inserted by the House which is in harmony with the spirit of progress. The proposition as it comes to us from the House does not seek to legalize what is unlawful; it does not seek to legalize violence; it merely protects individual laborers and labor organizations against prosecutions for acts that are not within themselves unlawful. This is certainly a protection which ought to be vouchsafed not only to the individual, but ought to be vouchsafed to the labor organizations themselves.

The prosecution of laboring men for an effort to promote their own welfare and prosperity has come down to us from a darker age. A long series of oppressive enactments began in England immediately after the black plague in 1348. That pestilence destroyed nearly half the laborers, which greatly increased, if it did not double, the rate of wages. A statute was passed prohibiting laborers from accepting larger wages than they had received prior to the plague. Another prescribed the laborers' food and clothing, and made it a penal offense for a laborer to eat better food or wear better clothing than the statute prescribed. Mr. President, in 1563 a statute was passed by the English Parliament which authorized justices of the peace to fix the wages of laborers in England and made it a crime for any laboring man to accept a larger wage or a better compensation than that prescribed by the justices of the peace. Sir, that

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statute remained in full force and effect during two and a half centuries. It was not repealed until 1815, and it was then repealed because the justices of the peace were suspected of too much liberality toward the laboring men of England.

About the year 1553 a statute was passed in England, which made it an "infamous crime" for laboring men in that Kingdom to meet for the purpose of discussing the wages they would accept and the hours per day that they would toil. A similar statute was re-enacted, with some modifications, as late as 1796, making it a crime for laboring men to assemble even to discuss the hours of toil and the rates of wages.

That is a spirit which has come down to us from the dark ages. Not until 1825 was the legal ban removed from the organizations of laboring men in free and glorious England, and even then, sir, these organizations were given no legal status, no standing in the courts of the realm. As late as 1869 the treasurer of a labor organization, imitating the example of many state treasurers of America, embezzled the funds belonging to his organization. A criminal prosecution was instituted against the offender for the alleged crime, but the action was dismissed on the ground that labor organizations were unknown to the law of England; and that in committing the theft he had not perpetrated a crime.

Not till 1875 were labor organizations fully emancipated and legalized in Great Britain. Disraeli, then prime minister, declared when the act was passed that, for the first time during the history of England, the employer and the employee stood upon an equal footing before the laws of the land. That statute did in England what this provision was assuredly intended to do in America. It exempted labor unions or united laborers from criminal prosecution for acts which were lawful when done by an individual. That would seem to be the true test and a fair test.

Now, sir, the effort in the United States to prosecute laboring men for attempting to better their own conditions is simply a relic of those darker times. We ought to have outlived them. We ought to cast them behind us. We ought to stimulate the effort and stimulate the purpose on the part of the laboring men in this country to advance their welfare and to promote their own interests.

I had occasion a day or two since to allude to bill 6440, presented to this Senate in the Sixtieth Congress. That measure contained a clause, similar to the one now pending before the Senate, which protected laboring men against prosecutions for acts not unlawful at common law. I suggested on a previous occasion that that measure was prepared after conference with Judge Gary, of the steel corporation, and was drafted by Mr. Stetson and Mr. Morawetz. Even they did not object to the emancipation of the laborer; they were not unwilling for the Senate to grant this manumission. Why, sir, should we hesitate, when we have permission from such high and omnipotent authority? That measure, it is true, was a sort of a bargain, a reciprocal contract, which conveyed valuable privi-

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leges and immunities to the industrial combinations and conferred valuable privileges and immunities upon railway combinations in the United States, and the poor privilege granted to the laboring man was in consideration of those valuable concessions and immunities. Sir, in the blaze of twentieth century civilization we ought not to adhere to the ancient and the barbarous practices of a darker age.

* * * * *

INVESTIGATION OF THE SUGAR TRUST

Speech of Hon. HENRY T. RAINEY, in the House of Representatives, April 14, 1910. [Part of Congressional Record.]

Mr. Rainey said:

Mr. Speaker—No man in this House can afford to vote against this resolution. On the first day of this session of Congress the President sent to Congress his annual message, advising against an investigation of the sugar frauds for two reasons: First, an investigation by Congress might grant immunity; second, an investigation by Congress might prove an embarrassment.

Now, I want as briefly as I can to address my remarks first to the immunity part of the President's message, in order to show the absolute necessity for passing this resolution at the present time. The only provision granting any sort of immunity to a witness appearing before a congressional committee, or before either House, is contained in section 859 of the Revised Statutes, which reads as follows:

No testimony given by a witness before either House, or before any committee of either House of Congress, shall be used as evidence in any criminal proceeding against him in any court, except in a prosecution for perjury committed in giving such testimony. But an official paper or record produced by him is not within the said privilege.

Now, there is nothing else in the statutes that would grant any immunity to a witness testifying before a committee of Congress. All that this statutory provision provides with respect to the witness testifying is that his testimony shall not be used against him in a criminal trial, and that surely does not grant him immunity.

Granting immunity, as the President seems to understand it here in his message, is an absolute legal impossibility; and in this connection I may call attention to the Counselman case, the leading case on this question, and to other cases. Of course I can not discuss this resolution in the time allowed to me, and I want later on to yield a part of my time. I ask now to extend my remarks in the Record.

The Speaker—Is there objection to the gentleman extending his remarks in the Record?

There was no objection.

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Mr. Rainey—Now I want to say that in order not to embarrass the administration this resolution ought to be adopted, so that what the President said in his message may not be misconstrued.

There are some singular circumstances and unfortunate conditions surrounding the investigation of the sugar trust at the present time. Without at present going into the details or the evidence, I might call attention to some things that the country might think would be embarrassing if there was an investigation by Congress at the present time of the sugar trust. We have not convicted anybody higher up. We have not indicted anybody higher up in the sugar-trust frauds. The secretary of the American Sugar Refining Company is simply an employee, and we have indicted four \$18-a-week checkers and weighers, and the American Sugar Refining Company admit and produce their books and show, that they had stolen at least \$2,000,000 from the Treasury of the United States, and at the present time none of the men higher up are indicted.

Now, there are some of the things that might prove embarrassing, and the country might think they are embarrassing, unless the President is permitted further to explain the singular message he sent down here to Congress on the first day of this session.

In the first place, the Attorney-General of the United States is a sugar-trust attorney, and I make that statement, notwithstanding the fact that, in violation of the rules of this House, he put in a statement denying it; but he has not denied—

Mr. Fassett—Mr. Speaker—

Mr. Rainey—I can not yield at present; but he has not denied that he obtained a part of the enormous fee paid to the firm of Strong & Cadwalader. In the month of November—

Mr. Fassett—Mr. Speaker, will the gentleman allow me to ask him a question?

Mr. Rainey—Not at present. If I have time later I will.

The Speaker—The gentleman declines to yield at present.

Mr. Fassett—The gentleman made the statement that the present Attorney-General is now a sugar-trust attorney.

Mr. Rainey—I did not say that.

Mr. Fassett—The gentleman did not mean that, but he said it.

Mr. Rainey—I did not mean it if I said it, because the present Attorney-General of the United States is not now a member of the firm of Strong & Cadwalader. He was a member of the firm of Strong & Cadwalader, as he admits in his biography, written by himself in the Congressional Directory, until the 4th day of March, 1909; and for months prior to that time the firm of Strong & Cadwalader, one of the leading law firms in New York City, had in charge the most important suit ever brought against the American Sugar Refining Company, growing out of the wrecking of the Pennsylvania Sugar Refining Company in Philadelphia. The briefs in that \$30,000,000 suit were prepared in the office of the firm of Strong & Cadwalader; and when George W. Wickersham, the present Attorney-General of the United States, the second member in rank in that firm, became the Attorney-General of the United States the firm changed, and they moved up from a position down toward the foot to his place the brother of the President of the United States, and the brother of the President

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of the United States is the attorney who appears for the American sugar trust in the most important suit ever brought against it. At the present time J. E. Parsons, who directed the infamies of the sugar trust for years, is under indictment and is pleading the statute of limitations; and with remarkable friendship the Attorney-General of the United States, although not after his appointment representing the American Sugar Refining Company—

Mr. Parsons—Mr. Speaker—

Mr. Rainey—I can not yield now—although not after his appointment representing the American Sugar Refining Company, in a letter which was published in the January Cosmopolitan, shows that he does not want any of them prosecuted on account of the wrecking of the Pennsylvania Refining Company in the city of Philadelphia. Since the first day of this year James M. Beck, an ex-Assistant Attorney-General of the United States, appears as general counsel for the sugar trust.

Therefore, the circumstances that may be embarrassing, the things that the country may think are embarrassing, unless the President is given an opportunity to further explain his message, are these: In the first place, the Attorney-General of the United States was, until his appointment, a sugar-trust attorney. In the second place, the brother of the President of the United States is now a sugar-trust attorney, and appeared of record twice, once in the circuit court of the southern district of New York and again in the circuit court of appeals in the most important suit ever brought against the company. A sugar-trust attorney is the Attorney-General of the United States, an ex-Assistant Attorney-General of the United States, familiar with Republican methods in that office, is the present general counsel of the sugar trust, and Mr. J. E. Parsons, the father of the ex-president of the Republican county committee of New York, is under indictment, and is pleading the statute of limitations in order to escape conviction in the courts, and is assisted materially by the Attorney-General of the United States.

Mr. Bennet of New York—Will the gentleman yield?

Mr. Parsons rose.

Mr. Rainey—I yield.

The Speaker—To which gentleman from New York does the gentleman yield?

Mr. Rainey—I would be very glad to yield to the gentleman from New York [Mr. Parsons].

Mr. Bennet of New York—Mr. Parsons, sr., is not pleading the statute of limitations.

Mr. Rainey—Well, he had better plead it, if he is not doing it, and the Attorney-General of the United States asked him to plead it, or suggested that he do it.

Mr. Stafford—Will the gentleman yield?

Mr. Rainey—No; I promised to yield two minutes of my time to the gentleman from Pennsylvania [Mr. Burke].

Mr. Burke of Pennsylvania rose.

The Speaker—Does the gentleman from Illinois yield to the gentleman from Pennsylvania?

Mr. Rainey—I yield to the gentleman from New York [Mr. Parsons] for a question.

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Mr. Parsons—Mr. Speaker, I merely wish to know from the gentleman whether he wants to state the facts. The gentleman alluded to, Mr. John E. Parsons, who, I am proud to say, is my father, and he stated that he was pleading the statute of limitations. He is not pleading the statute of limitations.

Mr. Mann—That is as near right as the gentleman usually gets.

Mr. Parsons—If he has committed any crime, he will take his punishment like a man.

Mr. Rainey—What has he pleaded—not guilty?

Mr. Parsons—He has.

Mr. Rainey—And the case will be tried upon its merits?

Mr. Parsons—The case will be tried upon its merits.

Mr. Rainey—In spite of the advice of the Attorney-General of the United States.

Mr. Parsons—Somebody else pleaded the statute of limitations, some one who was not an officer of the sugar refining company, and the judge sustained the plea, and that now is on appeal to the Supreme Court of the United States. Now, may I make a further correction of the gentleman's statement?

Mr. Rainey—I would be glad to have the gentleman do it.

Mr. Parsons—Mr. Henry W. Taft is not now—I am quite sure I am correct—employed by the American Sugar Refining Company. He was employed in one litigation and that is the litigation to which the gentleman referred.

Mr. Rainey—I can not yield any further. I am glad to have the gentleman correct any statement that I make. I said that he was employed in a great suit brought against the sugar trust. I will furnish the evidence of his employment.

Under this resolution there comes up now for consideration the most corrupt and rotten trust ever created by the protective tariff system, a trust which reaches out through political parties and corrupts men as no other law-defying corporation has ever been able to do. For fourteen years, through its almost absolute management and control of the Republican party, it has been able to accomplish all its purposes. It has been able to wreck great financial institutions; it has been able to shape tariff schedules; through tariff schedules framed to suit its purposes it has been able to steal indirectly from the people; and, by bribing Republican officials, it has been able to steal directly from the Treasury of the United States untold millions of dollars.

In connection with the consideration of this resolution it becomes necessary to discuss the message of the President of the United States sent to Congress at the opening of the present session. Over a year has passed since the President entered upon the discharge of the duties of his high office, and this, the most important state paper he has as yet sent to this body, has never, so far as I know, been seriously discussed on this floor. A message from the President is entitled to more attention than this particular message has received.

I want to start, if I can, a discussion of that part of the message which refers to the sugar trust and its crimes against the

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Government. It fell like a wet blanket on the Congress. As a result of it four or five resolutions, including one of my own, providing for a congressional investigation of the methods of the sugar trust sleep the sleep that knows no waking in the Committee on Rules of the House, and this committee will continue to be in the future, as it has been in the past, the graveyard of those meritorious measures which might, if reported out, prove detrimental to the progress of the Republican party.

At the present time there is a deficit in the Treasury, constantly growing larger. The question of providing sufficient revenue to carry on the Government is growing serious, but the sugar trust, by a system of false weights, has stolen millions from the Treasury, and its officials still go about in private yachts, posing as respectable citizens. City mail delivery is being held up in 25 or 30 cities in the country on account of lack of money, while thieves who have stolen millions from the Treasury spend this season of the year cruising in the Mediterranean or at fashionable Florida hotels watching automobiles break records along the beach, still representing themselves to be honest men. Old soldiers asking modest increases in their pensions, commensurate only with their advancing age and increasing infirmities, will not receive the relief they ought to have, this year or next year, for the reason that, under a Republican administration, the country is in debt and the men who have contributed millions to the Republican campaign fund are, under a Republican administration, permitted to now reimburse themselves by stealing from the Treasury of the United States.

I am aware that I am again rendering myself liable to the charge of being partisan, and I will probably be again excluded by the Republican majority from serving on the investigating committees of this House. When you discuss on this floor the attempted offenses of men high in the councils of the Republican party they answer by misrepresenting what you say and by charging you with partisanship. I will be able to get along fairly well, I think, under charges of that character. I can assure you you will never be able to truthfully say I have been corrupted by millionaire malefactors or intimidated by men who hold high executive positions in the Government. I am well aware that the offense of *lèse majesté* has been fully recognized here by insurgents and regulars alike on the other side of this Chamber, and I have been adjudged guilty of it, but I propose to again render myself liable to the same charge. In the early days of the Republic the old rule prevailed that a man in public life must be above suspicion; the rule now is that you must not suspect.

Congress is, first of all, charged with the protection of the Treasury of the United States. I undertake to say that this message of the President contains the most remarkable suggestion ever made in a similar communication by any Chief Executive. I do not think any President has before, in our history, under similar facts, advised against a congressional investigation. In this message the President advised against an investigation of the sugar frauds by Congress as proposed for the rea-

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son that "it might, by giving immunity and otherwise, prove an embarrassment in securing conviction of the guilty parties."

There is no danger of granting immunity to a witness testifying before a committee of Congress. The immunity laws of the United States are based upon the fifth amendment to the Constitution of the United States. Section 103 of the Revised Statutes of the United States provides that—

No witness is privileged to refuse to testify as to any fact or produce any paper respecting which he shall be examined by either House of Congress or by any committee of either House upon the ground that his testimony as to such fact or his production of such paper may tend to disgrace him or otherwise render him infamous.

Section 859 of the Revised Statutes, which contains the only immunity provision in law applicable to witnesses testifying before committee of Congress reads as follows:

No testimony by a witness before either House or before any committee of either House of Congress shall be used as evidence in any criminal proceeding against him in any court, except in a prosecution for perjury committed in giving such testimony, but an official paper or record produced by him is not within the same privilege.

Section 102 of the Revised Statutes provides a penalty for refusal to answer questions pertinent to the question under inquiry when a matter is being investigated by either House or by a committee of either House. These are the only provisions in the law applicable to this subject, and I submit that there is no danger of granting immunity to witnesses appearing before a committee of Congress. The provision is that the testimony actually given by him shall not be used against him in a criminal proceeding. The original interstate-commerce act followed these sections, and simply provided that the testimony or evidence furnished by the witness could not be used against him, and attempted to compel witnesses employed by common carriers to give evidence touching the matters under investigation. Afterwards, in order to make the act effective, in 1893, the immunity provision was enlarged, so that the act provided that no person should be—

prosecuted or subjected to any penalty or forfeiture on account of any transaction, matter, or thing concerning which he gave testimony or produced evidence, documentary or otherwise, before said commission or in obedience to its subpoenas.

Afterwards, in 1903, the act creating a Bureau of Corporations extended to the commissioner the same power to compel corporations, companies, and combinations subject to its provisions to produce documentary evidence and to compel the attendance and testimony of witnesses. It also gave to the witnesses so testifying the same immunities imposed or conferred by the act to regulate commerce. I know of no other immunity provisions which can by any stretch of the imagination be applied to witnesses furnishing testimony for the Commissioner of the Bureau of Corporations, before the Interstate Commerce Commission, or

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before the committees of Congress than the provisions to which I have just called attention. A very cursory examination of the interstate-commerce act and the amendments thereto and the act of creating the Bureau of Corporations will demonstrate the fact that witnesses furnishing testimony before committees of the Congress can never under any circumstances claim the immunity provided for in these acts; and an examination of the immunity provisions as applied to testimony before the committees of Congress or before either House will show a marked difference in the character of the immunity that may be granted. Under the interstate-commerce act a witness can be compelled to testify before the commission, but he can not be prosecuted or subjected to any penalty on account of his connection with the transaction, matter, or thing concerning which he testifies. The same rule, of course, applies to witnesses furnishing information for the Commissioner of Corporations. But this rule does not apply, and has never been made to apply, to witnesses testifying before committees of either House. The only privilege a witness so testifying is entitled to receive is that the testimony he actually gives shall not be used against him in any criminal case in any court.

I submit that, under the law as it stands at the present time, granting a witness immunity, as the President seems to understand it in the message I am discussing, is a legal impossibility. The mere fact that we can not use the testimony a witness gives before a committee of Congress in a criminal case against him does not grant to him immunity in any sense of the word. Under the federal statutes a witness could not be compelled to answer if brought before a committee of Congress, if his answer would tend to incriminate him. If this is the law, then I respectfully submit that the fears of the President in this particular are without foundation; and it is not possible that an investigation by Congress by giving immunity could in any way hinder the Department of Justice in securing conviction of the guilty parties, even if there was any prospect at the present time that the Department of Justice would succeed in securing the conviction of the real criminals in the sugar-trust frauds.

It therefore becomes important to know how an investigation by Congress could "otherwise" prove an embarrassment in securing a conviction. The President has never advised the Congress upon this point, and we are left to guess what might "otherwise prove embarrassing" in the event of a congressional investigation. After briefly examining the history of the sugar trust and discussing its methods, I propose to call attention to some facts that might prove exceedingly embarrassing if a congressional investigation was had at the present time and the facts with reference to the crimes of the sugar trust against the Government were made public.

The methods employed by the Standard Oil monopoly and the sugar trust are identical; in fact, the sugar trust throughout its career has attempted to follow the business methods which have made the Standard Oil organization the world's greatest corporation. The Standard Oil Company pretends not to be interested

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in the production of oil, but only in the refining of crude oils, and yet the evidence at the present time shows that this company reaches out even beyond the seas and is attempting to control the crude-oil production of the world far beyond the boundaries of the United States. The American Sugar Refining Company and the other corporations comprising the sugar trust pretend to be refiners of sugar, and yet they reach out to those sections of the world which produce sugar and to-day are successfully controlling the great sources of supply.

In 1890 the sugar trust commenced actively and earnestly to control the tariff schedules. At that time they had a powerful rival on the Pacific coast in the Spreckels refineries. These refineries controlled the raw-sugar supply of Hawaii. Under a reciprocity treaty raw sugar was admitted from Hawaii free. In order to crush the Spreckels companies it became necessary for the sugar trust to have free raw material, and the McKinley law of that year gave it to them. In order to get free raw material it became necessary to appease the sugar planters of Louisiana, as well as the beet-sugar producers of the Western States. At that time the beet-sugar industry was a possibility of the future. The sugar-trust magnates were able, by forming an alliance with the cane-growing sections of the South, to secure free raw sugar; and in order to do it a provision was inserted in the bill for a bounty of 2 cents per pound on beet and cane sugar. The provision was unconstitutional, so clearly unconstitutional that the wonder is they were able to get the support of the sugar-producing sections of the South. The trust knew it was unconstitutional, and the Supreme Court afterwards decided it to be unconstitutional; but the sugar trust was successful. As soon as it succeeded in getting free raw material it crushed the Spreckels companies, and in less than a year the American sugar trust had succeeded in acquiring control of all the Spreckels refineries. After this the bounty case was permitted to pass through the courts, and the bounty provisions of the McKinley law were held to be unconstitutional, and the tariff act of 1894 repealed them.

In the investigation before the Senate committee in 1894, Mr. Henry O. Havemeyer, president of the sugar trust, was entirely frank in discussing the relations of his trust with the great political parties and their State campaign funds. He admitted that in the State of New York, where there was at that time a Democratic majority, supposed to be a safe majority, the trust made contributions to the Democratic party. In Massachusetts, where the Republican party was dominant, the trust made contributions to the Republican campaign fund. In other words, Mr. Havemeyer admitted in his testimony that the policy of the trust was to control in the States the dominant party. In this way the trust expected to influence Members of Congress. But immediately after the campaign of 1892 the sugar trust abandoned its contributions to State Democratic committees.

The Senate in 1894, while it gave the sugar trust the tariff plank it apparently wanted, also gave to the trust an investigation that it did not want. The investigation resulted in noth-

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ing, except to disclose the methods of the trust. Some newspaper correspondents refused to answer questions, and were sustained in their refusal. The members of certain brokerage firms refused to testify as to speculative orders received by them, and, finally, the examination failed to reach definite results. But the sugar trust found at that time that it was not entirely safe to trust the Democratic party, and no more sugar-trust funds went to any Democratic committee. There always has been a joker in every sugar schedule, commencing with the tariff bill of 1890. Polaroscope tests and Dutch standards are not readily understood. The McKinley bill of 1890 admitted sugar under 16 Dutch standard of color free and imposed a differential of five-tenths of 1 cent per pound on sugars above No. 16 Dutch standard in color; and this schedule made it possible for the sugar trust to enter upon its first great advance movement and to become one of the world's most oppressive trusts.

In 1894 the sugar trust found itself the complete master of the business of refining sugar in the United States, and it controlled absolutely the source of supply in Hawaii. Controlling that source of supply, it was quite willing to have imposed a tax of 40 per cent. ad valorem on all sugars below 16 Dutch standard, provided the differential was preserved; sugar came in free from Hawaii. In the United States Senate they succeeded in getting the plank they wanted. In fact, it was stated at the time that representatives of the American Sugar Refining Company drew the plank which appeared in the Wilson bill. They cornered a considerable portion of the raw sugar supply of the world, brought it in free before the act went into effect, refined it, and sold it after the 27th day of August, 1894, at a price based upon the theory that they had paid a tax of 40 per cent. ad valorem. No refined sugars came in, of course, at any time to interfere with the sale by the sugar trust of the refined article at prices fixed by the sugar trust.

Eighteen hundred and ninety-seven found the sugar trust in absolute control of the Republican party, as no party has ever been influenced or controlled by a trust before in all our history. In 1896 a campaign fund fabulous in amount had been raised by the managers of the Republican campaign for the purpose of defeating Mr. Bryan and all the Democratic ticket. The sugar trust led in the amount of its contributions, and the fund so raised has been variously estimated at from \$10,000,000 to \$20,000,000. The sugar trust had its own way again. The sugar trust representatives made some money in 1894 by cornering a part of the raw-sugar supply of the world before the act went into effect, but this year they were sure of their ground. They proposed to increase the tariff on raw sugar and to enormously increase it on refined sugars. Mr. Havemeyer and his associates got what they wanted. The Dingley law went into effect on the 24th of July, 1897, but the sugar schedule of the act did not go into effect until the 1st day of January, 1898. This gave the sugar trust the opportunity it wanted. It was the old game of 1894 played this time on a most stupendous scale.

During the period intervening between the 24th day of July of that year and the 1st day of January, 1898, the trust created a

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sugar famine in the country. Long prior to July 24, 1897, representatives of the sugar trust commenced cornering the raw-sugar supply of the world. As soon as the act went into effect they commenced to rush it to this country, and all available vessels were chartered for that purpose. Ships loaded with raw sugar were brought from the sugar-producing sections of the world, hurriedly unloaded at the docks of the company, and sent back immediately for other cargoes. The 1st day of January, 1898, found the warehouses of the sugar trust full to bursting with the product brought in under the Wilson law. Such a famine had been created in sugar that throughout the country retail merchants were literally scraping the bottoms of barrels and casks. On the 1st day of January, 1898, the new tariff went into effect, and the price of refined sugar was immediately increased. Everybody wanted sugar, and the sugar trust had plenty of sugar for everybody at an increased price. It is claimed that the American Sugar Refining Company cleaned up, on account of this tariff alone, in a few weeks subsequent to the 1st day of January, 1898, the enormous sum of \$25,000,000, and this does not include the profits to Mr. Havemeyer and his associates from the sale of sugar stocks, which were greatly increased in value.

In 1898 a new cloud appeared upon the horizon of the sugar trust; there was danger of the annexation of Cuba. Cuba is the greatest sugar-producing section of the world. Free sugar from Cuba would have meant that American capital seeking investment would have gone to Cuba, and refineries in Cuba would soon have destroyed the monopoly enjoyed by the American sugar trust. But at the psychological moment Congress came again to the relief of the sugar trust and pledged to the world the faith of the United States that Cuba would not be annexed. But the demand for reciprocity arrangements with Cuba was so strong it could not be overcome, and by the act of 1903 Cuban products were admitted into the United States at 20 per cent. reduction from the regular rates. Reciprocity, of course, meant that Cuba must also admit United States products at 20 per cent. reduction from the rates charged other commercial nations. This made it immediately necessary for other nations, including Spain, to increase their tariffs against importations from Cuba. As a result the United States furnishes the only market in the world for the products of Cuba. Sugar is the principal exportation from the island, and there is only one customer in the United States for the raw sugar of Cuba. Cuba is therefore compelled to sell her raw sugar to the American Sugar Refining Company and its allied corporations, and they pay what they please. Out of Cuban importations alone the trust makes every year nearly \$6,000,000 in profits. Following the example of the Standard Oil Company, the American Sugar Refining Company is reaching out and attempting to control the cane lands of Cuba. Already, through the National Refining Company, the American Sugar Refining Company has been able to control the cane lands of Cuba to such an extent that this one company controls now 20 per cent. of the annual export of sugar from Cuba.

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The sugar trust has entered upon the stormy arena of Cuban politics, and recently Gen. Mario G. Menocal became the sugar trust's candidate for President of Cuba. The sugar trust is not popular in Cuba, and the suspicion that General Menocal was really representing the American sugar trust resulted in his defeat. He was brought out by the sugar trust as a patriot and as a business man, ready to sacrifice himself for his country. He was defeated by the people because they believed him to be the sugar trust's candidate. But he made an excellent race, and the next time he becomes a candidate he will probably be elected. The American sugar trust is ready now for the annexation of Cuba. Whenever the candidate of the trust succeeds in becoming President of Cuba, we may expect to hear of an increasing demand both in this country and in Cuba for annexation. If the sugar trust is unable to secure the election of its candidate, it can at any time provoke a serious revolution. Revolutions are not difficult to start in Spanish-American countries. A Republican administration has had some experience in the revolution business on the Isthmus of Panama. Continued disturbances in the island of Cuba—the necessity of returning our troops there to preserve order—may speedily bring about the annexation of the island. And whenever that happens the real joker in the sugar schedule of the present Payne-Aldrich-Smoot tariff bill will become apparent to the beet-sugar interests of the West and to the cane growers of Louisiana. For many years these interests have been allied closely with the sugar trust. Ad valorem tariffs on raw sugars have been accepted as protecting the cane-sugar growers of the South and the beet-sugar producers of the North. Neither of these interests will be able to compete with raw sugar from Cuba. Already the sugar trust, reaching out through the beet-sugar sections of the country, has secured control of the beet-sugar-refining industry; in its advertisements of January 13 of this year, published in the newspapers, the sugar trust admitted its control of the beet-sugar-refining industry of the country.

The sugar trust at the present time, with the assistance of the sugar producers of the South and the beet-sugar producing sections of the North, has become the only possible purchaser in this country of the raw sugars produced within the boundaries of the United States. In Cuba there is no winter climate. Louisiana can not hope to compete in growing cane sugar with the island of Cuba: Democratic Members of Congress from Louisiana and the Senators from the State, and the Representatives of the beet-sugar-producing sections of the North have enthusiastically voted for tariff bills simply because they contained the sugar schedules they thought they wanted. After the annexation of Cuba the real danger into which they have been led will become apparent, and after that happens we will find cotton growing on the sugar-cane lands of Louisiana. The alliance between the Republican party, the Mormon Church, and the sugar trust will make itself apparent when throughout the North sugar refineries close, except those controlled by the Mormon Church; when on all the beet-sugar lands of the North,

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except those tributary to the Mormon refineries, we find farmers doing their best to raise, not sugar beets, but corn and wheat, and other cereals.

I have gone thus far into the exploits of the sugar trust in order to show how it has been able to meet all emergencies—to control tariff bills, to get free raw material when it wanted free raw material, to preserve always the differential between refined sugar and raw sugar, to preserve always for itself in this country the business of refining sugar and, finally, to manipulate the Cuban situation to its own advantage.

The effort in the framing of the recent Payne-Aldrich-Smoot bill was to preserve the outrageously high sugar tariffs of the Dingley law; and, with the assistance of the Mormon Church, the Republican party, and some Democrats from the sugar-producing sections of the South, they were able to do it.

The Payne-Aldrich-Smoot tariff bill also provides for the admission, free of duty, of 300,000 tons of sugar each year from the Philippine Islands, and already, by questionable methods, aided, it is charged, by decisions from the office of the Attorney-General of the United States, the sugar trust is acquiring title to lands in the Philippine Islands in order to supply this amount each year. The trust now controls practically every source of supply of raw sugar, and is the only customer in this country for raw sugar. Its monopoly seems to be complete. It is true that section 5 of the present tariff law directs that preference to the right of free entry in the importation of Philippine sugar shall first be given to the producers of less than 500 tons in any fiscal year; then to the producers of the lowest output in excess of 500 tons in any fiscal year. All sugar schedules are cunningly drawn, and section 5 is no exception to the rule. The Philippine grower of sugar must find his market in the United States. There is only one customer for his product in the United States. He must first sell to the sugar trust before he exports his product.

If the trust refuses to buy from producers of 500 tons less in any fiscal year or from producers of the lowest output in excess of 500 tons in any fiscal year, then the sugar grown by the trust on its own lands in the Philippine Islands is the only sugar that can be brought into the United States from the Philippine Islands; and therefore the 300,000 tons of free sugar from the Philippine Islands will be provided by the trust itself from sugar grown on its own lands. And even if at any time the trust fails to produce 300,000 tons of sugar per year, it controls absolutely the price the Philippine grower may expect for his product in the United States, and if the Philippine grower exports his product to the United States he must export it under an agreement to sell to the sugar trust at a price that may be fixed by the sugar trust. The sugar trust representatives have been able to meet every emergency—to control tariffs, to get raw sugar when they wanted raw sugar, to get a tariff on raw sugar when they wanted a tariff.

I want to discuss now how the sugar-trust magnates are attempting to meet a particularly serious crisis which menaces

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their personal safety, and I want to show how they have been able so far to escape the penalties of the laws they have violated. And this brings us again to the advice sent by the President to Congress at the opening of the present session—the recommendation that there be no congressional investigation of the sugar trust at the present time for the reason that it “might by giving immunity and otherwise prove an embarrassment.”

I have already discussed the immunity possibility and have called attention to the law. With all due respect to the President of the United States, I insist that a congressional investigation can not give immunity to the witnesses examined before a committee of Congress. Under the law as it stands a witness can not be compelled to answer if his answer would incriminate him, and if he does answer, giving facts, his testimony can, simply not be used against him in a criminal case. If we bring before a congressional committee a millionaire stockholder in the sugar trust, or a director of that concern, and he declines to answer, upon the theory that his answer might incriminate him, the people of the country will then know who the man is who has been a party to the most stupendous theft ever perpetrated against the Government of the United States. Inasmuch as the President has not yet advised Congress as to the reasons why a congressional investigation might otherwise prove an embarrassment, I desire again and in more detail to call attention to some facts and circumstances that might be embarrassing if an investigation is had.

In the years 1907, 1908, and 1909 the men high up in the councils of the sugar trust found themselves confronting new kinds of difficulties. Their personal liberty was menaced by the fact that they had stolen from the Government untold millions of dollars. Not content with the indirect method of stealing from the people of the United States through the medium of tariff schedules, they had adopted a plan of smuggling raw sugar into the country by a system of false weights and by corrupting the government weighers.

On the 20th day of November, 1907, just as the campaign of Mr. Taft for the Presidency was opening up, just when it became evident that his nomination was a certainty, the discovery was made that on the great Williamsburg wharves 17 little government scale houses contained 17 holes made by sugar trust employees and government officials. It was possible by inserting steel devices in these holes to manipulate the scales so that the Government was every day being defrauded of large sums of money. Some unimportant \$18 a week weighers were indicted, but in spite of the fact that the great news agencies paid but little attention to the discoveries on the Williamsburg wharves and to the colossal frauds perpetrated there by the sugar trust, the country demanded the punishment of the men who were the real beneficiaries. The sugar trust admitted that its employees had stolen from the Government at least \$2,000,000, and they paid back into the Treasury of the United States a little over \$2,000,000 in cash. In the course of the investiga-

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tion to determine how much had been stolen from the Government, the astounding fact developed that the company kept an accurate record of the amount stolen during the period covered by the suit brought by the Government. The company voluntarily produced two books, one book showing the correct weights of the raw sugar imported, as indicated by the scales used by the owners of the cargoes of raw sugar sold to the sugar trust.

On the Williamsburg wharves there were not 17 scales, but 34; 17 were government scales, 17 were used by the agents and representatives of the owners of the cargoes sold to the sugar trust. These 17 scales correctly recorded the weights of the sugar landed at the Williamsburg wharves. One book kept by the sugar trust showed the correct weights as indicated on these scales; the other book showed the weights as indicated by the government scales, manipulated by the government weighers and the sugar-trust employees. The difference in the weights represented the amount stolen from the Government during the period covered by the suit brought by the Government. The case could not have been clearer. Does any citizen of the United States believe that 6 or 8 \$18-a-week weighers and checkers were engaged in the business of stealing millions for the stockholders of the sugar trust without the knowledge and consent of the stockholders and directors of the sugar trust? The evidence showed that these employees and officials who actually manipulated the scales occasionally received a gratuity of a few dollars at a time. The sugar trust records, so far as they have been made public, disclosed the fact that the trust knew how many millions of dollars it had stolen. The trust officials knew how many thousands of dollars were being stolen by them every day from the Government of the United States.

But the difficulties in which the sugar trust directors found themselves within the last three years were not confined to the developments on the Williamsburg wharves. In 1903 Adolph Segal was engaged in the business of building in Philadelphia the Pennsylvania sugar refinery, the most complete refinery in the world; he was building it for the purpose of selling it out to the trust. Prior to that time he had been able in a smaller way to hold up the sugar trust for \$1,000,000. Flushed with his success, he was building another sugar refinery. Already he had succeeded in investing \$5,000,000 in the venture. The money was furnished by Frank K. Hippel, president of the Real Estate Trust Company and treasurer of the funds of the General Assembly of the Presbyterian Church in the United States. In 1903 Hippel had succeeded in emptying the vaults of the Real Estate Trust Company of all its funds; the money had been given to Segal. It became necessary to borrow the money from some source to complete the refinery and commence refining sugar, in order to compel the sugar trust to buy the refinery.

But already there were whisperings in financial circles as to impending danger. Gustave E. Kissel, a financier of Philadelphia, finally agreed to loan to Segal, for the purpose of completing the refinery, \$1,250,000. He compelled Segal to deposit 26,000 shares of stock with him as collateral; he also compelled an arrangement to be made by which he (Kissel) was to

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be one director and was to name three others. There were only seven directors in all. This was done. The arrangement was carried out, and at once John E. Parsons, the organizer of the sugar trust and its general counsel, appeared upon the scene as the legal adviser of Gustave E. Kissel. The directors so selected held a meeting and refused to permit the plant to run. The victory of the sugar trust was complete. The Real Estate Trust Company failed; Frank K. Hippel committed suicide. Even the sugar trust directors were appalled at the success of their undertaking. They had again rendered themselves liable to the penal provisions of the laws. The evidence was complete.

In order now to fully comprehend the resourcefulness of the sugar trust and how it met the new and novel danger developed by the discoveries on the Williamsburg wharves, the failure of the Pennsylvania Sugar Refinery, the failure of the Real Estate Trust Company of Philadelphia, and the suicide of Frank K. Hippel, it becomes necessary to refer to a great firm of lawyers in New York City, a highly respectable, old-established law firm. The firm of Strong & Cadwalader is one of those important New York City legal firms to which great corporations appeal for aid when they propose to violate the laws of the land or when they have violated the laws of the land. About this time this great firm became associated, with other prominent firms and attorneys, as attorneys for the American Sugar Refining Company. In 1908 the firm of Strong & Cadwalader was made up of the following lawyers, and I give their names in the order in which they appeared as members of the firm in that year: John L. Cadwalader, George W. Wickersham, George F. Butterworth, Henry W. Taft, Edward E. Sprague, Hugh A. Bayne, Noel Gale.

In 1909, after the inauguration of President Taft, the firm of Strong & Cadwalader was composed of the following lawyers. I give their names in the order in which they appeared in the firm in that year: John L. Cadwalader, Henry W. Taft, George F. Butterworth, Noel Gale, John Henry Hammond, Hugh A. Bayne.

It will be observed that after the inauguration of Mr. Taft as President of the United States, George W. Wickersham was no longer a member of the firm, and Henry W. Taft had been moved up to second place in the firm. This situation was brought about by the fact that after the inauguration of President Taft, George W. Wickersham became Attorney-General of the United States, and the brother of the President of the United States was promoted in the firm and took his place.

The difficulties of the Pennsylvania Sugar Refining Company were carried to the federal courts. The receiver brought suit against the American Sugar Refining Company, alleging actual damages to the amount of \$10,000,000, and the suit was brought for \$30,000,000, threefold damages, as provided for in section 7 of the Sherman antitrust act. The case came up on the 20th day of March, 1908, in the circuit court for the southern district of New York. You can find it reported in volume 160 of the Federal Reporter, at page 144. The name of Henry W. Taft appears as counsel for the sugar trust. The defense of the sugar

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trust was prepared in the office of Strong & Cadwalader. A demurrer to the complaint was sustained by the court. The case was taken by the receiver to the circuit court of appeals for the second circuit, and on the 15th day of December, 1908, that court rendered an opinion reversing the decision of the circuit court and holding that there was error in dismissing the complaint. You will find the case reported in volume 166, Federal Reporter, page 254. The name of Henry W. Taft, of the firm of Strong & Cadwalader, appears signed to the brief as one of the attorneys for the sugar trust. This decision of the circuit court of appeals settled the case, and in the fall of 1909, just before a trial on the merits was about to be forced, the sugar trust settled by paying to the receiver \$2,000,000.

This situation discloses the fact that in the hour of their greatest stress the managers of this most infamous of all corporations were as resourceful as ever. Matters had been so arranged that a sugar-trust lawyer became Attorney-General of the United States, and the brother of the President of the United States became openly one of the attorneys for the sugar trust.

I am aware of the fact that a few days ago the Attorney-General of the United States had read into the Record, in violation of the rules of this House, by the gentleman from New York [Mr. Bennet], a remarkable statement. The statement is published in the *Congressional Record* of this session as of the 28th day of March. In the letter the Attorney-General, referring to the charge that he was "the former attorney of the sugar trust," says:

In order that such statements may not gain currency, I should like to state through you that I never was attorney for the Sugar trust, * * * nor had any professional or business relation to it. The only possible foundation for such a statement lies in the fact that one of my partners was, some three years ago, retained as one of counsel for the American Sugar Refining Company in a single lawsuit brought against it, and, pursuant to such retainer, he assisted in the defense of the company in that action, and on an appeal from a judgment in its favor. In that lawsuit I was neither consulted, nor did I render any service.

I respectfully submit that if the Attorney-General desires to deny his connection with the sugar trust he should make his denial more complete than this. At the time this service for the sugar trust was being rendered there were six members of the firm of Strong & Cadwalader, of which the present Attorney-General was one. The service rendered by the firm purports to have been rendered through another member of the firm, who appeared as counsel for the sugar trust, in this, the most important suit ever brought against the American Sugar Refining Company. It may be that the Attorney-General was not consulted in this suit, and it may be that he did not render any service in connection with it. But the Attorney-General has not yet stated how the enormous fee the firm of Strong & Cadwalader is reported to have received was divided. Did the Attorney-General refuse to accept any portion of it? The country would like to know. The defense of the American Sugar Refining Company in these cases was prepared in the office of Strong & Cadwalader. In addition

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to the six members of the firm at that time there were numerous assistants and clerks. The Attorney-General states that one of his partners was retained, and so forth. He neglected in his letter, however, to state that the partner to whom he refers, the member of the firm of Strong & Cadwalader who was active in the defense of the American Sugar Refining Company in these cases, was the brother of the President of the United States.

I submit that the Attorney-General ought not to seek to avoid even an inactive connection with this infamous trust by throwing the entire burden and the disgrace of such connection upon the brother of the President of the United States. This denial of active participation by the Attorney-General as counsel for the sugar trust should be considered in connection with the letter of the Attorney-General of the United States, written on the 27th day of June, 1909, to John S. Wise, United States district attorney for the southern district of New York. This remarkable letter, written in his own hand at midnight, was published in the *Cosmopolitan Magazine* for January of this year. The authenticity of the letter has never been denied by the Attorney-General. Will he deny it now? The letter is so important that it ought to be preserved in the columns of the *Congressional Record*, and I desire now to read it:

WASHINGTON, June 27, 1909.

My Dear Wise—Senator Root has sent me the proof of a petition signed by Bowers, Milburn, and Guthrie in support of their contention that the statute of limitations has run in favor of Messrs. Parsons, Kissel, and Harned. If the only overt acts done to carry out the objects of the unlawful conspiracy were those referred to in the brief, I should think they were insufficient to save the bar of the statute. A strong effort will be made tomorrow to persuade the President to interfere in some way to prevent the indictments, but, aside from that, no indictments should be returned against anyone if there is no reasonable ground to believe they can be sustained—if, for instance, the offenses charged are clearly barred by the statute. I need hardly say this to you. What I want to impress upon you is that if you have any reasonable doubt in the matter you either have the grand jury ask the court for instructions or, if that is not feasible, that you advise the department of the specific charges on which you can rely to save the statute before actually having the indictments brought in. You may telephone either to me or to Mr. Ellis, if I should be out of the department when you call, on this point.

Faithfully yours,

GEO. W. WICKERSHAM.

P. S.—As I am writing from my house and have no copy of this, will you kindly have your typewriter make and send me a copy?

The Parsons mentioned in the letter I have read is John E. Parsons, of the firm of Parsons, Closson & McIlvaine, the organizer of the sugar trust and its general counsel until the 1st day of January of the present year. The wisdom of the sugar trust in applying in the hour of its greatest stress to the firm of Strong & Cadwalader is now apparent. There are facts in connection with this that might be embarrassing in the event of a congressional investigation.

In New York County the Republican central committee is, and has been for some years, a sugar-trust organization, getting

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its funds from the sugar trust, looking to sugar-trust attorneys for its presiding officers. The nomination of the Republican candidate for the Presidency in the last national campaign was brought about, first, by the activities of the President of the United States, at whose command 50,000 post-office officials throughout the country became active, and the entire machinery of the Republican administration was set to work to bring about the nomination of Mr. Taft. Next in importance in the agencies contributing to his nomination and election was the sugar-trust-owned, sugar-trust-controlled Republican New York County central committee. To these great influences, by these great agencies, the action of the last Republican national convention was dictated. The activities of the New York County Republican committee to bring about the nomination of President Taft commenced almost as soon as the activities in that direction of President Roosevelt.

I desire now to read from the letter of resignation of Herbert Parsons as president of the New York County Republican committee. On the 20th day of January of this year Mr. Parsons sent in his letter of resignation. I read from his letter:

When I first became president of the committee in December, 1905, there were four specific ends that I wished my administration to accomplish. One was that the committee should be substantially loyal to the national administration of Theodore Roosevelt. * * * The third was to do all I could for the nomination and election of William H. Taft as President of the United States.

On the 22d day of March, 1910, at a dinner in New York, given in honor of Herbert Parsons by the New York County Republican committee, President Taft was one of the speakers. He is reported as saying, in part:

This is Herbert Parson's show, and I am here to speak about him. Herbert Parsons and I have been friends for a number of years. I took him to the Orient, and I brought him back because I knew he was too valuable to leave out there.

I think in this connection I might call attention to the fact that Herbert Parsons is a member of the firm of Parsons, Closson & McIlvaine, who are sugar trust attorneys, is the son of John E. Parsons, who organized the sugar trust, who directed its crimes for years, and who is now under indictment charged with wrecking the Real Estate Company, of Philadelphia; the same Parsons who retained the firm of Strong & Cadwalader as sugar trust attorneys, and who now is able to exercise over the Attorney-General of the United States so much influence—the same Parsons who is at the head of the firm of Parsons, Closson & McIlvaine. Of course Herbert Parsons was brought back from the Orient because he was too valuable to leave out there. It would be exceedingly unpleasant to disturb the friendship apparently existing between the Parsons—father and son—and the present administration, and I am quite willing to believe and to admit that a congressional investigation of the infamies of the sugar trust might be embarrassing.

On the 1st day of January of this year James M. Beck became general counsel for the sugar trust, and he is now acting in

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that capacity. James M. Beck was an Assistant Attorney-General of the United States for three years, his term of office commencing in the year 1900. He had charge of the Northern Securities case for the Government. The situation, therefore, in brief is as follows: Prominent stockholders and directors of the sugar trust are in grave danger, or at least they were not long ago; the doors of our penitentiaries were opening for many of them. They have, however, succeeded through their control of the Republican party in bringing about this most delightful arrangement. The Attorney-General of the United States was until his appointment a sugar trust attorney, familiar with the methods of the sugar trust, exhibiting even now a remarkable sympathy for its officials in their difficulties. The general counsel for the sugar trust is an ex-Assistant Attorney-General of the United States, loyal to the Republican party, familiar with the methods and with the secrets of the Attorney-General's office. The brother of the President of the United States is one of the attorneys for the sugar trust. J. E. Parsons, the father of the ex-president of the New York County Republican committee, is under indictment on account of his offense against the law in Philadelphia. And the President of the United States has advised against a congressional investigation of the sugar trust for the reason that it might prove embarrassing.

In order to show how many millions the American Sugar Refining Company had at issue when its representatives went to the firm of Strong & Cadwalader, in the hour of their distress, I want again to call attention to the fact that the suit brought by the Pennsylvania Sugar Refining Company was brought under section 7 of the antitrust act, and the suit was to recover three-fold damages. The actual damages alleged were \$10,000,000. The decision of the circuit court of appeals settled the law of the case; there was no question as to the facts. The trust was about to lose in this suit alone \$30,000,000. The suit was settled for \$2,000,000. The American Sugar Refining Company stood to lose over \$100,000,000 on account of the frauds discovered at the Williamsburg wharves. It would be an exceedingly modest estimate to say that there passed over these wharves to the American Sugar Refining Company from 1901 to the date of the discovery of the fraudulent practices there over \$100,000,000 worth of raw sugar. As a matter of fact, it might be nearer the truth to say that during that period of time there was landed at these wharves at least \$150,000,000 worth of raw sugar. The books produced by the trust disclosed the fact that the fraudulent practices were applicable to every cargo of sugar delivered at the wharves. Under the law every pound of sugar, or the value thereof, was forfeited. It would be exceedingly conservative to say that on account of the conduct of the men higher up the trust could have been compelled by an energetic administration anxious to protect the Treasury of the United States and willing to enforce its laws to pay to the United States something in excess of \$100,000,000 on account of frauds practiced by the company at this port alone. But the trust was permitted to settle this suit for \$2,135,486.32 on the 22d day of May, 1909. There-

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fore the American Sugar Refining Company has saved, on account of its splendid management, over \$125,000,000, and none of the men higher up are as yet in any danger of going to the penitentiary. Is it any wonder that the report is abroad that the law firm of Strong & Cadwalader recently received from the American Sugar Refining Company one of the largest fees ever paid in the United States for legal services. It pays to employ a law firm able to do things.

The last of the frauds committed by the sugar trust occurred on the 20th day of November, 1907. The statute of limitations is running every day, and will soon become a complete bar against any criminal prosecution that may be brought. The Republican party is charged with the administration of affairs in this House. Two hundred and nineteen Republican Members sit on the other side of this Chamber, and since the message of the President of the United States was read in this House not one of them has lifted his voice against the sugar trust or in favor of an investigation by Congress. There is no statute of the United States under which immunity can be granted to any witness testifying before a committee of Congress, and there never has been a law that would produce that effect. The Counselman case (reported in the 142 U. S., 547) settles that question conclusively. I do not desire to go further into the cases on the subject of immunity. The Counselman case construes the original provision of the interstate-commerce act, and the original provision was identical with the statute which controls the testimony of witnesses before committees of Congress. Granting a witness immunity, as suggested by the President, being a legal impossibility, the country is curious to know how a congressional investigation could otherwise prove embarrassing in securing convictions.

On the 10th day of February of this year Oliver Spitzer, a former dock superintendent of the American Sugar Refining Company's plant at Williamsburg, started to the Atlanta prison to serve a sentence of two years. He was convicted of a conspiracy to defraud by underweighing sugar. I desire to read his statement given out to the press just before he started for the federal prison. He said:

I started with the trust in 1880 as a boy, and by industry worked my way, step by step, until I became superintendent of docks at Williamsburg. It has been reported that I was receiving big pay from the trust. I got a salary of \$55 a week. The expense of this trial have cut into my savings and left me practically a ruined man.

In the alleged fraud prosecution the Government cried for a victim, and the Sugar trust answered by sacrificing me and four \$18-a-week checkers. None of us were guilty of any breach of the law, but somebody had to go to prison to save those "higher up."

They say I had knowledge of the alleged manipulation of the scales at the sugar docks. I don't think that I was in the scale house once during the last fifteen years. I had no occasion to enter them. As to the corset steel said to have been discovered in a hole in a set of scales, I know nothing about it, and, seemingly, no one else did, except Parr, who claims to have found it later.

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The men higher up who got the benefit of the millions stolen still remain undisturbed, and the country is asked to be satisfied with the conviction of Spitzer, the indictment of the secretary of the sugar trust—himself simply an employee—and the conviction of four \$18-a-week checkers.

I respectfully contend that the Republican majority in this House can not afford to longer delay a congressional investigation, and the millionaire malefactors who control the sugar trust and who are responsible for the perpetration of these gigantic frauds ought to be held up to the contempt of the country. In Pittsburg they have learned how to reach the men higher up. They simply propose immunity to the men whose conviction is not important, but who are only tools in the hands of the principal malefactors, and as a result minor city officials were a few days ago coming by scores in Pittsburg to the office of the prosecuting attorney and telling their stories, implicating the real criminals. And the time may not be far distant when men who pass in Pittsburg as respectable citizens will pay the penalty to which their criminal conduct has rendered them liable. The Attorney-General of the United States, however, commences his prosecutions and ends them with unimportant officials and \$18-a-week checkers, and the real persons guilty of the most colossal fraud in the history of our Government are permitted to go about without punishment, without exposure, still posing as honest men, still willing and still able to contribute to the campaign funds of the Republican party.

The Republican party is entering upon a crisis in its career. We welcome to this side of the Chamber another Democratic Member from the State of Massachusetts. The result in the De Armond district in Missouri and the tremendous Democratic gains there had a peculiar significance; but the result in the Fourteenth Congressional District of Massachusetts, when a change of over 20,000 votes was effected, is almost brutal in its expression of the changing tide of public opinion. From the cities and towns of Maine and other localities there comes the news of Democratic gains and Democratic victories; the air is already vibrant with the shouts of the victors. You need the sugar trust and its money as you never have needed it before; but the time has come for you to choose between millionaire malefactors who contribute to Republican committees the funds with which Republican campaigns are carried on, and your duty to the people of the United States.

You need not be afraid of giving immunity to any man, and even though it may be embarrassing, on account of the unfortunate combination of circumstances to which I have called attention, to bring before the bar of public opinion the real sugar-trust criminals, you refuse to do so at your peril. You can not cover up these crimes by sending to prison for short terms some \$18-a-week checkers and threatening to dissolve the sugar trust through legal proceedings. The country demands an honest investigation by its Representatives here in Congress. You can continue, of course, to refuse it, but you refuse it at your peril.

GOVERNMENT BY INJUNCTION

Speech of Hon. WILLIAM B. WILSON, of Pennsylvania, in the House of Representatives, Wednesday, January 5, 1910. [Part of Congressional Record.]

Mr. Wilson of Pennsylvania said:

Mr. Chairman—Differing from the gentleman from Illinois [Mr. Mann], I hope that the amendment of the gentleman from New Jersey [Mr. Hughes] will prevail. While I do not believe that the amendment goes as far as it should go, while I do not believe that it reaches the meat of the subject, I do believe that it is a great improvement over the proposition contained in the bill. It provides at least the protection of a trial by jury. The great difficulty with our injunction cases and the contempt cases growing out of them has been a growing tendency on the part of our courts to assume extended jurisdictions. Originally the purpose of an injunction was to protect a property right where irreparable injury was threatened and where there was no other remedy at law. Then it was proposed where there was no other adequate remedy at law. From that it has grown from the protection of a property right into an interference with the personal rights of citizens and an invasion of the criminal jurisprudence of the country. Injunctions are frequently issued in labor disputes, restraining men from using force, restraining men from using violence in this, that, or the other case. When a court issues an order of that kind it invades the province of the criminal courts. Yet almost every injunction that is issued in a labor dispute restrains the parties enjoined from using threats, force, show of force, or offers of violence. When an order of that kind is issued it becomes a law within the bailiwick of the court issuing it. It remains the law until the court itself repeals it, and the result of it is that when men are charged with violence, threats, show of force, or threats of violence, instead of the facts being submitted to a jury of their peers, the court itself—the aggrieved party, the party supposed to be held in contempt—sits in judgment upon the case and determines the facts as well as the law.

Where I believe the amendment of the gentleman does not go far enough is that it does not declare the dividing line between personal rights and property rights. If as a fundamental proposition an injunction is to protect property where there is no other remedy at law, then the courts have no right to issue restraining orders saying that men shall not use force, unless upon the assumption that one of the parties to the dispute is the property of the other party. In other words, if the court says to A that he must not interfere with B because his interference affects C's property rights, then it is an assumption that C has a property right in B. There is where the courts have overstepped their rights in the premises. Men have a

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right to work or not to work as they see fit, and if B is an employee of C, or has been or is seeking to be an employee of C, it does not follow that C has a property right in B.

Where a man is an employee at will—that is, employed without any time contract—he has no property right in his job. He can be dismissed without a moment's notice, with or without cause, and he can not recover damages for the loss of his job. Under similar circumstances an employer has no property right in an employee or in his labor power. Even where a time contract to labor exists between employer and employee it can be violated by either party at will. The employee can not be compelled to continue his labor, nor can the employer be compelled to furnish a job. That arrangement is based upon correct economic principles. Any other method would force irreparable injury to employers of labor and abject slavery to the employee.

In such cases the law provides an adequate remedy through which the injured parties may be indemnified by a judgment for damages in equity proceedings, which can be collected unless the parties against whom it is rendered are insolvent. It is a very popular thing for a judge to issue a restraining order, or injunction, during the exciting period of a strike, restraining strikers from assaulting, coercing, or otherwise intimidating so-called "scabs" and "strike breakers." No man who believes in government, who acknowledges that the welfare of mankind can best be promoted and secured through organized society, can for a moment countenance the use of violence during a strike, whether perpetrated by strikers or the hired thugs of corporations. Those who have been students of industrial affairs know that, aside from its moral aspect, the use of physical force by those engaged in a strike is one of the greatest weapons that can be placed in the hands of their employers to defeat them. It arouses public sentiment against the strikers, and no strike of any magnitude can be carried to a successful conclusion when public sentiment is thoroughly aroused against it. Many employers of labor understand that fact thoroughly, and when industrial conflicts occur thugs are engaged by them, either to tantalize the hot-headed and impulsive ones among the strikers until they commit some breach of the peace or to circulate among the strikers and incite them to deeds of violence, to the end that public sentiment may be aroused against them and their own conservative members turned against the conduct of the strike.

For all acts of violence, coercion, intimidation the legislative branches of our Government, which are the proper branches to determine what constitutes a crime against the community and the proper punishment for such crimes, have provided what in their judgment is an adequate remedy, and no court has a right to step in and provide another remedy. When it does so it usurps the power that belongs exclusively to the legislative branch of the Government and abolishes the right of trial by jury in criminal cases under the guise of enforcing orders of the court in equity proceedings. Having established the custom

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of issuing injunctions restraining men from using force, the next step was to restrain them from using persuasion, and numbers of injunctions have been issued forbidding those on strike inducing others to join them, and even where no strike existed or was contemplated injunctions have been issued restraining men from inducing an employee of a corporation, or those who might desire to become such employee, to join a union.

Some courts have even gone so far as to restrain the trades unions from furnishing relief to their starving members who were on strike, and all this under the pretense of protecting the property rights of the employer. Having gone thus far in the usurpation of power not delegated to them by the Constitution or the laws of the land, the next step was the issuance of injunctions forbidding the parties enjoined from exercising the constitutionally guaranteed right of free speech and of free press.

The injunction is one of the most beneficent writs issued by our courts when used, as originally intended, to protect property rights against irreparable injury where there is no other remedy provided by the common or statutory laws. When it goes beyond that and seeks to restrain people from exercising their inherent personal rights, which are specifically guaranteed by the letter and spirit of the Constitution, it becomes an instrument of oppression, dangerous to the liberty, safety, and property rights of the community. The legislative branch of the Government can not with justice to itself permit the courts to usurp its functions by enactment of laws under the pretext of enforcing its edicts. This power assumed by the courts must be taken from them, and the right to issue injunctions must be restricted to the protection of disputed property rights, where it properly belongs.

For centuries there has been an irrepressible conflict between two distinct forms of government—a conflict between government by law and government by discretion. The tendency of the Anglo-Saxon races has been toward government by law, and many a sanguinary conflict has been engaged in for the purpose of securing and maintaining government by law and the protection of a trial by jury against false accusation or the whims, caprices, and limited judgment of any one man, whether he be a judge or prosecutor, or both.

Experience has shown that the happiness and general welfare of the people can be better promoted and protected through government by law enacted by one branch of the government and adjudication made by another branch than they can be where the power to make and enforce laws is placed in the hands of one man, whether you call him a judge or a czar.

The tendency of our modern American courts has been to get away from government by law with the protection of a trial by jury and back to the old Latin system of government by discretion, with that discretion placed exclusively in the hands of our judges. Such an amount of power exercised by any man of liberal views and a broad conception of the rights of the people

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might be perfectly safe, but, unfortunately, we have no means of changing the nature of men when we elevate them to the bench. Judges are like other men; they are good, bad, and indifferent. They are subject to the same errors of judgment and limitations of knowledge that other men are subject to; they have their likes and dislikes, their preconceived ideas and prejudices. As Sheldon says in his Table Talks:

A chancellor's conscience is like a chancellor's foot—one has a broad foot, one has a narrow foot, and one has an indifferent foot.

To place the absolute power of life, liberty, and property in the keeping of our judges, under these circumstances, would be subversive of the rights of man, yet that is the power assumed by our courts when issuing injunctions in labor disputes. No wonder there is a spirit of unrest amongst the workers; no wonder they are protesting against this arbitrary power being exercised to their detriment. It is for these reasons that, while I do not believe the amendment offered by the gentleman from New Jersey [Mr. Hughes] goes to the root of the evil, I am, nevertheless, in favor of it, because it furnishes the protection of a trial by jury against the exercise of arbitrary power by our courts.

INVESTIGATING THE UNITED STATES STEEL CORPORATION

Speech of Hon. A. OWSLEY STANLEY, of Kentucky, in the House of Representatives, Wednesday, June 22, 1910. [Part of Congressional Record.]

Mr. Stanley said:

Mr. Speaker—In discussing this resolution I avail myself of this opportunity to express my sincere gratitude and genuine obligation to Messrs. H. J. Schulteis and H. B. Martin, of the American Antitrust League, for valuable statistical information, the result of a careful and laborious investigation of this great question.

It is not my purpose to rail at the steel industry or to attempt to injure any legitimate business.

The manufacture of steel is peculiarly suited to the genius of American industry and enterprise. The risk and uncertainty of the business is attractive to bold and sanguine financiers. The danger and the arduous labor incident to the manufacture of iron and steel in all its forms, together with the expert handling of ponderous and complicated machinery, demand courage, industry, and capacity, absolutely essential to the successful operation of the enterprise, and where courage, skill, and capacity are essential American labor finds in such a task its peculiar province.

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Our primacy in the manufacture of steel was obtained in the fact of competition—a limited competition, it is true. Had this industry never been coddled by a protective policy or enervated by combination in restraint of trade, we would have been to-day indisputably the ironmasters of the world.

It is because this is an American industry, it is because we are peculiarly blessed by the richness of our natural resources, by the capacity and astuteness of the men who originally developed this business, and by the manifest and splendid superiority of American labor that I now seek, not to destroy, but to protect the iron and steel industry of the United States.

And the best interests of the industry itself, as well as the protection of the people against bold and unblushing extortion, demand a thorough and immediate investigation of the United States Steel Corporation.

This combination was formed in defiance of law and designed for the restraint of trade. It is not engaged in the manufacture of any article of steel or iron. The purpose of its creation was not to sell beams or billets, but stocks and bonds; not to add to the cheapness or the excellence of the output of any concern or to extend our rapidly growing markets, but to throttle competition, to abandon, if necessary, the export trade, and to force consumers of the United States to pay inordinate premiums on their inflated and watered stock by means of the evasion or open violation of the law and a secret and shameful liaison of the Republican party. This trust has successfully destroyed competition at home and "protection" prevents competition from abroad, and when the whole truth is known I am firmly of the belief that the courts will dissolve the United States Steel Corporation and the people will repudiate this policy of inordinate pampering by the Republican party.

No action of the courts, however drastic, can place this industry on a competitive basis or secure to the consumer the rights to which he is entitled without a radical revision of the tariff, and the revision of the tariff will mitigate this evil, even if the courts should fail—as I do not believe they will fail—to declare this combination a conspiracy in restraint of trade.

The history of the United States Steel Corporation is of itself an indictment of this concern before any court of justice. It was created for one purpose, and one purpose only, and that was the stifling and the prevention of competition; the threat of competition gave it its existence.

When Andrew Carnegie determined to withdraw from the business he shrewdly threatened to break the gentlemen's agreements which had hitherto prevailed to a greater or less degree among the various concerns engaged in the manufacture of steel rails, tubes, sheet steel, and so forth. He also threatened to build additional blast furnaces, to produce his own iron ore, and his own railroad system from Pittsburg to the Atlantic coast. This threat threw the railroad and steel magnates into a panic. They knew the audacity and the resourcefulness of the canny Scotchman. "There was hurrying to and fro," and in the hour of their dire distress these men, who had already

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tasted the sweets of monopoly and had learned something of the evil art of combination, consulted the great high priest of modern finances, J. Pierpont Morgan, with the result that a conspiracy was formed between the Carnegie Company, the Federal Steel Company, the American Steel Company, the American Steel and Wire Company, the National Tube Company, the National Steel Company, the American Tin-Plate Company, the American Steel Hoop Company, the American Sheet Steel Company, the American Bridge Company, and other subsidiary companies, by which it was agreed that these concerns should submit to the gigantic hold-up of Andrew Carnegie and reimburse themselves for the millions he demanded as the price of immunity from competition and the future exploiting of 90,000,000 of people.

J. H. Bridges, the author of *The Inside History of the Carnegie Steel Company*, is perhaps better acquainted with the character and the operation of Mr. Andrew Carnegie than any other living man. In speaking of this sale of the Carnegie interests to the United States Steel Corporation he says:

Had all the stockholders been subject to these terms it would have meant that the \$160,000,000 of the Carnegie Company's stock would have been exchanged for the United States Steel Company's stock, as follows:

Seven per cent. cumulative preferred.....	\$240,569,280
Common stock.....	225,697,760
	<hr/>
	\$466,267,040
Add \$160,000,000 bonds exchanged for the same amount of Carnegie bonds.....	\$160,000,000
	<hr/>
Total.....	\$626,267,040

It will be remembered that only twelve months before this Mr. Carnegie had given to H. C. Frick a written option on his interest in the Carnegie Company for \$157,950,000. In March, 1900, Messrs. Carnegie, Henry Phipps, Jr., George Lauder, D. A. Stewart, John Walker, H. M. Curry, William L. Abbott, H. W. Borntraeger, S. E. Moore, and W. H. Singer filed an answer to a suit in equity in which H. C. Frick was plaintiff. These various defendants, in an answer covering 55 typewritten pages, under their solemn oaths, state in detail the value of this property. In this suit it was proposed to purchase Mr. H. C. Frick's interests in the Carnegie Steel Company. The directors were under peculiar obligations to this daring and faithful servant, and it can not be believed that every director in the Carnegie Steel Company would have deliberately perjured himself in an effort to pick the pockets of the most determined and courageous officer that great concern ever had. He risked his life; he crucified organized labor; he was guilty of offenses which blackened his memory and filled the coffers of his associates. Assuming that there is honor among thieves, and that these men could not and would not deliberately defraud one of their own number, to whom they were under so many obligations, and who stood by his guns through the horrors of the Homestead strike, when Carnegie himself fled conscience stricken from the horror and havoc of the scene, placing an ocean between him and his outraged employees, according to

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the sworn statement of these gentlemen the actual book value of this concern in 1900 is stated in their answer, as follows:

These books show that the net value on the 31st day of December, 1899, of the assets of the association was \$75,610,104.06. To a large extent this book value represents the actual cost of the properties represented in the balance sheets of the association.

In order to be liberal we will place the value of this concern, not at \$75,000,000, but \$100,000,000. It will then be seen that Mr. J. P. Morgan and the United States Steel Corporation paid \$100,000,000 for the property and \$526,000,000 for the privilege of plunder.

In the last two decades, the manufacture of tobacco, the refining of oil and of sugar, and almost every necessity of life, has been controlled to a greater or less extent by trusts but nowhere has a combination operated in such open and flagrant violation of the law, and nowhere else has such a colossal sum been paid not for any real or tangible property, but for a license, a plenary indulgence to exploit and to pillage. It is true that a billion four hundred million is beyond the conception of the most comprehensive intellect and of the wildest fancy. It is true that the directors of the United States Steel Corporation dominate banks and railroad companies. They elect Congressmen and Senators; they are the confidential advisors of Presidents, and they boast immunity even when Rockefeller and the Havemeyers stand in the dock like common criminals. The audacity of this concern is as amusing as it is cruel. I wish to call the attention of the House to an editorial published in the Philadelphia Record of March 23, 1910, discussing this debonair defiance of courts and Congresses:

For extreme cockloftiness a late interview of Judge Gary, speaking for the steel trust, furnished a fine example. Nothing better in that line has been done since in conscious almightiness one of the French kings declared, "I am the state." Premising with the declaration that the United States Steel Corporation is unassailable, because its organization and operations are absolutely open and above board and devoid of illegality, he adds:

"We were investigated by Mr. Wickersham and by his predecessor. They were unable to find anything on which to base an action, which is fortunate for the country, as well as for ourselves. The disintegration of this company would have meant commercial havoc and financial chaos. Trade would have been paralyzed, The United States might as well have been out of business had the United States Steel Corporation been put out of business. It is not a question of our seventy-odd thousand shareholders or our 20,000 employees. They are relatively minor considerations. The question is national. It effects every railroad, every builder, every citizen, indeed."

The fact is that every railroad, every builder, every citizen, is deeply interested in getting iron and steel at fairer prices. Iron and steel, next to bread and meat, are articles of the first necessity. The prices should be so reduced that the earnings of the steel trust and the profits of the steel trust may be kept within reasonable compass. The rule of live and let live should be enforced. The tariff taxes on imports of iron ore and upon iron and steel should be repealed. This would give every railroad, every builder, every citizen, a chance to live and do business without first paying the steel trust a consideration for the privilege.

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"I am the State," says this billion-dollar Bourbon. "It matters not whether I am guilty or innocent. I am powerful enough to be immune." If the United States Steel Corporation violates the law, why, repeal the law or connive at its violation, but question this titanic conspiracy at your peril and locomotives shall stand motionless on the sidings, banks shall close their doors, fires in forge and furnaces shall die, and smokestacks their black throats cold and empty, shall stand like grim sentinels above desolate or dismantled factories. Millions of ragged and hungry workmen shall seek employment in vain, for it is now not this industry or skill but the grace of the steel trust that saves American labor from the fate of the waif and the vagabond. This defiant industrial despot boasts that it is in the secret councils of presidents and cabinets, and that panic and penury and commercial disaster can at its bidding be loosed like the dogs of war upon a devoted and helpless people.

And what is the price the American people are to pay before this "haughty lordling" will grant them "leave to toll?"

Congresses and courts must be debased and debauched, the moral and civil law alike openly and shamelessly violated, and the American people notified that the president of the steel trust holds a plenary indulgence to plunder and pillage without question or challenge.

It is high time that we should know "on what meat has this Cæsar fed." It is time a self-respecting Congress should inquire where and how it has come about that the head of a trust can debonairly leave us to the hard choice between national baseness and national bankruptcy.

Yet this is no idle boast, nor is it the first time the head of the steel trust has spoken in this imperious and haughty style, even to the President of the United States.

In 1907, the United States Steel Corporation, in open and flagrant violation of law, purchased its only formidable competitor, and not secretly, but defiantly, they politely notified no less strenuous a personage than Theodore Roosevelt, and asked what the dread wielder of the "big stick" proposed to do about it.

This transaction, pursuant to a resolution of Senator Culberson, on March 2, 1909, was carefully investigated by the ablest lawyers in that body.

That I may not be accused of "muck-raking" or sensationalism, I prefer to give verbatim the finding of these great and conservative jurists, all members of that committee. Says Senator Bacon:

Under the facts narrated and the authorities cited in the foregoing report, it is my opinion that the absorption of the Tennessee Coal and Iron Company by the United States Steel Corporation was in violation of the existing laws of the United States; and no officer of the United States has authority to countenance or to even negatively sanction such violation of law.

In view, however, of the fact that the Constitution devolves upon the Senate the duty of hearing and determining any charges alleged against the President, which may be preferred in the manner prescribed by the Constitution, it is my opinion that, while the Senate might commend or approve any act of the Presi-

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dent, it would be improper for the Senate, in the absence of charges thus preferred and a legal trial thereon, to express by resolution or otherwise its judgment of condemnation relative to any alleged misconduct on the part of the President.

For this reason my view is that the expression of the opinion of the committee to the Senate should be limited to the above statement.

Says Senator Knute Nelson:

In my opinion the absorption of the Tennessee Coal and Iron Company by the United States Steel Corporation was clearly in violation of the antitrust law. I am further of the opinion that such absorption ought not to have been tolerated by the Government, but I believe the President was misled into taking the course he did take by the representations made to him, that the absorption was necessary in order to stay and allay the financial panic then prevailing, and that but for his belief in the truth of such representations he would not have acquiesced in the absorption.

Senators Kittredge, Overman, Rayner, and Culberson sign a report in which these strong indictments of this nefarious transaction occurs:

Among other things, the effect and purpose of the purchase and absorption of the Tennessee company were to monopolize the iron-ore supply of the country for manufacture, sale, and distribution among the several States, and generally to eliminate the Tennessee company as a competitor in the manufacture, sale, and distribution of iron and steel products among the several States.

* * * * *

Under the facts set out in this report, the absorption appears to have been contrary to the provisions of the antitrust law.

But the steel trust did more than violate the antitrust law. They "sandbagged" the Tennessee Coal and Iron Company, and they have "dared" the President of the United States to question the crime.

In a message to the Senate on January 6, 1909, that great "terror" of "wealthy manufacturers" uses this remarkable language:

As to the transaction in question, I was personally cognizant of and responsible for its every detail. For the information of the Senate I transmit a copy of a letter sent by me to the Attorney-General on November 4, 1907, as follows:

THE WHITE HOUSE,

Washington, November 4, 1909.

MY DEAR MR. ATTORNEY-GENERAL: Judge E. H. Gary and Mr. H. C. Frick, on behalf of the Steel Corporation, have just called upon me. They state that there is a certain business firm (the name of which I have not been told, but which is of real importance in New York business circles) which will undoubtedly fail this week if help is not given. Among its assets are a majority of the securities of the Tennessee Coal Company. Application has been urgently made to the Steel Corporation to purchase this stock as the only means of avoiding a failure. Judge Gary and Mr. Frick inform me that as a mere business transaction they do not care to purchase the stock; that under ordinary circumstances they would not consider purchasing the stock, because but little benefit will come to the Steel Corporation from the

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purchase; that they are aware that the purchase will be used as a handle for attack upon them on the ground that they are striving to secure a monopoly of the business and prevent competition—not that this would represent what could honestly be said, but what might recklessly and untruthfully be said. * * *

But they feel that it is immensely to their interest, as to the interest of every responsible business man, to try to prevent a panic and general industrial smash-up at this time, and that they are willing to go into this transaction, which they would not otherwise go into, because it seems the opinion of those best fitted to express judgment in New York that it will be an important factor in preventing a break that might be ruinous; and that this has been urged upon them by the combination of the most responsible bankers in New York, who are now thus engaged in endeavoring to save the situation. But they asserted they did not wish to do this if I stated that it ought not to be done. I answered that, while of course I could not advise them to take the action proposed. I felt it no public duty of mine to interpose any objection.

Sincerely, yours,

THEODORE ROOSEVELT.

HON. CHARLES J. BONAPARTE,

Attorney-General.

Neither Joe Mulhatton nor Baron Munchausen ever told a fish story more fantastically false than this pipe dream of Judge Gary and Frick, seriously accepted by the President of the United States, and solemnly recounted to the Senate.

The future historian, in recounting history of this strenuous Theodore, will be forced to admit with a commiserating smile that this "discoverer of the Ten Commandments," "this fighting philosopher," was duped and deluded by the wily managers of the steel trust. There is not a line or a sentence or a syllable in this statement furnished the Senate by the President of the United States upon the authority of Judge Gary and Mr. Frick that is not ridiculously false and absurd.

I have no doubt that the President believed it, but the fact that he believed it makes us pity and condole at the same time. Had he not been an honest man he would never have sent such a message to the Senate, and no honest man who was not pitifully gullable would have ever accepted the statement of these gentlemen without a grain of salt. The frail threat that they might continue the panic which they had created would have invited resistance, not subservience, from an Executive genuinely, not theatrically, courageous.

The truth is that the United States Steel Corporation not only wished to purchase the Tennessee Coal and Iron Company, but it was absolutely necessary that it should own this almost invaluable property in order that it might carry into effect its criminal and gigantic conspiracy to throttle competition and perfect its monopoly of the steel industry on this continent.

I have often thought that an all-wise Providence has answered upon this Nation his especial blessings. We are, to a degree, His chosen people. Blessed above all of the children of men in the measure of freedom which we enjoy and in intelligence, courage, and capacity, and blessed, too, in the wealth of our natural resources. Nowhere has nature been more prodigal than in the State of Alabama. The limestone, the coal, iron,

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and timber necessary to this great industry are all found in the same mountain. Birmingham can produce steel rails from four to five dollars a ton cheaper than they can be produced anywhere else on the face of the earth, and this statement is corroborated by the testimony of directors of the steel trust themselves before the Industrial Commission.

At the time of the panic, in the fall of 1907, the only outstanding loans, with the stock of the Tennessee company as collateral, in banks and trust companies, so far as careful inquiry has disclosed, were \$482,700 in the Trust Company of America, on stock, at 60, as collateral, and \$5,000,000 on 90,000 to 105,000 shares of the stock in several banks in New York, among them the First National Bank and the Chase National Bank. Moore & Schley had no connection with the loans in the Trust Company of America, but they negotiated the other loans for themselves or their customers. In the course of their brokerage business Moore & Schley made loans to some of the holders of the Tennessee company stock, on their stock, and reimbursed themselves by borrowing from banks on the stock to the extent they could, but the amount they loaned has not been shown.

The loans in the Trust Company of America were paid in November, 1907, and January, 1908, in due course of business, the merger of the Tennessee company having no effect upon them. It was known, however, that Oakleigh Thorne, president of the trust company, was a member of the Tennessee company syndicate, and his trust company, which was supposed to be interested in the Tennessee stock, was viciously attacked during the panic, through which it nevertheless safely passed. Besides the \$5,000 or \$6,000 Moore & Schley had borrowed, with the Tennessee stock as collateral, as heretofore pointed out, that firm had borrowed perhaps \$27,000 on other securities. The formation and existence of the syndicate holding control of the Tennessee company stock, organized by Grant B. Schley, was well known in Wall street. Banks in New York, some of them known as Morgan banks, carrying Moore & Schley loans with the Tennessee company stock as collateral, pressed these loans vigorously. This firm continued to meet successfully all demands upon it, but, finally, fearful of the result of persistent and terrific pounding, it sought and made terms with the steel corporation. The syndicate did not desire to sell the stock, but was forced to do so. When the steel corporation purchased the stock and absorbed the Tennessee company, the pressure ceased, and general conditions decidedly improved on the stock exchange.

So far from being a bankrupt and hopeless concern, the Tennessee Coal and Iron Company was at the time of the panic of 1907 perhaps the most prosperous concern in the United States. Organized by men of capacity, superbly equipped with untold natural resources, it looked confidently to a future, expecting, as it had a right to expect, that in the hour when genuine competition should determine the primacy of the iron masters of the world the Tennessee Coal and Iron Company would easily and certainly vanquish all competitors.

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Grant B. Schley testified that the facts set forth in the forty-seventh annual report of the Tennessee company for the year ending December 31, 1906, are true. The following statement from that report, except where credited to the sixth annual report of the steel corporation, made after the merger, is indicative of the income, sales, and earnings, improvements, output, and potential capacity of the company.

The Tennessee Coal, Iron and Railroad Company.

COMPARATIVE STATEMENT OF INCOME.

[Page 20.]

Gross profits:		
For 1904.....		\$1,862,131.21
For 1905.....		2,484,139.20
For 1906.....		2,753,159.85
For 1907 (p. 27, U. S. S. C. Rept.).....		2,749,903.73
Gross sales and earnings (p. 19):		
For 1904.....		9,607,578.74
For 1905.....		10,951,979.02
For 1906.....		12,265,970.66

NEW CONSTRUCTION AND DEVELOPMENT OF LAND.

[Pages 24, 25.]

For 1906.....	\$1,355,632.28
For 1907 (p. 27, U. S. S. C., 6th Ann. Rept.).....	6,589,116.99

In this connection note that the total cost of the plants of the Tennessee company, excluding land, was on the date of this report (p. 21) \$11,211,872.30, and that of the \$6,589,116.99 expended for new construction in 1907 only about \$72,000 was expended for land, leaving the balance of over \$6,500,000 expended for enlargement of its manufacturing capacity, or an increase of about 60 per cent.

Men have bought and sold, bargained and pilfered, since dawn of time, but there is in recorded history no instance, in peace or war, of as gigantic a confiscation of property as the forced sale of the Tennessee Coal and Iron Company to the steel trust for the sum of \$40,000,000. Mr. Schwab testified before the Industrial Commission that ores were worth the price paid for them by the United States Steel Corporation, namely, \$165 per ton, taking this valuation upon the raw material as fixed by the sworn statement of the authorized agents of the steel trust. This property in iron ore alone was worth over \$500,000,000. Its blast furnaces, its splendid coking coal, its limestone, its unequaled facility for the assembling of all these materials rendered this property almost invaluable, and its acquisition gave to the purchaser almost an absolute monopoly of the steel industry so long as the Republican party is in power and it is assured of immunity from foreign competition. Mr. John Moody, in an article in Moody's Magazine for January, 1909, said:

But the most fortunate business stroke of the steel corporation, from the viewpoint of its owners, since its organization in 1901 was the acquisition last year of the Tennessee Coal, Iron and Railroad property. The acquisition of this organization has added great potential value to the steel organization and has increased the tangible equity of its common-stock issue to a far greater extent than is commonly realized. The Tennessee Coal and Iron properties embrace, besides important manufacturing plants, nearly 450,000 acres of mineral lands in the Birmingham

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section of Alabama. As shown in the report of the Tennessee company in 1904, when an appraisal was made by outside parties, these lands contain, approximately, 400,000,000 tons of first-class low-grade ore and more than 1,200,000,000 tons of coal, of which about one-half is coking coal. This estimate indicates that the deposits embraced are even in excess of those of the great Lake Superior properties controlled by the corporation, including the great northern ore bodies. This entire property was acquired, as is well known, on very favorable terms for the steel corporation, and of course puts it in a position where now it need have no concern regarding a possible future shortage of supply of either iron ore, coal, or coke. Added to this is the fact that the deposits are more favorably located than those of the Lake Superior district, and will enable the company to carry on in the years to come a vast economic development of production which is better for the making of ordinary pig iron than that of any other known deposits in this country.

No sooner had the United States Steel Corporation obtained the monopoly of the steel industry by means of practices which I have described than it proceeded to use this giant strength as a giant, and it has levied and is levying upon consumers the tribute it was forced to pay to Carnegie and his colleagues for this privilege of monopoly—a monopoly guaranteed, fostered, and protected by two Presidents of the United States, their Cabinets, and by their emissaries in the House and in the Senate, a conspiracy which I propose to investigate, and having investigated, I am confident I shall hold up to the scorn and contemny of men everywhere and in every party.

The Attorney-General says that he can not tell the truth about this corporation, and for reasons—best known to himself he should conceal the sins of this monster monopoly. I do not believe that any criminal, whether he be individual or corporate, is powerful enough to demand from a free government not only protection but privacy. It is bad enough if they are enabled to evade the law, but when we dare not even to condemn, that is intolerable. No combination can possibly be as widespread or as beneficial in its effect as a monopoly of the iron and steel industry. It reaches every other business. Iron is literally the vertebra of modern progress. It is not only a necessity of life, but it is the means by which all other necessities of life are obtained. The home of the humble toiler, the tools of the laborer, the implements of the farmer are all made of iron or steel. It enters into the prime cost of production of every necessity of life, the factory, the mill, the mine, the farm, must all pay tribute to this monstrous and unpunished monopoly.

Prior to the organization of the steel trust and its constituent companies, iron ore, pig iron, in fact, iron and steel in every shape and form, have continuously decreased in cost for over a hundred years. This decrease in the cost of production of iron and steel was an impetus to enterprise everywhere, because it lowered the cost of production of every article of luxury or necessity in which machinery constructed of iron and steel played a part.

Professor Burgland, in his conservative and interesting history of the United States Steel Corporation, discusses at great

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length the effect of the activities of the United States Steel Corporation upon prices, and as he is in a way an apologist for this combination, his statements should be regarded with special weight and credence:

In order to form some estimate of the influence of the Steel Corporation on prices, it will be necessary to give some attention to iron and steel prices in general. During the last thirty years, in which the industry in the United States has grown to its present predominant position in the markets of the world, the prices of iron and steel have greatly declined. From 1870 to 1900 this decline, on the average, according to the Twelfth Census, was considerably more than 50 per cent. The course of prices is well typified by those of steel rails, which until recently formed the bulk of the country's steel trade. The price per ton of this commodity averaged \$92.91 in 1870, \$67.50 in 1880, \$31.75 in 1890, and \$32.29 in 1900. Late in 1900 the price sank to \$26. During the depression of the middle nineties prices were lower than ever before or since—steel rails selling as low as \$17 per ton in June, 1898. Since April, 1901, steel rails have been quoted at \$28. * * *

That the consolidations of the time were a factor influencing prices can be seen in the cases of the American Tin Plate and the American Steel and Wire companies. These companies had something of a monopoly of the market in their respective lines; and this monopoly was reflected in the prices of the period. Shortly after the organization of the American Tin Plate Company, in December, 1898, the price of coke tin plate (14 by 20) was raised from \$2.70 per hundred-pound box to \$3 at mill. Quotations in the leading centers of trade in the northeastern part of the country were upward of \$3.20 per hundred-pound box. During February, 1899, the average price was \$3.55. By the end of the year it was \$4.84, and it remained at this figure during a large part of the following year. In like manner after the organization of the American Steel and Wire Company there was a great rise in prices. Wire rods, which sold for \$20 to \$22.50 per ton in 1898, were quoted at steadily increasing prices during 1899. By January, 1900, the price had reached \$50 per ton. Wire nails, which had been quoted at \$1.40 to \$1.50 per 100-pound keg in 1898, were steadily raised in price during 1899 until they were quoted at \$3.20 in the early months of 1900—a higher figure than that reached under the regime of the notorious wire-nail association of 1895 and 1896.

In the language of the London Engineer, it is still true that—

Mr. Morgan and his immediate partners can fix the price of iron and steel. They are for the moment, at all events, beyond the sphere of competition. They can have no competitors in their own country. The American consumer is absolutely in the hands of the trust. They can have no European Competitor, because the tariff defends them.

The Federal Government has indicted the beef trust, the oil trust, the sugar trust, and numerous other trusts. The average man instinctively inquires why this giant combination has escaped unscathed. There is one answer to this question and but one. It has been definitely defended by an ex-President of the United States. It has been given a clean bill of health by the Attorney-General. It has paid hush money and is a secret partner of the Republican party.

The President of the United States Steel Corporation was one of the select committee to greet Theodore Roosevelt upon his return to his native country. Mr. Gary defiantly claims immunity, which he has bought. He demands it because he has

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purchased it. No business of this country is as liberally protected and as shamelessly subsidized as the steel industry of the United States, and no business needs it as little.

Were it not for the fact that prominent politicians can always count on the steel trust in the hour of need this concern would long since have found itself in the docks with the oil trust and the sugar trust and the tobacco trust and others, which are equally gully, but less generous to the powers that be. The time has come when the American people shall demand that this monopoly shall no longer divide its booty with the trusted representatives of the people. The interests must go out of politics or go out of business, and the first concern to quit one or the other should be the steel trust.

The United States Steel Corporation is the greatest industrial giant on earth. Its total capitalization on December 31, 1903, was \$1,442,714,114. This capitalization was based upon actual assets at the time of its formation of not over \$500,000,000. The only method of sustaining such a capitalization at a later stage in the Hodge suit was by estimating the iron-ore properties, the coal, coke, and gas fields, and the limestone properties at \$824,000,000, when, as a matter of fact, they were regarded at the time of their purchase or lease as less than half that value. The deposits of iron ore computed in this estimate at \$700,000,000 are actually assessed by the Minnesota authorities for taxation at only about \$40,000,000. For the two years ending December 31, 1903, its gross sales and earnings amounted to \$1,100,000,000. These, however, included sales from one subsidiary company to another, which were estimated as amounting to \$300,000,000, leaving \$800,000,000 as the gross receipts for the two years. Its net profit for those two years was \$242,479,916, leaving the total cost for the goods produced \$558,000,000. This \$242,479,916 profits were the profits on 15,832,922 tons of finished steel goods, an average of \$15.31 per ton, or over 40 per cent. of the total cost of the product. Mr. Byron W. Holt, the editor of Moody's Magazine, in 1904, prepared in a publication of the American Free Trade Keagyem the following schedule giving the amount of each of the sixteen products of the steel trust during the two years ending December 31, 1903, the amount of duty upon each product, and the whole amount of the tariff profit upon each product.

In the year 1903 the steel trust received \$162,345,000 net profit secured to it by tariff schedules, and more than it would have received had it sold to the American consumer at the same price it received in foreign markets.

Five hundred and sixty-two million dollars is an appalling sum to pay for immunity, but when we think of Presidents it has deluded, of Senators it has seduced and Congresses it has conquered, of courts it has corrupted, perhaps after all it was money well spent.

The greatest crime of the steel trust is not the plundering of the consumer or the debauching of the public servant. When its complete history is written its blackest pages will record its treatment of the toiler, its crucifixion of labor, its degradation, its cold and inhuman pilfering of its own employees. No busi-

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ness on the continent in the last ten years has been so rich in dividends or so poor in its reward of labor.

I have listened until I am sick of this palaver about the protection of American labor; this sublimated political plety that seeks to enrich the employer in the hope that the laborer may possibly receive the crumbs that fall from his table, but no crumbs ever slip from the table of the steel trust. Skilled labor nowhere in the United States, nowhere on the habitable globe, is as poorly paid, the cost of living considered, as at McKees Rocks and at Bethlehem at this hour.

Mr. Gompers in an able and elaborately prepared statement to the President of the United States thus describes the conditions existing in the city of Gary:

A municipal corporation from which God and man are alike excluded, a city in which the steel trust and the devil hold absolute and unquestioned sway.

The resultant effect of this complete monopoly ownership, monopoly of transportation facilities, and monopoly of even all the habitations, enables the company to import and to hold under a species of practical peonage Slavs, Hungarians, Italians, Servians, Poles, and Turks. And this class of laborers, whether made citizens or left as foreigners, is herded together, in some instances as many as 15 or 16 in a room, bringing with them all the degradation, filth, and lack of civilization that are incident to the lowest stratum of their respective nations. With no chance to be reached or influenced by American workers, or by the organizations of American labor, they have no opportunity to get the benefit and strength of association of laborers to lift their condition. They are subjected to the private police supervision of this corporation with all its power of wealth and avarice. To illustrate: There are 5 uniformed and armed guards or policemen at every entrance and exit of the yards. No friend or foe can pass the guard without surveillance equivalent to that of the Russian Cossack or the French gendarme. The corporation enforces twelve-hour day, seven days a week, having two shifts in the twenty-four which offers the employees no opportunities for the duties of citizenship or for acquiring information necessary to become intelligent citizens or to assimilate themselves with our American people and American institutions.

For the reasons which I have assigned I demand that this gigantic corporation be immediately investigated by the Federal Congress of the United States; I demand it in the name of the sanctity of the law which has been violated; I demand it in the name of the sovereignty of the courts which has been defied; I demand it in the name of ninety millions of people who have been plundered; and, above all, I demand it in the name and interest of organized American labor, which has been expropriated from the field; now preempted by Hungarians, Russians, Slavs, by the ignorant, oppressed, and the wretched, everywhere where political tyranny was able to render man helpless and dependent enough for the industrial servitude demanded by this gigantic corporation. When its whole history is written, the darkest page will recount not the crimes which I have mentioned, and which I seek to investigate and to punish, but the unwritten history of its white slavery at McKees Rocks and at Bethlehem.

Miscellaneous

Subjects

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HOW THE REPUBLICAN PARTY WILL SIDE-STEP THE ALDRICH- PAYNE BILL

Speech of Hon. OSCAR W. UNDERWOOD, of Alabama, in the House of Representatives, Tuesday, May 17, 1910. [Part of Congressional Record.]

Mr. Underwood said:

Mr. Chairman—I desire to discuss a paragraph in the pending bill, and in order that it may appear in my remarks, I send it to the Clerk's desk and ask to have it read.

The Clerk read as follows:

EXECUTIVE.

To enable the President to secure information as to the effect of tariff rates or other restrictions, exactions, or any regulations imposed at any time by any foreign country on the importation into, or sale in any such foreign country of any agricultural, manufactured, or other product of the United States, and to assist the officers of the Government in the administration of the customs laws, as required by the tariff act approved August 5, 1909, including detailed information of the cost, and of each and every element thereof, of producing at the place of production and at the place of consumption of all articles specified in said tariff act both in this country and in the country from which such articles are imported, so that the cost of all such articles produced abroad may be compared with the cost of like articles produced in this country, the President, in the employment of persons required and authorized for such service, may appoint a tariff board, and he may also employ, under his personal direction, or under the direction and supervision of such tariff board, such competent experts in the business and methods of cost keeping and such clerical and other personal services, including rent of offices in the District of Columbia, traveling, and other incidental expenses, as may be necessary in the work of said board and the work of said experts engaged in such investigations; and the compensation of all such persons, whether employed permanently or temporarily, shall be fixed by the President; *and to enable the President to have such information classified, tabulated, and arranged for his use in recommending to Congress, such changes or modifications in any existing tariff duties as he may deem necessary to prevent undue discrimination in favor of or against any of the products of the United States, \$250,000.*

Mr. Underwood—Mr. Chairman, the Aldrich-Payne tariff bill, in section 2, relating to the granting to foreign nations the rates of duty under the minimum tariff of the United States, provides that—

To secure information to assist the President in the discharge of the duties imposed upon him by this section, and the officers

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of the Government in the administration of the customs laws, the President is hereby authorized to employ such persons as may be required.

The distinction between the law that it is proposed to enact in the sundry civil appropriation bill and the law enacted last year in the tariff bill is manifest in a careful reading of the two propositions. The purpose of the proposed change of law, as stated in the provision itself, is—

To enable the President to have such information classified, tabulated, and arranged for his use in recommending to Congress such changes or modifications in any existing tariff duties as he may deem necessary to prevent undue discrimination in favor of or against any of the products of the United States—

And for that purpose it provides an appropriation of \$250,000. The present law authorizes the employment of certain persons to secure information to assist the President in the discharge of duties imposed upon him in making contracts with foreign nations relating to the minimum tariff of the United States and to assist the officers of the Government in the administration of the customs laws. The minimum tariff has been granted to all foreign nations since the law was enacted, and it is not to be supposed that the Treasury Department that has administered the customs laws for over one hundred and twenty years needs a board of guardians appointed to run its business; if so, the remedy would be to get a new Secretary of the Treasury who is capable. It therefore seems to me that the purpose of the law has spent itself and there is no need for further appropriations. It is now proposed, under guise of existing law, to establish a secret tariff board, to work behind closed doors and gather data that will enable the President to advise the Congress how to enact revenue laws, evidently assuming that the Congress lacks the intelligence to perform the duties for which it was elected. I do not propose to go into the fundamental principles that are involved in this question.

Mr. McKinlay of California—Will the gentleman yield further?

Mr. Underwood—Yes.

Mr. McKinlay of California—Would the gentleman be in favor of that section provided it was amended so as to require the President to submit these facts to Congress in the form of an annual report?

Mr. Underwood—I will come to that.

Mr. McKinlay of California—What objection would there be to that section then?

Mr. Underwood—I will come to that now. I will state what I think ought to be done. The gentleman assumes that Congress can not write a tariff law unless it has information, and he is correct. Congress can not write a tariff bill, whether it be from a Republican protective standard or from a Democratic tariff for revenue standard, without information. You must have facts on which to write the bill. But the Congress has the facts and it has always had facts, and never in the history of the Congress of the United States has it had more facts on which to base a tariff bill when it wrote the Aldrich-Payne bill last year. In the first place, the Committee on Ways and Means sat in session from 9

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o'clock in the morning often until 12 o'clock at night for two whole months gathering facts. That committee published twelve volumes, containing nearly 10,000 pages of facts in reference to the cost of production at home and abroad.

Mr. Kitchin—Does the gentleman mean facts or testimony?

Mr. Underwood—I mean testimony; of course I will not say that it was all facts.

Mr. Kitchin—I read a few thousand pages of that myself, and I am doubtful if they are facts. It is the same kind of testimony that a commission would have.

Mr. Underwood—Certainly. Absolutely along the same line. Now, more than that, when the Committee on Ways and Means met to commence its investigations under the direction of the chairman of that committee, experts were placed at his disposal, one of whom is one of the clerks of the Committee on Ways and Means, and some others detailed from the departments, and they had prepared this book, which I hold in my hand, containing nearly a thousand pages, "Notes on the Tariff Revision."

Mr. Hill—Did it give one word or line in regard to the cost of any product made in this country or imported?

Mr. Underwood—Not in this book.

Mr. Hill—Is there any book that the committee had that did give such information?

Mr. Underwood—Oh, yes; I will show it to the gentleman when I come to it. Yes; we had much information in reference to the cost of production, but not in this particular book. Now, let me show you what there is in this book. Let me take the one item of pig iron. This book gives the duty on pig iron \$4 a ton, and gives the item in the tariff bill. Then there is more than a page devoted to the decisions of the courts in reference to this item of the tariff bill. Then we have a classification of the meaning of the different words, a glossary, in reference to pig iron, and then we have the following information: Exportations of pig iron in 1907, 85,000 tons, valued at \$1,634,000, and of these exportations 81,000 tons went to Canada. Then there are the importations in 1907, and it will be seen from this book that we imported 564,000 tons of pig iron, valued at \$15,665,000. Then it goes on to say where these importations of pig iron came from, and it gives us all the facts with reference to the exportation and the importation and the unit value of the product. This book has taken up every single item of the tariff bill and treated it in that way.

The gentleman from Connecticut talks about the cost. I admit that some questions of cost are not as fully set out as others, but you must remember that we had the entire consular service at our command to gather facts. We had consular reports from all over the world. Some were of value and some were not. The gentleman said we had not information as to the cost. The Government, in compliance with the request of the Ways and Means Committee, sent to Europe the summer before we went into session on this tariff bill several men to gather facts for us. One of these was Mr. Charles M. Pepper, an employee or special agent of the Department of Commerce and Labor. I hold in my hand a pamphlet containing Mr. Pepper's report on the German

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iron and steel industry, and it is one of the most complete reports that was ever made on a question of that kind, and there is not a member of the Ways and Means Committee or a Member of the House who can deny that.

Mr. Longworth—May I interrupt the gentleman at this moment to thank him for his eloquent defense of the work of the majority Members and the thoroughness of the work?

Mr. Underwood—Mr. Chairman, I am perfectly willing to give credit where credit is due, but I am not willing to have the gentleman from Ohio put himself out of my class. The gentleman who is entitled to the credit for sending these experts abroad was the chairman of the committee, who had started this machinery to work before either the gentleman from Ohio or myself had arrived at the scene of action.

Mr. Reeder—I would like to ask the gentleman if he has a fear that we are liable to be too diligent in hunting facts in the future.

Mr. Underwood—No; but I want facts collected by the men who are going to use them and by the men who will know whether they are truthful or not by their own investigations.

Mr. Reeder—If they hunt all they can, then it would be a great danger to have others assist us.

Mr. Underwood—Not at all; but it would be a danger to have a man carry a concealed weapon in his pocket, and that is what this proposition is, and nothing else. [Applause on the Democratic side.] Now, the gentleman says that we had no information as to the cost of production, and Mr. Pepper in going over the entire iron and steel schedules states the cost of every production of iron and steel, either in his report on the German iron and steel industry or in a report relating to the English iron and steel industry, or you will find it in a book published on the machine-tool trade in Germany, France, Switzerland, Italy, and the United Kingdom, by Capt. Godfrey L. Carden, another book published by order of the Ways and Means Committee. But to return to the question of pig iron. This book of Mr. Pepper's gives us in the Dortmund district and city the cost of 1 ton of basic raw pig iron as 57 to 60 marks, or \$13.57 to \$14.28. The cost of the conversion of 1 ton of raw iron to steel as 14 marks to 16 marks, or \$3.33 to \$3.81, and the labor cost in a ton of basic raw iron as 3½ marks to 4 marks, or 84 cents to 96 cents. Now, is not that pretty complete information? As to the cost at home, we have here a book prepared by the Census Bureau, Imports, Exports, and Domestic Productions. This book gives us in each single item of the tariff bill the rate of duty first, and then the imports for consumption for the year 1905, giving the quantity and the value.

Then it gives from the census manufactures of 1905 the article produced, the unit of value, the quantity produced, and the value, and then it gives the exports in quantity and in value. Besides that we had a large number of expert witnesses before the committee to give information. More than that, we had prepared for the use of the Committee on Ways and Means this book which I hold in my hand, prepared by Mr.

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William W. Evans, the expert clerk of that committee, "Imports and Duties from 1894 to 1907," which gives the amount of imported articles in each year from 1894 to 1907, their value abroad, the duty collected, and their unit value. I do not pretend that all that information was as accurate as it might have been; but if it was not, why was it not? It was because this House has only furnished the Committee on Ways and Means with one expert to gather and collect these facts from time to time. If we had two or three capable statisticians and experts connected with the Committee on Ways and Means, whose duty it was to gather the facts, publish them in a volume, leave them here wide open for every Member of Congress to use when he sees fit, we would have all the information that is required to write a tariff bill. In the past when the Committee on Ways and Means desired to do so, it has requested the State Department or the Department of Commerce and Labor or the Treasury Department to call on our consuls abroad for information or to send special agents to collect such data as we wanted, and we have always gotten it. If you think we have not had sufficient information, we can get it now, and there is no necessity of creating an expensive, high-class commission to sit behind closed doors to advise Congress about things they think the Congress needs advice about; they are not responsible to the country for the legislation enacted, and we are. That is my objection. It will be a waste of \$250,000. Why, the Census Bureau to-day is compiling more facts to be used in the writing of a tariff bill than this board can possibly compile, and assembling them more accurately. I hold in my hand to-day a number of blank forms. They are the forms that the Census Bureau is sending out to take the manufacturing census. And what does it require? Each and every manufacturer in the United States is required, after giving his name and the location of his plant, to state the materials used, cost and quantity, and cost of principal material used during the year 1909; the total cost of all materials, including fuel, mill supplies, freight, and so on. They are required to give the products, cost and quantity, and the selling value or price at the works, and account for all products and by-products manufactured during the year. They are required to set out how much they produce and how much it cost to produce it.

I would like to know how this great board that is going to be created can get any more accurate facts than that. I was surprised on inquiring to find that this board as now constituted has three commissioners and one expert to gather information. I do not know what the commissioners are expected to do with the expert, but it seems that is the way they are organized, and I understand that this expert has stated that the way he proposes to get this information, that it is intended to filter through the President to Congress, is to pick out some selected plants, some selected industries, typical plants which are willing to answer questions, and that then he is going down there and ask them how much it cost them to make their products and how much materials they use and how much they spend for labor, and he is going to bring it back and report it to the three

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commissioners. Now, how much do you suppose it will be worth to be the plant that is picked and has the honor of fixing the price? How much information will that give us? Has not the Committee on Ways and Means the power to do all that?

Did we not send our summons to the heads of the plants whom we wanted to testify and bring them before the committee and ask them the question ourselves? Do you think any such testimony given voluntarily will be worth as much as this testimony that is being taken to-day by the Census Bureau and compiled for the benefit of the Ways and Means Committee as well as the balance of the country?

Now, as to the information gathered abroad, that is very difficult to obtain always. As I stated, Mr. Pepper, in his report, made a most excellent statement as to iron and steel. We had reports on the textile industries. We can send special agents over there to investigate from time to time exactly what we want. We can not always get accurate facts, and neither will this board get accurate facts, but when we send the agent and bring him back we will know all the facts he brings. But when this board sends the agent, even the President of the United States will not know of the facts he brings, because the President of the United States has not the time to make an individual investigation of the question. He will be compelled to rely on the findings of the board, and the result will be that the Congress of the United States will be asked to write a tariff bill or amend tariff bills on information that is furnished to the President by the board behind closed doors, without our knowledge of the character of standing of the witnesses on whose testimony they find their conclusions.

I say it is absolutely absurd, and there is no reason for it. There is but one reason and excuse for the offering of this provision in this bill, and it is this:

The gentlemen on that side of the House have waked up to the fact that the Aldrich-Payne tariff bill is not popular in the country, and that even in their own ranks there is a demand for a revision. They do not dare say that they will come back here themselves and revise it, because that would be turning down their own handiwork. They want to avoid the issue. And notwithstanding the fact that the chairman of the Ways and Means Committee last year stated that no committee had ever had the amount of facts and information on which to write a bill as they had in the preparation of the present law, they now come here and say, "We can not write a tariff bill without facts, and if you will give us a board and \$250,000 and let us send agents all over Europe in the course of the next three or four years, we will get some facts, and then, if the President will let us and the present tariff law needs changing, we will change it." Now, that is the issue you want to go to the people on. That is all there is in this proposition. With the facts that you know, and the chairman of the Ways and Means Committee knows, the committee had when the Aldrich-Payne bill was written, I challenge the chairman of the Ways and Means Committee to say that he was not sufficiently informed by the facts that he had to come to an

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intelligent conclusion. They knew how to revise the tariff downward, but they did not want to do it. Where he and I differ is that he is a high protectionist and I believe in a tariff for revenue, but there were sufficient facts there for me to have written a tariff-for-revenue bill, and the chairman of the committee will not deny that he had all the facts before him that were necessary for him to use to write a bill from his standpoint. This proposition is nothing but a subterfuge. It is proposed for the purpose of enabling Republicans to sidestep the tariff issue and come back to Congress from districts where the constituencies are dissatisfied with the Aldrich-Payne tariff bill, and that is all there is involved in the issue now presented to the House. [Applause on the Democratic side.]

INCOME TAX

Speech of Hon. GILBERT M. HITCHCOCK, of Nebraska, in the House of Representatives, Friday, April 1, 1910. [Part of Congressional Record.]

Mr. Hitchcock said:

Mr. Speaker—I am not very enthusiastic on the subject of this corporation-tax feature of the Payne tariff law, even with its publicity provision, which the Republican majority now proposes to repeal. I believe the corporation tax and the publicity provision were merely devices used by President Taft's administration to escape from the inheritance tax, to which the administration was pledged, and also to defeat the income tax, which was popular, and a majority for which already existed in the two Houses of Congress at that time. [Applause on the Democratic side.]

Aside from the fact that this 1 per cent. tax on the annual profits of corporations will only yield a small revenue as compared with an income tax is the objection that it is more than likely to be declared unconstitutional. Then, most important of all, is the objection that it is at best an injustice to small stockholders. Many of those, who would be exempt under an income-tax law, have their income reduced by this tax on the corporation. Thus a widow or orphan holding a little stock in some corporation, purchased perhaps by money received from insurance on the life of the husband or father, might be exempt from an income tax if the income were small. Under the corporation tax, however, each holder of a share of stock is affected, however poor.

The corporation-tax section was drawn just as the administration wanted it. The publicity provision which the President wanted was inserted. It read as follows:

When the assessment shall be made as provided in this section the returns, together with any corrections thereon which have been made by the commissioner, shall be filed in the office of the

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Commissioner of Internal Revenue and shall constitute public records and shall be open to inspection as such.

That provision became a part of the law, as I have stated, at the request of the administration. It was a part of the inducement for adopting a tax on corporations in place of the income tax and in place of the graduated inheritance tax. Even now the President of the United States does not frankly come forward and ask to have that clause repealed. Indeed the President has gone up and down throughout this country declaring that the Payne-Aldrich Act was the best law of the kind ever passed by Congress. He has not recommended to Congress openly that this clause of it be repealed. The corporations, especially the small ones, have complained bitterly of being compelled to make their affairs public, and he has apparently remained firm. But now the Republican majority proposes to nullify this publicity clause. Now, after all the corporations of the United States have complied with the law and made their full reports, which are in the hands of the Treasury officials, it is proposed to destroy the publicity clause of the act under which these returns were made. Let me quote the amendment as introduced by the gentleman from Massachusetts. [Mr. Gillett], which is now before the House:

Provided, That any and all such returns shall be open to inspection only upon the order of the President under rules and regulations to be prescribed by the Secretary and approved by the President.

Mr. Speaker, the Congress adopted this publicity provision on recommendation of the President; why is it that the Republican majority of this House and the Senate propose to repeal it?

I believe, Mr. Speaker, I am justified in denouncing this corporation-tax law, together with its publicity feature, as a subterfuge, originally successfully introduced for the purpose of defeating the income tax and the inheritance tax, and now that it has achieved its purpose, the plan is to emasculate and destroy the efficiency of the law itself.

* * * * *

No valid argument has ever been made, or can be, against the income tax. It appeals to our reason and our sense of justice. It not only taxes men in proportion to their ability to pay, but also in proportion to the benefits they receive in living under a government of law and order.

Most large incomes come from invested capital, whose very existence depends on government, law, and order. Those who enjoy those incomes should pay taxes in proportion to what they receive. They derive far more benefit from organized society and established government than the poor, who must earn what they get. The income tax is bound to come, because it is just.

I fear, Mr. Speaker, that we do not realize the injustice of our present system of national taxation. Our tariff taxes, by which we raise several hundred million dollars a year, and our internal-revenue system, by which the remainder of our national

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revenue is raised, are both a tax on the things that people use or consume.

They increase the cost of living. They fall heavily upon the poor, although hardly felt by the well-to-do. The poor man with a large family often pays more national taxes than the rich bachelor with no family, because the poor man and his family consume more. The poor man on a salary, the working girl, or the working woman feels the national taxes in the shape of an increased cost of living. These taxes increase the cost of food, drink, clothes, houses, hardware, furniture, carpets, shoes, glass, paints, and a thousand other things, including rent.

This system of raising money to support an army, navy, and government has always seemed to me unjust, because it is like taxing the people of the country—men, women, and children—so much per person, regardless of the benefits they receive from the Government and regardless of their ability to pay.

The income tax offered one means of remedying this evil. Every Democrat in Congress and many progressive Republicans were ready to insert an income-tax provision in the tariff law. They would have done so had not President Taft used the corporation-tax law with its publicity feature as a weapon to kill the income tax.

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INCOME TAX

Speech of Hon. CORDELL HULL, of Tennessee, in the House of Representatives. [Part of Congressional Record.]

Mr. Hull of Tennessee said:

Mr. Chairman—If the stupendous sugar-trust frauds recently discovered in the custom-house of New York alone had occurred in connection with the operation of an income tax the menials and the minions of untaxed wealth would have instantly raised the cry that that tax was a farce and a failure. If an income tax, like customs duties, were uncertain and unreliable in the production of revenue, and during the Government's fiscal history had produced dozens of gaping deficits at times little expected, and as many burdensome surpluses at times still less expected, no untaxed citizen of wealth would be so poor as to do it reverence. If the bloated creature of class legislation, to whom existing laws have so long granted immunity from tax burdens, could detect the smallest symptom of inequality in an income tax, he would roll it as a sweet morsel under his tongue and solemnly pronounce that tax the bane of any revenue system of which it is a part.

Mr. Chairman, they forget that the period is rapidly disappearing when this or any other civilized nation will longer tolerate the taxation of one class for the support of another class. They forget that all the great progressive governments of the

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earth, whose tax systems, like ours, impose their chief burdens upon consumption, are heeding the cry for fiscal reform. But a few weeks ago the vice-president of the German parliament declared that the system of high protection, of which France, Germany, and the United States are examples, would become insupportable, and that whatever might be the future development of the economic policy of Europe, the period of high protection is approaching its end.

Mr. Chairman, our present monopoly-tariff law is a miserable travesty, an ill-designed patchwork, a piece of brazen legislative jobbery. Protection to a small number of pampered, stilted individuals, not revenue for the Government, is its chief design. This indefensible doctrine has become the cancer of the Government's fiscal system. It is the mightiest engine of oppression ever devised by legislative legerdemain. It is hastening this nation to a condition of white slavery as no other influence could. [Applause on the Democratic side.] It enables a band of commercial marauders to ruthlessly take toll from the sweat and blood and life of the honest yeomanry of the land. If the piratical organization, that has knowingly foisted and fastened the existing system of tariff spoliation upon the people, persists in retaining certain of its intolerable features in the future, it may earn a degree of popular execration approaching that of a certain notorious organization known as the Black Hand.

Mr. Chairman, during the last national campaign the country was promised honest tariff reform. During last summer that promise was openly, wilfully, and deliberately violated by Congress, the President acquiescing. [Applause on the Democratic side.] This wanton betrayal of the American people will not soon be forgotten nor forgiven. The war for fiscal reform has not ended. It has only well commenced. It will go on until the tax-ridden people are freed from the merciless greed of organized oppression and plunder. [Applause on the Democratic side.] I have long been of the opinion that our system of protective-tariff taxation diverts business from natural to artificial channels, causes an unequal distribution of wealth, creates money lords, impoverishes those who live upon their earnings, builds up class conditions, breeds and shelters monopolies and trusts, enabling them, vampire-like, to sap the vitality of the Nation. I am of the firm conviction that so long as this system remains, requiring the people to pay \$8 to privilege for every dollar that reaches the United States Treasury, we need look no further to ascertain the chief cause of the phenomenal increase of prices in all the protected industries—the scale in this country being far above the level of the world's prices—as well as the cause of the general derangement of our industrial, economic, and social affairs.

THE REMEDY FOR EXISTING TARIFF EVILS.

Mr. Chairman, there is one, and only one, remedy adequate, speedy and certain, namely, the complete reorganization and readjustment of our system of revenue—lopping off existing inequalities, reducing custom rates to a sound revenue basis, placing minimum rates or none at all on articles of prime

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necessity and maximum rates on luxuries, and levying a comprehensive income tax to equalize the tax burden and to give elasticity and productiveness to our tax system. [Applause on the Democratic side.] In this connection I desire to discuss the merits of the income tax, not as a tax itself, but as a permanent part of our whole revenue system. No one method of taxation should be considered singly, but as a part of a complete system which all taxes combine to form. The life of the Government requires an adequate revenue at all times. From its beginning the Nation's chief source of revenue has been indirect taxes levied on consumption. If our customs system, supplemented, as it now is, by an internal-revenue tax, were adequate, just, and economical the necessity for an income tax, whatever its merits, would be measurably less.

But Mr. Chairman, the essential injustice and inefficiency of our tariff laws are apparent to every intelligent observer. We should, therefore, consider our present revenue system and the effect which the income tax would have in removing its gross inequalities, in giving it productiveness and elasticity and adjusting the incidence of the whole burden. Congress has made no progress in the science of taxation since before the civil war. During much of our one hundred and twenty-three years of national life the system of collecting taxes at the custom-house has revealed startling inequalities and a singular lack of elasticity and productiveness.

ELIMINATION OF TARIFF INEQUALITIES AND SUBSTITUTION OF INCOME TAX.

Mr. Chairman, I propose now to direct attention to one ugly and fatal defect of the system now existing, viz, its inequality and injustice. The rank favoritism created by the present tariff laws would bring odium upon any political party enacting them. The taxes they impose rest mainly upon industry and consumption. The amount each citizen contributes is governed, not by his ability to pay a tax, but by his consumption of the articles taxed; and his use of them is not measured by his ability to pay taxes, but by the necessities of life. These necessities are indispensable to the welfare—aye, the existence—of the poor. The chief burden of all tariff taxes now falls upon this class or upon the people of moderate means. Only the rich escape it. Why not the one be required to contribute out of his abundance rather than the other out of his necessities? Why should one favored class be permitted to accumulate great fortunes at the expense of others? Why not wealth bear its just proportion of the public burdens? The protected interests not only select the articles taxed, but fix the rates of taxation. A noted English statesman once said:

Conceal the hand of the taxgatherer and you can tax a people to the point of impoverishment, if not starvation, without com-or resistance on their part.

The unequal effects of the burdensome tariff have already dwarfed not only the political and economic but the social conditions as well.

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Mr. Chairman, this country has now its thousands of hungry, its tens of thousands of paupers, and its hundreds of thousands of unemployed. Verily this is an age of special privilege. Upon every hand we hear preached and see practiced the gospel of class legislation. Far is the cry, long is the stretch between great riches and extreme poverty, and those who would shield the former from taxation at the expense of the latter forget that "man shall not live by bread alone." If the modern Shylock is void of a conscience that would move him to willingly assume some of the burdens of government while claiming all the benefits of its protection, is he also without that discernment necessary to foresee the awful day of retribution that must come from a continuance of the present grinding oppression of the poor? I am reminded of a statement of Swift that "nothing is so hard for those who abound in riches as to conceive how others can be in want." The new tariff has already so increased the cost of living as to cause the gaunt specter of want and hunger to stalk into the hitherto comfortable homes of millions of freeborn American citizens. Under the operation of these unfair and unequal tax laws we no longer have competition in American markets. The prices the consumer must pay are limited only by the producer's greed of gain. Time does not now permit me to point out in detail the innumerable inequalities in our tariff that call loudly for the pruning knife. It is sufficient to say that, though not always understood, their effects are daily and deeply felt by every American consumer.

POSTAL SAVINGS DEPOSITORIES

Speech of Hon. DAVID E. FINLEY, of South Carolina, in the House of Representatives, Thursday, June 9, 1910. [Part of Congressional Record.]

Mr. Finley said:

Mr. Speaker—In the short time that I will be able to consume after making the necessary allotment of time to my colleagues who join with me in making the minority report, I shall endeavor to explain the purpose of the minority bill. I will show that it is a compliance with the Democratic platform adopted at Denver, 1908, and for all practical purposes the minority bill, which we will offer as a substitute for the Republican caucus bill, is a postal savings-bank bill.

* * * * *

The system provided in the minority bill is in many respects like a savings bank—confined in its operations to receiving deposits and making investments and paying its depositors. In other respects the system provided in the minority bill is similar to the postal savings-bank systems of the Old World, and, in fact, of the world generally, and that is, the Government becomes a

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borrower of all the funds deposited by the public in the postal savings depositories. In the matter of investing these funds the bill presented by the minority is radically different from the rule and practice followed in England and, in fact, by practically every country in the world that has a postal savings-bank system, in this, that in these countries the funds are invested, as a general proposition, in government securities. Under the minority bill at least 95 per cent. of all the money paid in must be deposited in banks in the localities where the deposits are made. In this respect the investment provided in the minority bill is something like that provided in the savings-bank laws of New Zealand. In all of these countries, as I have stated, it may be said that the investments are in the securities of the Government.

In Western Australia the funds may be deposited with any joint stock bank; in Italy invested in state securities, mortgages on real estate, and loans to provinces and municipalities; in Belgium invested in government securities, loaned to building and loan societies, and through the agency of agricultural co-operation societies; in Austria invested in government securities, loans on title deeds, and on discount bills; in Hungary invested in government stock, government lottery bonds, bearing interest, and in mortgage bonds to be designated by minister of public works; in Sweden invested in government stocks or in securities issued by Swedish mortgage bank, and loans to parishes. So that, when we provide that the Secretary of the Treasury may take from banks security not supported by the taxing power, with or without an indemnity bond, the proposition is not altogether new. Both the Republican and Democratic platforms adopted in 1908 declare in favor of postal savings banks. The Republican demand reads:

We favor the establishment of a postal savings-bank system for the convenience of the people and for the encouragement of thrift.

The demand in the Democratic platform is:

We favor a postal savings bank if the guaranteed bank can not be secured, and believe that it should be so constituted as to keep the deposited money in the communities where the depositors live. But we condemn the policy of the Republican party in proposing postal savings banks under a plan of conduct by which they will aggregate the deposits of the rural communities and redeposit the same while under government charge in the banks of Wall street, thus depleting the circulating medium of the producing regions and unjustly favoring the speculative markets.

There can be no doubt that it is largely because of these demands in the platforms of the two great parties that Congress has undertaken the consideration of the question. The bill reported by the Republican members of the Post-Office Committee is a Republican measure out and out. Following their usual policy, provision is made to centralize the finances of this country to the extent that deposits may be made under bill proposed by the majority. The money will not and can not be retained under this bill in the communities where it is deposited.

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These funds will be withdrawn under the operations of the majority bill from these localities, and deposited, first, in a small number of the fortunate and favored banks; second, in the Treasury of the United States, and eventually the Republican party intends that "they will aggregate the deposits of the rural communities and deposit the same while under government charge in the banks of Wall street, thus depleting the circulating medium of the producing regions and generally favoring the speculative markets." If any one doubts this, let him read the bill now under consideration, which was first threshed out by the Republican Members of the House Committee on the Post-Office and Post-Roads, acting by themselves and not in a committee meeting. Afterwards the bill, after four caucusses by the Republican Members of the House, was adopted by that caucus. The caucus ordered the Post-Office Committee to report this bill, and further provided that the same should be considered in the House under a rule. Of course, only the Republicans in the Post-Office Committee were bound to heed this order of the Republican caucus.

This Republican caucus measure is before the House to-day under the rule which shuts off any and all amendments, except that the Democrats are permitted to offer one amendment by the way of a substitute to the majority bill. Political parties are necessary in this country, and I believe that due consideration should be paid to declarations and demands in party platforms. I am a Democrat by conviction, and by inclination and practice a party man. I think that there is too much truth in the statement that has often been made that those in politics regard platforms as something to get in on. I will not say that the necessities of the people of this country are such as to overwhelmingly demand a postal savings-bank system. I will not say that without a demand in the Democratic platform I would be heartily in favor of a postal savings-bank system. The time has never been, is not now, and never will be, when I will fail to give expression to my honest convictions on any proper subject, but the alternative proposition for a postal savings bank in the event a guaranty can not be secured, is in the Democratic platform, and I feel bound to make an honest and sincere effort to carry out this platform demand.

* * * * *

The substitute bill substantially carries out the demand of the Democratic platform for postal savings banks. The bill is probably not the best one that could be drawn along this line, but it is the combined effort of the five Democrats on the Post-Office Committee signing the minority report and presenting this bill to carry out in an honest way the demands of the Democratic party as set forth by the Denver convention. This bill substantially complies with the Democratic platform on the subject of a postal savings bank. In our opinion this substitute expresses the will of the American people in that regard. The Democratic platform demands, and the people demand, that the money deposited shall remain in the communities where deposited. To those who will not vote for any postal savings-

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bank bill this bill is necessarily unsatisfactory; to those who argue that it is unconstitutional, I suggest to them that they read the title and sections 1 and 9 of the bill. Mr. Chief Justice Chase stated in *Veasie Bank v. Fenno* (8 Wall.) "that when Congress stated the object of a measure, it was not within the power of the court to go beyond such statement." The title of the bill and the provisions in section 1 and in section 9 clearly make a statement of purpose on the part of Congress, making the bill constitutional beyond question. [Applause.]

The following table giving postal savings statistics in the various countries of the world is interesting:

Postal savings statistics.

Established.	Country.	Report for year.	Number of depositors.	Total deposits.	Average holding.	Number of accounts per 1,000 population.
1861	United Kingdom.....	1908	11,018,251	\$781,794,533	\$70 95	75
1863	Western Australia.....	1908	69,533	14,042,106	201 95	.....
1867	New Zealand.....	1907	319,773	56,077,803	175 37	338
1868	Canada.....	1909	155,895	45,190,484	289 88	22
1869	Belgium.....	1907	2,106,237	134,040,979	63 64	291
1871	New South Wales.....	1906	270,982	43,232,288	159 54	.....
1875	Japan <i>a</i>	1908	8,013,193	46,275,301	5 77	163
	Formosa.....	1907	70,152	699,591	9 97	22
1876	Italy.....	1908	4,981,920	290,808,886	58 37	164
	Straits Settlements.....	1907	3,716	339,880	91 46	.....
1881	Netherlands.....	1908	1,401,670	79,499,168	42 45	247
1882	France.....	1907	5,034,998	276,655,969	54 95	128
	British India.....	1908	1,262,763	49,253,632	39 00	6
	Tasmania.....	1906	17,813	2,336,173	131 15	.....
1882	Tunis.....	1907	5,415	1,080,413	199 52	3
1883	Austria.....	1907	2,064,403	44,269,223	21 45	75
1884	Sweden.....	1907	566,976	13,582,491	23 96	105
1884	Cape of Good Hope.....	1907	101,722	10,806,964	106 24	.....
1885	Bahamas.....	1908	2,297	153,918	67 01	.....
	Ceylon.....	1908	74,964	714,135	9 53	.....
1886	Hungary.....	1907	648,652	18,044,000	27 82	31
1887	Finland.....	1907	60,007	1,410,610	23 51	20
1888	Gold Coast.....	1907	1,279	73,820	57 72	.....
1889	Russia.....	1907	1,788,990 ^b	128,873,169	72 04	12
	British Guiana.....	1907	12,421	396,843	31 95	.....
1893	Transvaal.....	1907	53,000	6,538,843	123 36	.....
1896	Sierra Leone.....	1907	5,409	386,429	71 44	.....
1896	Bulgaria.....	1907	201,956	6,495,913	32 16	49
1897	Orange River Company.....	1908	6,826	807,679	118 32	.....
1898	Dutch East Indies.....	1907	56,464	2,845,861	50 40	2
1901	Egypt.....	1908	86,728	1,986,755	22 91	8
1903	Federated Malay States... c	1908	3,739	393,863	105 34	.....
1904	Dutch Guiana.....	1906	6,525	261,405	40 06	80
1905	Curacao.....	1907	3,250	52,143	16 04	.....
1905	Rhodesia.....	1906	(<i>d</i>)	163,582	(<i>d</i>)	.....
1906	Philippine Islands.....	1909	8,782	724,479	82 50	.....

a Does not include statistics of Japanese postal savings banks in China and Korea.

b Cash deposits only; does not include value of public securities credited to depositors.

c Colonial Savings Bank reorganized as a postal savings bank April 1, 1904.

d No data.

Mr. Speaker, the difference between the Democratic bill, which I shall offer as a substitute for the Republican caucus bill, is fundamental. The Republican party, carrying out its usual policy of centralization, provides a political board of trustees. It is not necessary to discuss the personality or fitness of the gentlemen who now fill the offices of Postmaster-General, Secretary of the Treasury, and Attorney-General of the United States. The Republican party succeeded in the last

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general election and Mr. Taft is now President. He selected these gentlemen for the places they now fill. They were appointed by him and only hold office during his pleasure. This will always be the case. It is a serious matter to place in the hands of three men whose tenure of office is absolutely dependent upon the ups and downs of politics the absolute control and disposition of the funds that will hereafter be deposited under the provisions of the bill supported by the majority. The control will necessarily be political. There has never been a time when political influence did not reach to a greater or less extent those elevated to office by the success of the political party to which they belong. The Democratic bill on the contrary provides for the disposition of the funds that may be deposited. The Republican bill centralizes control in the hands of this board. What is the necessity for this? Not only does the Republican bill do this, but section 9 of the Republican caucus bill practically makes it impossible for the great majority of the banks in this country to receive deposits. This section of the Republican bill provides that the board of trustees shall take from such banks such security in public bonds or other securities supported by the taxing power as the board may prescribe, approve, and deem sufficient and necessary to insure the safety and prompt payment of such deposits on demand.

Bonds or other securities supported by the taxing power uniformly bear a low rate of interests, ranging from 2 to 4½ per cent. On account of the low rate of interest the great majority of the banks in this country do not carry bonds as a part of their investments. National banks of course, are required, under the law, to carry a certain per cent. of their capital in United States bonds. This is one of the requirements imposed on national banks and the bonds that they do carry, as a general proposition, are used for the purpose of securing circulation; and, on this account, could not be used for the purpose of securing a deposit under either the Republican or Democratic bills. I do not think that I risk anything in stating that at least 90 per cent. of all of the banks in the United States would be debarred under the provisions and requirements of the Republican bill from becoming depositories for the postal savings depository funds. This being true as to nine-tenths of the banks, the small banks and the banks outside of the great commercial and financial centers, such as New York, and so forth, could not and would not comply with the law and become depository banks. The result would be that the postal savings funds would find their way into the Treasury of the United States and very soon in the Wall street banks. One other objection to the Republican bill is that it is contemplated by those pushing the Republican bill that its passage be followed by the passage of a law providing for a central bank of issue. That this statement is true can not be doubted. The President of the United States has recently stated that it was not his intention to press for a central bank at this time, but it is well known that the leaders of the Republican party expect this to follow the passage of the postal savings-bank bill. A postal savings-bank

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bill of the character of the Republican measure now under consideration, followed by a central bank of issue, will most effectually and completely centralize the finances of this country and reduce the masses to financial and industrial dependence and slavery.

If this is not the purpose of the advocates of this bill, why do they insist that the only security that a bank may give for deposits shall be bonds supported by the taxing power? Such is not the law now. Under the law, the Secretary of the Treasury can receive, and does receive, security other than bonds of this character as security for the deposits of public funds. It is the avowed intention of the advocates of the majority bill that the postal savings funds shall be invested in United States bonds. The gentleman from Connecticut [Mr. Hill] openly stated on the floor of the House that this feature of the bill was what commended the bill to him. Provision is made in the Republican caucus bill that 5 per cent. of the funds be held in the Treasury of the United States as a reserve; that the trustees may at any time invest 30 per cent. of the total amount in bonds or other securities of the United States; and that the remaining 65 per cent. may be at any time withdrawn from the banks by direction of the President and invested in bonds or other securities of the United States. To the extent that deposits are made under the Republican bill, the money will be withdrawn from the communities where the same was placed in postal savings depositories. The Republican bill is partisan in the matter of control. It is class legislation. It is centralizing in its operations upon the finances of the country and should not be passed. I invite the Republicans, particularly those from rural districts, to go home and discuss before their constituents section 9 of the Republican bill and section 9 of the Democratic bill. Whether you do this or not, I am satisfied that your constituents will tell you that they did not send you to Washington to vote for a postal savings-bank bill of the character which has been put up to you by Republican caucus action. The Democrats have not caucused on this measure. The five Democrats on the Post-Office Committee joining in making the report have prepared the bill, which I shall offer at the proper time. [Applause.]

POSTAL SAVINGS DEPOSITORIES

Speech of Hon. JOHN H. SMALL, of North Carolina, in the House of Representatives, Thursday, June 9, 1910. [Part of Congressional Record.]

Mr. Small said:

Mr. Speaker—I have listened with interest to the remarks of the gentleman from Kansas [Mr. Murdock] in favor of this bill, and there is one sentiment which he expressed which is

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extremely interesting as applicable to legislation in this body. He referred to the fact that this bill authorizing the establishment of postal savings banks was the result of a popular sentiment throughout the country, and it is absolutely true that neither would the majority have proposed this bill, nor would there be a bill from the minority of the Committee on Post-Offices and Post-Roads, except as the result of popular sentiment. Legislation, particularly in matters concerning the economic, industrial, and commercial progress of the country, is the result of evolution. If it is not applicable to all, it is certainly applicable to that class of legislation. For more than a decade various organizations have discussed the advisability of a system of postal savings bank; numerous bodies have passed resolutions in favor of such legislation. That propaganda which has been going on persistently during all these years has at last had its effect upon the two political parties of the country, and the fact that these two great parties in their national platforms have declared in favor of postal savings banks is at least an indication that in their conventions they believed that it typified a demand upon the part of the people and that it would appeal to the popular sentiment. In the brief time allotted to me I desire to call attention to some of the arguments which have been adduced in favor of postal savings banks, and then to some objections which have been urged against it, and then to make a brief reference to the minority bill.

In favor of this system it has been urged that it would encourage thrift upon the part of the people, that it would promote the disposition to save and make for economy, and that it would bring out in small amounts, perhaps, yet aggregating an enormous sum, much money which does not now find itself on deposit in the various banking institutions in the country. If Congress should legislate in favor of this desirable economic condition—to promote the habit of thrift, economy, and of saving—and it can do so constitutionally, then certainly it is desirable that it should. There is no more basic fact connected with our industrial progress and with our commercial success than the keeping the money of the country in channels of circulation ready for investment in every enterprise that shall make for material and for commercial growth. Another reason which has been urged is that in time of financial stress and panic, when money is withdrawn from the banks and therefore withdrawn from circulation, this money deposited in these national depositories would remain there and therefore remain in circulation on account of the absolute confidence which would exist upon the part of depositors. While these small depositors are the most sensitive class of our people during a financial depression and the first to make a run on the banks, yet they would permit it to remain in these depositories and in circulation among the people ready to respond to business demands and thus would avert the result of such a financial panic.

If all of these arguments, as I said, Mr. Speaker, in favor of this system are correct and these results would follow, it certainly must put any thoughtful and conscientious legislator upon inquiry as to whether Congress may, by appropriate legislation,

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bring about such results. There is another feature which appeals to me and particularly to the people of the section which I have the honor in part to represent. Coming from a section which is largely agricultural, I would favor any legislation, if it were otherwise appropriate, which would create in the minds of our people a deeper feeling of loyalty and patriotism to the Government of the United States. There are many sections where the population is sparse where the people only come in contact with the administration of the Government through the post-offices. If in addition to the functions which they now discharge they should become depositories, then at once this important branch of the Government would possess an added interest and thereby draw them closer to the National Government. And that argument, if the conditions are otherwise appropriate, would appeal to me in favor of this legislation. During the hearings upon this bill there was one argument presented by its opponents which appealed somewhat to my judgment. It was urged there that the establishment of postal savings banks was not a proper function of the Government and that it would disturb existing business institutions.

It was said that they were not needed; that the banks of the country already offered sufficient facilities for the deposit of money and for the use of that money in the transaction of the business of the country. I admit that this was the strongest proposition submitted against it. And yet, when you come to consider this criticism on its merits, it seems to me that it is only plausible and that, in fact, it constitutes no objection. You can not introduce any new legislation along economic lines that will not to a certain extent disturb the equilibrium. You can not build a railroad, you can not remove the station of a railroad without disturbing for the time being the equilibrium of the transportation situation. And, yet, if such action is necessary in the interest of the public, and will subserve the public good, how often have we found, as will be always the inevitable result, that existing conditions will adjust themselves to the change. Briefly, I will say that I am in favor of legislation of this character, because the Democratic party, in national convention, declared for it. The gentleman from Connecticut [Mr. Hill] has asked:

Why have you not laid stress upon the proposition for guaranteeing bank deposits?

It is unnecessary to say to the gentleman or to the House that if the minority had offered an amendment of that character it would not have been germane as a substitute. And assuming for the moment that there is no opportunity of getting legislation of that character at this Congress, and omitting for the moment any consideration of whether it is as deserving of approval as a proposition for postal savings, this legislation meets the conditions of the platform, in declaring that if we could not obtain the other then we should favor a system of postal savings depositories.

So, Mr. Speaker, taking into consideration these reasons which I have briefly outlined, making necessary, in my opinion,

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some legislation of this character, we are now brought to the consideration of the objections which have been urged against it. It has been urged in this House and in the other body with great force, by eminent lawyers, that this legislation contravenes our organic law. I might digress for the moment to make this suggestion. If in the past every constitutional objection to proposed legislation had prevailed, then much of the most useful legislation on our statute books would not have been enacted. Upon many occasions in the past when legislation has been proposed there have always been constitutional lawyers who urged their objections, and in such strong terms as almost to disparage the patriotism and the loyalty to the Constitution of those who disagreed with them. It is a question which every Member must determine for himself with his knowledge of the organic law and under his conscience. In my humble opinion, and I shall not attempt to argue the proposition, this legislation is constitutional. It is just as constitutional as many statutes which are in existence to-day and based upon which the several executive departments are conferring untold benefit upon the American people. If this legislation is to be defeated upon constitutional grounds, then equally must other beneficent legislation be stricken from our statute books.

I claim to be as zealous in adherence to the Constitution as any Member. I claim the right to interpret this instrument in such a manner as to preserve the reserved rights of the States and yet in a way to give vitality and force to all the functions of Congress, and when gentlemen in their zeal disparage the attitude of other gentlemen who disagree with them, then they are proceeding too far in pressing their opinions upon the House.

It is to be noticed, further, that the gentlemen who think this is unconstitutional are opposed to this legislation in any form, and, honest legislators as they are, they would say that, even if in their opinion it was constitutional, they would not favor it. They at least subject themselves to the intimation that they are special pleaders and that they are seeking to find a constitutional objection in order to justify their opposition to this legislation in any form.

Mr. Hardy—Will the gentleman allow just a question?

Mr. Small—Certainly.

Mr. Hardy—Do you know a single man who is urging the constitutional objection to both these bills who is not in policy opposed not only to any postal savings bank, but to any guaranty of bank deposits.

Mr. Small—I do not know of one; and if there is an exception, I will yield to any gentleman to so state. I have great admiration for the learning and ability of the gentleman from Tennessee [Mr. Moon], and I have read his minority report with great interest. It is well expressed and strong. But in the latter part of that report he gave the true reason which actuated him in his opposition.

The Speaker—The time of the gentleman has expired.

Mr. Finley—I yield ten minutes more to the gentleman.

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The Speaker pro tempore—The gentleman is recognized for ten minutes more.

Mr. Small—The gentleman from Tennessee [Mr. Moon], in the latter part of the report which he has submitted, suggests that not only do we not need any postal savings banks, but that already we have too many banks in the country. He would not only object to legislation of this character, but he would limit the banks already in existence.

Reverting only to one other argument which he gives, I will say that in addition he argues against both bills, because he says they do not provide for a direct loan from the Government through the depositories direct to the people. So that he would have us, by inference, believe that he would favor legislation which would result in direct loans to the people or farmers, quoting his language. Thus it seems to me that he is putting himself in the position of favoring a bill which would be absolutely untenable, and which, if he believes in such legislation, would constitute an argument in favor of the present legislation.

Now, Mr. Speaker, I desire to advert briefly to the minority bill before I close. I believe that it is a better bill primarily, because it answers what I think is a universal demand upon the part of the people who favor postal savings depositories. I should say that the great majority of the people who are favorable to this legislation wish that the money deposited in the postal savings depositories may be kept within the community, as nearly as possible, where the deposits are made.

The majority bill leaves it at the discretion of the board of trustees and the President of the United States to invest the entire amount of savings in United States bonds. The minority bill, upon the contrary, requires that 95 per cent. of the deposits shall be loaned to banks upon proper security in the communities in which the deposits are made. As to the security, it provides that they can give bonds and security supported by the taxing power; but they may also give other securities, in the discretion of the Postmaster-General or the proper official having jurisdiction of that matter. So that this meets the demand of the American people who favor postal savings banks. While there are other differences, this constitutes the basic and essential difference between the two bills. Gentlemen upon the other side, as well as gentlemen upon this side, who favor legislation of this kind, come more nearly to justifying the popular demand and favor legislation which shall result in postal savings banks suitable and ample for the country by voting for the minority bill as a substitute for the majority bill.

Now, Mr. Speaker, in conclusion, I am in favor of this legislation. I am in favor of the minority bill. I believe it will meet the popular demand among my own constituents and among the people of the South, and serve a distinctly useful and beneficent purpose. [Loud applause.]

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POSTAL SAVINGS DEPOSITORIES

Speech of Hon. JAMES T. LLOYD, of Missouri, in the House of Representatives, Thursday, June 9, 1910 [Part of Congressional Record.]

The House having under consideration the bill (S. 5876) to establish postal savings depositories for depositing savings at interest with the securities of the Government for the repayment thereof, and for other purposes—

Mr. Lloyd said:

Mr. Speaker—The pending bill is an exceedingly important one. There can be no question of the fact that the gentleman who opened this discussion [Mr. Gardner of New Jersey] very truthfully stated that any kind of postal savings-bank legislation is to a great extent experimental. It has been contended by some individuals in their speeches that there is no sentiment in favor of postal savings banks. It seems to me that a man is exceedingly foolish to make the statement that there is no demand, when both of the great political parties in their platforms have declared in favor of it. Numerous individuals appeared before the Committee on the Post-Office and the Post-Roads to be heard both for and against the postal savings-bank enterprise. We found from those hearings that the banks are opposed to any kind of postal savings-bank legislation and that the farmers' organizations have declared themselves in favor of the postal depository legislation—the farmers' union of the South, the grange of the Northeast, and the farmers' congress from all over the country. In addition to that, organized labor asserted itself through its representatives who appeared before the committee, and these persons stated most positively that it demanded postal savings-depository legislation. It seems to me that the individual who undertakes to say that there is no demand for such legislation after that kind of expression from the people has not investigated the subject or else is very careless in the use of his language.

Mr. Gurney, vice-president of the First National Bank, of Fremont, Nebr., and a member of the executive council of the American Bankers' Association, who is a very intelligent and wide-awake gentleman, in speaking of the Nebraska sentiment before the Post-Office Committee, had this colloquy: If a considerable per cent. of your people were asked the question whether they were favorable to postal savings banks, would they say, "Yes?" To which he replied, "Yes, sir." Frankly, I would say, I suppose that three-fourths of all the people of Nebraska would unthinkingly say, "It sounds pretty good," or they would say, "It sounds all right."

Mr. Gurney in that reply doubtless expressed the opinion which prevails in many other States, as well as in Nebraska. There can be no doubt of the fact that there is more or less demand for such legislation in every part of the United States.

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I am not antagonistic to the banking business. I suppose that banks are necessary to every community. The whole industrial and commercial fabric of the country is based upon banks. Poor banks are true indexes of the lack of business thrift. I do not wish to be a party to any kind of legislation that would seriously injure the banks. Any kind of postal-deposit scheme that may be adopted should protect the local banks in every possible way. If they may be so conducted as to be beneficial to the banking interest, the depositories will be beneficial to the country in general, but if a system is adopted which hinders the progress of banks, curbs their powers for usefulness, their opportunity to serve the people where they are located, the system will be injurious in the end, and its establishment would be unfortunate. In fact, I am fully impressed with the idea that the banks everywhere are the best barometers of enterprise and successful financial endeavor.

With this idea of the banking business and what it means to various localities, I am opposed to any kind of postal scheme which will invest the money deposited with the Government in bonds or other property in the money centers and take the money away from the locality where it is deposited.

The gentleman from Wisconsin [Mr. Stafford], in the speech just made, attacked in a rather vicious way the position of the minority, as asserted by the five gentlemen who have prepared the minority views and have submitted the substitute bill. He says their proposition in regard to the security of the funds after they have been collected together preparatory to being placed in depositories is socialistic in tendency, that it opens the doors of every kind of speculation. My own conviction is, upon a careful investigation of these bills, that every man must reach the conclusion that if he wants the funds retained in the various localities whence they come it is necessary to have a much stronger provision, or rather a much broader provision, than is found in the bill which is presented by the Republican party here. Another thing: he has certainly overlooked the fact that the Senate, which is Republican as well as the House, has required a more liberal provision with reference to the security of those funds than is proposed by the minority here. [Applause on the Democratic side.]

Who represents the Republican party? The Senate, or the Members of the House on that side of the aisle?

It has been argued that the substitute for the pending bill presented by the minority Members is unconstitutional. It is not my purpose to discuss at length a subject about which we believe there should be no question. Section 8 of Article I of the Constitution specifically gives Congress the power to borrow money in this language:

To borrow money on the credit of the United States.

This is a specifically enumerated power, and not an implied one. The substitute states in its enacting clause that it is—

A bill to establish postal savings depositories for depositing savings at interest, the loan of such funds to the Government, the repayment thereof, and for other purposes.

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It will be observed that it is plainly stated that the postal deposits are to be a loan to the government. In section 9 of the substitute there is this language:

That the funds received by the postmasters under the provisions of this act shall be covered by the Postmaster-General into the Treasury of the United States, and shall be a loan to the Government for the purpose of maintaining the credit of the Government, and the redemption of its outstanding debts as herein directed, and as the Congress from time to time may hereafter provide.

Here is a positive statement that the funds received by the postmaster become a "loan to the Government," and that loan is made "for the purpose of maintaining the credit of the Government, and for the redemption of its outstanding debts." It does not need a constitutional lawyer to pass on this provision which so obviously comes within the positive provisions of the Constitution.

It has been argued that both the Democratic and Republican platforms declare themselves in favor of a postal savings "bank," and that none of the bills presented provide for such banks. Postal savings banks are well understood, and their meaning is as well fixed as that of a commercial bank. In the pending bills they are spoken of as postal "depositories," and yet it seems to me that no one should contend that they, so far as general authority in platforms is concerned, are not postal savings-bank bills. The functions of a postal savings bank are fixed by the statute of such institutions in other countries. They are known to be depositories simply, and when the term "postal savings bank" is used in the platform, it means, of course, postal "depository," similar in character to those of other countries.

The gentleman from Indiana [Mr. Crumpacker] charges the Democrats with abandoning the doctrine of bank guarantee, as expressed in the platform of 1908, and gives as evidence of it that the Democrats do not propose a bank-guarantee measure instead of the pending bill. The gentleman ought to be fair enough to state that the rule for which he voted and which was forced upon the minority over the protest of every Democrat, specifically provided that the only substitute that could be offered should begin with the word "that," after the enacting clause of the pending bill. This makes it impossible for the Democrats to present such a bill, and no one knows it better than the gentleman who makes this charge.

It is my purpose in the few minutes I have at my disposal to call attention to one or two differences between these bills. My own conviction is that the bill prepared by the majority fairly represents the views of the Republican party, and that the bill prepared, or rather the substitute reported by the majority, fairly presents the views of the Democracy as expressed in its platform, notwithstanding some statements that have been made to the contrary on this floor. [Applause on the Democratic side.]

I do not know how individuals may feel, but I believe it is the duty of any man who comes here as a Representative of a

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great party, elected as a Member because he is a partisan, to follow the dictates of his platform, and the expressed will of his people. [Applause on the Democratic side.] I am aware of the fact that sometimes in undertaking to accomplish that end there may be a conscientious conviction with regard to the Constitution. Whenever that occurs I have no complaint to make of the man who follows the dictates of conscience and does what he believes that his oath requires him to do. I am more liberal than some gentlemen who have spoken here to-day have been with their colleagues. I have not the slightest word of complaint to make against any man who votes against either of these measures, because he believes they are unconstitutional. He would be less than a man if he did not do it. Then, on the other hand, he ought to extend to others the same right to perform their duty as they see it as he assumes to himself.

The majority bill will have the effect, as shown by the provisions of section 9. of taking the money that may be deposited out of localities and investing it in government bonds. I congratulate my friend from Connecticut [Mr. Hill] for having truthfully stated what section 9 means. It has no other purpose, in my judgment, than what the gentleman from Connecticut said it means, and that is that the money that is taken to these postal depositories shall be in the end, if it is not at once, invested in government bonds.

Mr. Hill—Do you believe the bill would be constitutional if it did not provide that?

Mr. Lloyd—I have no question in my mind as to the constitutionality of the provision of the minority substitute which I take it you would say was not a loan. In my judgment every dollar that is placed in a depository for which the Government agrees to pay 2 per cent. interest is a loan.

Mr. Hill—I believe the minority substitute is constitutional, for the very first provision is that the moment the money is deposited it then and there becomes the property of the Government, and the depositor has absolutely no claim against the Government except a credit, which he has no power to enforce.

Mr. Lloyd—I beg your pardon. Mr. Speaker, it is not my purpose to yield any time, as I only have about sixteen minutes altogether.

The Speaker pro tempore—The gentleman from Missouri declines to yield.

Mr. Lloyd—The principal differences I was explaining between the two bills are these: Section 9 in the Republican measure provides that 5 per cent. of the bonds shall be reserved and 30 per cent. of them invested in government bonds. Sixty-five per cent. of them shall be invested in government bonds in the discretion of the President. Then, in addition to that, section 10 provides that there may be new bonds issued and that the individual having deposited in the depository to the extent of \$20 may apply to the postmaster and obtain a bond for \$20.

The whole proposition asserts itself in the investment of bonds, and that means the money goes out of the community in

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which it is placed. The substitute that will be offered if adopted will keep the money in the community where it belongs. [Applause on the Democratic side.] It keeps it where the people of the United States want it. As shown by the hearings when you find a man from the body of the people who has testified, he wants the money kept in the community. The bill of the minority keeps the money there, and that is the reason we are asking that it be accepted by this body, and because we believe it conforms to the will of the American people. I have explained that this substitute conforms in letter and spirit to the Democratic platform, and Democrats, as I see it, will be expected to cast their votes for a measure that keeps the money in the locality where it is deposited. [Applause on the Democratic side.] Now, there is one other point. The Republican bill requires security to be given by the banks in the nature of bonds maintained by the taxing power. The Democratic proposition broadens it so that other securities may be offered.

The Democratic position, so far as this item is concerned, is practically the position of the Senate in the bill which it passed. We insist that this bill, which you will be asked to support if you vote down the substitute, will, in many localities, make it impossible to deposit there, because no bank in the locality can qualify itself so it can receive funds under the bill. The average bank in the country does not deal in bonds sustained by the taxing power, and unless they own such bonds they can not qualify under the bill, and can not receive the funds. There can be no question of the fact that, taking the Republican bill altogether, if it becomes a law it will have the effect of taking the money out of the localities where it is deposited and centering it in the great cities of the country. My purpose is, and I believe that it is the wish of the American people, that the money deposited shall be kept at home as nearly as possible. Think of the situation. A thousand dollars is deposited in the post-office of one of our little towns. The bank in that locality before it can qualify must give bonds sustained by the taxing power to the extent of \$1,000 or more.

That bank has not the bonds. What is it going to do? If it gets the money into the locality, it must go to the money centers, buy the bonds, bring them back to the bank, and then offer them as security. Now, what has happened? The banker has taken a thousand dollars from his bank. He has invested it in bonds. He brings the bonds back. He obtains with the bonds a thousand dollars from the Government, which he deposits in his bank; but he has taken away a thousand dollars. He has not a single dollar more to loan in the community than he had before he received the deposit from the Government.

Mr. Hill—Even more than that, because he has to keep a reserve of 15 per cent.

Mr. Lloyd—That is well stated. He has to keep a reserve in addition to that. You can readily see that there can be no question of the fact that the local community will not be benefited where the banks can not qualify; and where they must buy bonds to qualify, the money goes out of the locality, and

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the community itself will be injured by reason of the fact that it does not sustain as good a position before the country in maintaining its business, discharging the obligations the bank owes to the community, and in furnishing the necessary money to carry out its obligations as before.

It can not do it so well, because it has not so much money with which to do it; and what is needed is to leave the deposit that the local depositor in effect placed in the bank in the town whence the money is taken, and it serves the purpose of assisting the people, because that money may be loaned to the people of the community. It is brought out of hiding. It is placed again in circulation, because it is in the bank for the benefit of the locality. In that way the benefit comes. If the provisions of the Republican bill are indorsed and made into law, my judgment is it will be a detriment to the localities distant from the money centers. It will be for the benefit of the bond brokers and great cities and not for the benefit of the people of the locality where the money was originally deposited with the Government.

Numerous questions have been raised during this discussion which it would have been my pleasure to discuss if I had the opportunity, but no man in so short a time can discuss this great measure and meet all the objections that have been made on either side of this question.

My desire is that every Democrat within the sound of my voice will try this afternoon to carry out the pledges that he has made to his people, and to carry out the provisions of the platform last adopted by his party. [Loud applause on the Democratic side.]

POSTAL SAVINGS BANK—GAG RULE

Speech of Hon. JOHN G. McHENRY, of Pennsylvania, in the House of Representatives, Thursday, June 9, 1910. [Part of Congressional Record.]

Mr. Henry said:

Mr. Speaker—The forcing of the passage of the postal savings bank bill under this special rule, which has just been reported by the committee, limiting the debate on this great and important question to eight hours and prohibiting the offering of any amendments whatever to the bill, is but another instance of the partisan domination of this House in behalf of the Wall Street interests which have been in absolute control of national legislation for the past decade and who dominate and control the present administration.

It is another instance of insurgent hypocrisy. Why should not the judgment of the entire House be considered in the passage of any bill? Why should we not be given an opportunity to amend any bill in such manner as in the judgment of the House

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may best conserve the interests of the people. The insurgents have loudly proclaimed against the arbitrary ruling of the Rules Committee. Congress responded to their wishes and increased the membership of the committee, eliminating Speaker Cannon from the Committee. You have tried to make the people of the country believe that the great evil of centralized power and favoritism in the House had been removed and that from that time on Congress would be dominated by a greater degree of fairness.

It is most astonishing to us, as it must be to the country, to see a sufficient number of these great apostles of individual rights repudiating their pledges by supporting this most arbitrary rule in providing that the bill shall be passed and denying the privilege to any Member of offering amendments to the bill.

If the authors of the bill are earnestly desirous of a fair measure, certainly no harm can come from amendments, but the fact that the presentation of the bill has been forced under the party lash is sufficient evidence that the bill submitted to us, and upon which we are now asked to vote by the majority party, carries beneath its apparently fair surface ulterior motives which will not bear the light of intelligent analysis.

It is another instance, Mr. Speaker, of the willingness of Congress to lend itself to the large moneyed interests of the country in carrying out their wishes, whatever they may be.

At the time of our last Presidential election, the whole country was clamoring for relief from certain economic conditions which contributed to the high cost of living and increased the burden of taxation.

Both great political parties of the country in convention assembled pledged themselves in their party platforms to the lowering of excessive tariff duties by a thorough revision of the tariff. The people having unlimited confidence in President Taft, largely because of the O. K. put upon his candidacy by the "African hunter," and believing that it was better to trust the party in power for this revision and to bring about these economic changes, the people elected President Taft and a Republican Congress upon that platform.

But instead of keeping faith with the people as pledged, instead of granting the appeal of the people for this relief, you have not only turned a deaf ear to their entreaty and have forfeited every right you may ever have had to share the public confidence by your action on the recent tariff bill, but again we are called upon to witness the power of Wall street over the present administration. You listened to Wall street in framing up the tariff bill, levying additional taxation upon the American people and contributing untold millions to the coffers of the various trusts, who in turn are such liberal contributors to campaign committees.

Not content with this, the Wall street interests are now asking Congress to pass a law for the collection of the pennies of the school children, the dimes and dollars of the workingmen and farmers of the country in order that this fund may be deposited in Wall street banks for the purpose of further exploiting the American people and further enslaving them within the power of this great monopoly of money.

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POSTAL SAVINGS BANK

Speech of Hon. THOS. P. GORE, in the Senate of the United States, March 5, 1910. [Part of Congressional Record.]

Mr. Gore said:

Mr. President, it has been my steadfast intention, and I have uniformly avowed that intention, to vote for this measure upon its final passage. I had intended to support the bill until it received at the hands of the Senator from Utah [Mr. Smoot] a hypodermic injection of constitutionality. It is passing strange—perhaps I should add it is wondrous pitiful—that when this measure was desirable it was unconstitutional, and when it becomes constitutional it is undesirable. But the Senator from Utah has experienced another supernatural illumination. For my own part, I am unwilling to follow this ignis fatuus; I am unwilling to follow this will-o'-the-wisp; not from the marshes, but from the mountains.

Mr. President, I had quieted my questionings and had resolved to vote for this measure, because it was alleged that it would confer benefits and blessings upon the poor of this country. The poor have too seldom been the direct beneficiaries of our legislation. I marveled at the tender solicitude which had suddenly sprung up in behalf of those who by Divine assurance will always abide with us. But I was unwilling to be driven from my friendship for the poor, I was unwilling to be driven from my friendship for the laboring man by these new allies from strange and unexpected quarters.

But, Mr. President, I am now convinced that the pending measure is the forerunner of a central bank. I believe that this measure is a Trojan horse and that a central bank will be found within its hollow sides, armed for the destruction of those whom it professes to befriend.

I believe that the object, that the purpose of the pending bill, is to necessitate and to create a central bank in the United States. This conclusion is based first upon the circular issued by the National City Bank of New York, recently read to the Senate by the senior Senator from Iowa [Mr. Dolliver]. This conclusion is confirmed by the fact that the principal champion of a central bank in the Senate and in the United States was hostile to this measure one year ago. He is a man of matured judgment and of fixed convictions. The reasons which have wrought this change in his convictions or, at least, in his tactics have not been submitted to the Senate. Where is Roderick now? Did he imagine that his presence would excite, or that his absence would allay, suspicion?

There are two obstacles in the way of a central bank: First, the hostility of the people, and, second, the hostility of the bankers themselves. This measure is designed to placate the one and to overpower the other. The bankers are not willing for a central bank to be instituted under existing conditions.

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The national bankers own some \$700,000,000 of United States bonds. They are the basis of the bank circulation of this country. That privilege is a large element in their value. Divested of the power of issue, these bonds would naturally decline in the market. Judged by the securities of other countries, perhaps the privilege of issue contributes 20 per cent to the value of our outstanding securities. If a central bank of issue were created, if the national banks were divested of the privilege and the power of issuing circulation notes, these bonds would decline in value upon their hands. The bankers are therefore hostile to the establishment of a central bank. Under existing conditions it would shipwreck their fortunes and their prosperity.

But, sir, the passage of this measure in its amended form would to some extent placate the bankers of the country. It would provide a market for their bonds. The earnings of the poor, the widow's mite, would be taken from the postal depositories and invested in the securities of the United States now held by national banks as a basis for their circulation. Sir, this would propitiate the bankers. It would pave the way for the central bank of issue. It would eliminate from the pathway of those who would create this central bank that element of opposition which is peculiarly entitled to their respect and to their consideration. The President has already said, in his Milwaukee speech, that the national bankers were "buncoed" into buying the 2 per cent bonds. If the bondholders were "buncoed," then the breadwinners are being "buncoed" now, so we have equal wrongs if not equal rights. I borrow the classic word "bunco" from His Excellency the President of the United States.

I hazard the prediction now that the safeguard sought to be erected by the Senator from Idaho [Mr. Borah] will be swept away in the House or in conference, and if not, then by construction or by future legislation.

Mr. President, this measure will accomplish another object. It will overpower the hostility of the people to a central bank. When \$700,000,000 of bonds are purchased, there must be a corresponding contraction in the national-bank notes of the country. There must be a shrinkage in our volume of money amounting to some five or six hundred million dollars.

A shrinkage of that sort would cause a crisis, would precipitate a panic, would create an emergency, and the Senator from New York and the Senator from Utah and others who on yesterday were crying "My kingdom for an exigency!" would find their demand supplied by an overproduction of panics and emergencies.

Contract the currency five or six hundred million dollars, and you create a void, you create a vacuum in our circulating medium; you create a hiatus between the demand and the supply of currency which would be an overpowering necessity. Relief of some sort would be absolutely indispensable, and legislation of some kind would be absolutely inevitable. Then the friends of the central bank would recommend that institution to Congress and to the country as the only institution whereby to meet the emergency; the only institution that could bring re-

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lief. That, sir, in my judgment, is the purpose of the pending bill. It comes in the guise of friendship for the poor. But again, Mr. President, as so often in the past, the poor man is called upon to administer the poison unto himself.

I marvel not that the poor are again to be crucified, but I protest that he should again be betrayed by a kiss. I am unwilling to contribute to the establishment of a central bank, either directly or indirectly. We once had a bank of the United States vested with the power of issuing notes, but not vested with a monopoly upon that issue, and, sir, that institution dominated the finances of the country, debauched legislation, and threatened the liberties of our people. But that institution could not compare with the power of the one now in contemplation. I desire upon the very threshold to protest against this measure, and to protest against every other measure which has, directly or indirectly, for its motive or its object the creation of a central bank which will be crowned and sceptered as the financial dictator and despot of this Republic.

Mr. President, I am unwilling to set the dove on her own eggs to hatch out peace and promise for the poor, but I am unwilling to set the dove upon the serpent's eggs, which when hatched out are to sting both the mother and the poor unto the death. I can not vote for this measure, since it has been converted from a buckler for the protection of the people into a guillotine for their destruction.

GOVERNMENT OF THE CANAL ZONE

Speech of Hon. FRANCIS BURTON HARRISON, of New York, in the House of Representatives, December 15, 1909. [Part of Congressional Record.]

Mr. Harrison—Mr. Chairman, I am opposed to this bill, and hope it will be voted down in the committee. I do not agree with the closing statement of the gentleman from Illinois, that this is a question merely of the construction of the canal. It is that, and more, too. It is also a question of providing civil government for the 30,000 or 40,000 inhabitants residing on the Canal Zone during the time of the construction of the canal. There is nothing inconsistent between the idea of constructing the canal and the idea of governing the people who live there during that time, according to the laws and traditions of the people of the United States.

My objection to this bill is principally directed to section 2, which provides that all the military, judicial, and civil powers of the United States, including the power to make all such laws, rules, or regulations as may be necessary, shall be vested in the President.

Mr. Chairman, I yield to no man in this body in my respect for and confidence in the present President of the United States. I believe that in all his public actions he is actuated by influ-

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ences so lofty as to lift him to a position unsurpassed during the last forty years, and perhaps unequaled in pure patriotism except by that great Democrat, Grover Cleveland.

But, Mr. Chairman, this is a government of laws, not of men. It matters not how lofty the person who happens to be the President for the time being, the inhabitants of the Canal Zone should be governed according to law and not according to the whims of a dictator here in Washington. As matters exist down in the Canal Zone to-day, there is no government under our law. There are no courts properly constituted by any law known to this Congress. The law under which the Canal Zone was first governed was passed in the Fifty-eighth Congress, and my friend from Georgia [Mr. Hardwick] was slightly in error when he said that it passed the House without any opposition, because, however ineffectually, I did oppose it at that time, and spoke against it, and have been doing so every time the question has bobbed to the surface up to date.

I find no precedent in the Government of the United States for any such delegation of powers to a President as is proposed to be conferred by this bill. The act of 1803, in which the Congress gave over to President Jefferson, for the life of the Eighth Congress only, the right to govern the Louisiana purchase territory, expired with the life of the Eighth Congress, and a form of government was framed by the Congress of the United States and put into operation during the Ninth Congress.

The law of the Fifty-eighth Congress, under which we gave legislative right to the President, was limited by its express terms to the life of the Fifty-eighth Congress and expired with that Congress. Since that time the President of the United States, without authority of law, and in defiance of our traditions and customs, has been conducting a one-man government upon the Canal Zone, which can be equaled in history only by the dictatorships of the Central American States to-day.

The very first acts of the President, without any authority, were to abolish all semblances of local self-government, constituted theretofore under direction of the Isthmian Canal Commission, which derived its authority from Congress. All such forms of local self-government were swept away, and the President even amused himself by promulgating a code of laws, which showed him to be envious of emulating Justinian.

Since that time there has been no right or title of authority for the present government in the Canal Zone; and yet had he governed the zone merely to preserve the status quo, and to fend off anarchy from the people residing there, it would have been difficult for any Member of this body to rise in his place and denounce his conduct. He went so much further than that in his executive orders that upon several occasions we have felt called upon to register our earnest protest. During all the years in which this illegal form of government has been conducted upon the Canal Zone, a territory of which the sovereignty was practically granted to us by the treaty, it has been conducted in defiance of our traditions and against the law of the United States. And yet, during all these years, the

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committee of this House, charged with a duty to frame a new government for the Canal Zone, has produced only three or four bills dealing with the subject, which were so inefficient and unsatisfactory that they were unable to pass the Congress of the United States.

Now, Mr. Chairman, during all these years our territories in the Philippines have been governed under a code of laws apparently sufficient for their purposes. During all these years our territory of Porto Rico has been similarly governed, according to a properly constituted code of laws. There is no reason in the mind of man, nor is there any excuse or justification for the negligence of the Committee on Interstate and Foreign Commerce in so postponing the day of legal government on the Panama Canal Zone.

We only adopted the law of the Fifty-eighth Congress upon the express promise that it should be temporary, and should be limited in its terms to that Congress. The then chairman of the Committee on Interstate and Foreign Commerce rose in his seat over there and stated, with all his characteristic earnestness, that we did not know enough about the Canal Zone at that time to draw up a code of laws, but that as soon as we learned enough about it his committee would report a bill providing a proper government of the zone. Years have gone by and no such thing has been done. And yet during these years I venture to say that more Members of the American House of Representatives have personally visited the Canal Zone, and have made themselves personally acquainted with the conditions there, than in a similar length of time in any other portion of the territory belonging to the United States.

Mr. Chairman, no excuse can be found for this delay, for this negligence on the part of that committee. I protest against an indefinite extension of this lawmaking power in the hands of the President of the United States. We in this body, at every juncture in our history, have attempted to assert our own rights, and never in the history of the Chamber have we fallen to such a depth of self-abasement as we do in a bill like this, purposing to surrender all our rights and control over the Canal Zone into the hands of one despot here in Washington. I believe this is undemocratic and un-American, and is repugnant to the sense of our institutions. [Applause on the Democratic side.]

IMMIGRATION AND NATURALIZATION

Speech of Hon. ROBERT B. MACON, of Arkansas, in the House of Representatives, Jan. 24, 1910. [Part of Congressional Record.]

Immigration Commission: For the expenses of the commission provided for in section 39 of the act of February 20, 1907, entitled "An act to regulate the immigration of aliens into the

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United States," \$125,000; no part of this appropriation shall be used for field work, nor shall any member of said commission be entitled to or receive any salary as such member after March 1, 1910. And the said commission shall cease on the first Monday of December, 1910.

Mr. Macon—Mr. Chairman, I make the point of order against the paragraph just read, beginning on page — at line 15, extending down to and including line 2, on page 27. I will reserve the point of order against the paragraph, if the gentleman from Minnesota desires to explain the paragraph.

Mr. Tawney—I now ask the Clerk to read the paragraph just preceding the one that is marked, which gives the financial status of the commission, and then to read the paragraph which is marked.

The Clerk reads as follows:

FINANCIAL STATEMENT.

The total disbursements of the commission to and including January 10, 1910, amount to \$657,992.67. Of this amount \$525,691.61 has been disbursed under the provisions of the Immigration act of February 20, 1907, the larger part of which sum was expended for the general field work of the commission; and \$132,301.06 under the act of March 4, 1909, most of which amount has been expended on account of the statistical and tabulating force at headquarters.

It will be seen from the foregoing statement that there is a large amount of valuable material collected by the commission which can not be used or made the basis of legislation without tabulation and arrangement. In order to complete this work of tabulation and arrangement a further appropriation must be made and the time of the commission must be extended. At the last session of Congress an appropriation of \$300,000 was recommended by the House Committee on Appropriations for the completion of the work, but this provision was stricken from the bill on a point of order. On the recommendation of the commission the Senate adopted an amendment appropriating \$250,000 to complete the work, but in conference this amount was cut down to \$150,000, which was entirely inadequate to the purpose, as was shown by the estimates of the commission at that time. In order to complete the work and to enable Congress to avail itself of the large amount of material gathered by the commission \$125,000 more will be necessary. This estimate is only for the money absolutely needed to finish the work of tabulation and arrangement so that the reports may be made available.

The commission does not ask for any further appropriation for salaries of commissioners or for field work, both of which may be specifically excluded from the appropriation if it seems best to the committees of the two Houses to do so. The commission feels very strongly that it will be a very great loss to the public and to intelligent legislation to permit this mass of valuable material to remain unused after having been gathered at such a large expense of time and money. The commission proposes that the work shall be completed by December 10, 1910, and that all the unfinished reports mentioned in the foregoing statement shall be completed and presented to Congress when it assembles.

Mr. Macon—Mr. Chairman, I ask unanimous consent to be allowed to proceed for ten minutes upon this subject.

The Chairman—If there be no objection, the gentleman from Arkansas may proceed for ten minutes.

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Mr. Butler—Has the gentleman a point of order against this paragraph?

Mr. Macon—Yes; I have the point of order reserved, but I have asked unanimous consent to proceed for ten minutes for the purpose of discussing the merits, or rather the demerits, of the appropriation.

Mr. Butler—If the gentleman does not intend to make it, I will, or I will move to strike it out.

Mr. Macon—I have it reserved and will insist upon it at the proper time.

The Chairman—The gentleman from Arkansas is recognized for ten minutes.

Mr. Macon—Mr. Chairman, I have made the point of order against this provision in the bill because it is contrary to existing law, and further, because I am strictly opposed to the paragraph. If I felt that it was necessary to make this appropriation in order to bring a proper and intelligent end to the work of this commission, I would not make the point of order; but I have no idea that this will be the end of it if it is allowed to remain in the bill. Hence I propose to make a few remarks on the subject, and at the conclusion of the debate I shall insist on my point of order.

I am opposed to the paragraph making an appropriation of \$125,000 to continue the life of the Immigration Commission, because I believe it will be a complete waste of that amount of the people's money, in addition to the enormous amount of \$657,992.67 that has already been expended by it in a most lavish and extravagant manner. The Immigration Commission created by the immigration act of February 20, 1907, is composed of three Senators, three Representatives, and three lay members, the latter being Commissioner of Labor C. Neil, Prof. Jeremiah W. Jenks, of Cornell University, an institution that has been accused of playing politics all the time, and William R. Wheeler, of San Francisco, Cal., who has been for some time since secretary of the Merchants' Shipping Association of that city, at a salary of \$10,000 per year, and he substantially gives all of his time to the work of that association, and seems to consider the \$7,500 per annum that is paid him by the Government, together with his expenses, as a member of the Immigration Commission, as a political sinecure. The House can get an idea as to how much time Professor Jenks devotes to his duties as a member of the Immigration Commission for the \$7,500 per annum paid him by the Government, together with his expenses, by carefully considering the facts set forth in the following letter from David F. Hoy, registrar of Cornell University, which was written in reply to a communication from a gentleman of this city in regard to the matter some time during the month of last July. I will not give the name of the gentleman to whom the letter is written, because I do not deem it necessary, but it was written, and reads as follows, to wit:

DEAR SIR: Your letter of July 5, 1909, has just been handed me to answer, and I beg to reply, in regard to your inquiry about Prof. J. W. Jenks, as follows:

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Professor Jenks has been at Cornell University since 1891 and has been a full professor during the entire time. He is at present professor of political economy and politics. His title before 1901 was nearly the same, but slightly differently worded. Professor Jenks is drawing a regular professor's salary, and I am sure is giving the average number of courses that a full professor gives at Cornell.

By reference to the university register, you will find that Professor Jenk's work for years has been arranged to fall on the first three days of the week, thus leaving him free Thursday, Friday, and Saturday for outside work. Personally I happen to have known that he has been away from Ithaca the latter part of the week a large amount of the time during the past year.

Trusting that the above information will be what you desire, I am,

Yours truly,

DAVID F. HOY, Registrar.

It seems that this commissioner has been drawing a regular professor's salary and giving the average number of courses of lectures required of him by the university all the time since he has been a member of the Immigration Commission, and, in my judgment, he has not been able to render material services to the Government if he has been performing his full duty as a professor at Cornell.

I am inclined to think that he was placed upon the Immigration Commission because of his political connection with the university, for the purpose of influencing the students of that institution to walk in the political way that the party in power would have them walk rather than for any benefit that he could render the Government in the matter of improving the immigration laws or disclosing the immigration evils that obtain in this country. I am advised that this commission went abroad during the summer of 1907; it sailed May 18 and returned September 7, and that no report of the trip has ever been published and, in my judgment, will not be, for it seems that the trip was a pleasure junket for most of the members of the commission rather than an information-gathering trip.

* * * * *

Now, Mr. Chairman, that was said about a year ago, and the life of the commission was extended and an appropriation of \$150,000 was made for it, with the distinct understanding that it was to conclude its labors and make its final report on the 1st of March, 1910. But instead of doing that they have idled along and have failed to comply with the requirements of the law in regard to the matter. They now come to the House and ask for an appropriation of \$125,000 and ask to be allowed to continue their existence as a commission for twelve months longer, which would make an expenditure of more than three-quarters of a million dollars by this commission, with no beneficial results so far to anyone or anything that could not have been obtained practically from the reports of the police commissioners, court records, and police courts of the country. [Applause.]

I insist, Mr. Chairman, that this is an extravagant outrage and national disgrace that ought to be throttled here and now:

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and while I know it will go out on a point of order, I hope the House will be prepared, if it comes back to it from the Senate by way of amendment, or from conference, to strike it out by an overwhelming vote. I, sir, am opposed to appropriations of this extravagant character with which to pay junketing trips of commissioners while on pleasure in foreign lands. For the reasons stated, Mr. Chairman, I strenuously oppose this proposition. [Applause.]

CONSULAR AND DIPLOMATIC APPROPRIATION BILL

Speech of Hon. ROBERT B. MACON, of Arkansas, in the House of Representatives, February 8, 1910. [Part of Congressional Record.]

Mr. Howard—I yield five minutes more to the gentleman from Arkansas.

Mr. Macon—Mr. Chairman, the commission had in its employ 200 people, and they received salaries, as I said, all the way from \$40 a month for a janitor to \$28 a day, many of them receiving in addition to their salaries their actual traveling expenses, and as high as \$3.50 a day in addition thereto in lieu of subsistence. You will find by investigating the records that there has been a wholesale expenditure of the money of the people by this commission in a most extravagant manner.

But they say, Mr. Chairman, that it has been spent in the interest of immigration investigations. But what have they to show for it? As I have said, there are only these four or five little reports, about 5 by 8 inches in dimension, and containing from 10 to 60 pages. Any immigration society could have gotten them out in less than thirty days at an expense not exceeding \$5,000 at the outside, and yet the American people are charged with this enormous expenditure, \$657,992.67, and must bear the burden without a groan. I insist that the resolution that I have introduced ought to be passed, in order that an investigation of the expenditures of the commission can be had. If it has not been extravagant, let them come forth and show it. If they have been, let the American people know it, in order that the blame can be properly lodged. I also have in mind another commission—the Monetary Commission—which has the privilege, under the law, of expending every dollar they care to expend without accounting for it except in a lump sum. They are without limit and their accounts can not be questioned under the law that created the commission. The law provides that the auditor must accept every voucher of expenses that is signed by the chairman or the acting chairman without question as to amount or the object for which it was expended.

If we are to have commissions of that extravagant character in great numbers without limit upon their appropriations, with no limit to the number of people they can employ, then it will

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only be a question of time until the Government will be practically bankrupt. We have been substantially that way for some years past. We have been living beyond our income; we have gone beyond the realm of good statesmanship and good business judgment and business sense, and we ought to call a halt to such expenditures before it is too late. Why, sirs, Walsh, of Chicago, was only extravagant in the expenditure of trust funds; Morse, of New York, was only extravagant with the trust funds that were confided to his keeping; both high up in life, and yet one of them at this hour is serving time in the penitentiary at Atlanta and the other in the penitentiary at Leavenworth, Kans.; and unless we call a halt it will only be a question of time when commissions will go so far that they, too, will be called before the bar of justice, certainly before the bar of public opinion, and the demand made that they correct their ways, that they shall no longer extravagantly waste the people's money in the profligate way they have been doing.

Mr. Chairman, I hate graft and despise grafters, and for that reason I expect to raise my voice against them every opportunity I have, and I declare an extravagant expenditure of trust funds, whether belonging to nations or individuals, to be graft pure and simple, and there is no truthful way of getting around it. I thank the House for its attention. [Applause.]

Mr. Chairman, assuring the House that I will not put a single unparliamentary thing in my remarks I would like to have the privilege of revising and extending them. I will not allow anything to appear in violation of the rules of the House.

ADVOCATING A BILL TO PROHIBIT MEMBERS OF CONGRESS ACTING AS ATTORNEYS FOR PUBLIC-SERVICE CORPORATIONS DURING THEIR TERM OF OFFICE, ETC.

Speech of Hon. CHOICE B. RANDELL, of Texas, in the House of Representatives, June 16, 1910. [Part of Congressional Record.]

Mr. Randell of Texas said:

Mr. Chairman—When I became a Member of this House, nine years ago, I had no other purpose than to faithfully perform my duties as a Representative and to give the best possible service to the country. The constant demand of the people for remedial legislation—the promises of which are always made before election and invariably broken after election—awakened my attention and brought me to a serious investigation as to the cause for such a continued obstruction to the public will. In a free representative government like this it would seem unreasonable that the servants of

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the people, selected by a free and intelligent citizenship and coming to the halls of legislation fresh from home and home influences, with promises of faithful service echoing in the ears of their constituents, would fall to enact into law the desire and instructions of the people who had honored and trusted them. Such a condition was unnatural and evidenced a powerful influence from some source, chaining the purpose and molding the action of our national lawmakers. It was evident that with many men there was an influence closer to them and more powerful than the influence of their constituents. Unlooked for results were often ascribed, by public rumor and sometimes specific knowledge, to the influence of private interests that seemed to control the action of some public men who stood high in public life. I endeavored to find the root of the evil—the source of this adverse power—which seemed to take so many of the trusted servants of the public away from their constituency and enlist them into the service of the “interests,” thus poisoning the fountain source of legislation and political reform and polluting every stream of legislative action flowing from the National Capitol. I found that a system had grown up whereby the public-service corporations and other aggregations of interests and incorporated capital gave gifts, favors, privileges, and employment to those who were intrusted with either the making, the interpretation, or the enforcement of law.

The gifts and privileges were at first represented as complimentary to the position held by these honorable gentlemen; the employment, frequently unknown to the public until discovered by some unexpected accident, was because of the so-called great ability and usefulness of these public men in the service of the special interests—such ability often not having been discovered or thought of until after the acquisition of high political position. I came to the conclusion, from well-considered newspaper editorials, the general talk of public men, and the study of cause and effect, that the system of valuable gifts and favors and remunerative employment adopted toward public servants by those who are commonly called the “interests,” was very injurious in its nature, and its tendency was wholly evil and not good. There being no law against such practice, and believing it should be prohibited by statute, I began the advocacy of a law against it.

Term after term, session after session, I have introduced into this House bills, resolutions, and amendments prohibiting the receiving of gifts, privileges, employment, and compensation by Members of Congress from public-service corporations and others interested in legislation. A Republican House has constantly turned a deaf ear to every appeal in favor of this much-needed reform, and has shown a disposition to display a certain amount of ill will, not only to the proposition itself, but also toward anyone who advocates or proposes it. I have earnestly endeavored to avoid all personality and to make this measure as much as possible nonpartisan, so as to appeal to the representatives of the people on the merits of the question itself, that they might decently and in order consider the question on its merits and with an eye single to the performance

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of their duty to the country. But, no matter in what spirit my efforts may be met by the opposition, I propose, without ostentation, to firmly and constantly declare my allegiance to this cause, the only purpose of which is to secure the passage of a law protecting the people from the insidious, covert, and unholy approaches of interested greed and incorporated monopoly to the affection and favor of the honored and trusted servants of the people.

The last bill introduced by me on this subject was referred on April 9 to the Committee on the Judiciary. It was a consolidation of two bills formerly introduced by me, the one against gifts and the other against employment such as I have just mentioned; and, Mr. Chairman, I desire to ask unanimous consent to incorporate this last bill in my remarks, or make it an addendum to my speech.

If the Congress refuses to permit the mutually profitable connection between the trusts and public officials, we will appeal from the Congress to the people, whose servants they are supposed to be, for a ratification or a repudiation of their action in this matter. Have we come to a time when wealth is preferable to honor; and power and pelf more to be respected than single-minded, disinterested devotion to duty? There is no more important question to the country at large than this one, touching as it does the feeling, favor, and interest of those who have the lawmaking power in their hands. I have often said, and I repeat it here, that it is just as necessary to have the Congress composed of disinterested men as of those who are honest and capable. One who does not recognize this principle appears, to me at least, devoid of a proper conception of the relation between the people and their public servants. I have always contended that the scriptural injunction "No man can serve two masters" is applicable here. If a Member of Congress is an attorney or employee of any great interest affected by legislation and legislative questions constantly before this body, can he be considered as free and untrammelled in his judgment and unbiased in his deliberation and conclusions? If he wishes to represent the interests, then he should not at the same time hold public office; and, if he accepts office from the people, he should not take employment from those interested in legislation. Public-service corporations are constantly interested in matters before the Congress. A man who will occupy this twofold position must be either careless of the rights involved, or materially lacking in a sense of propriety. Let the people look into the conduct of their representatives and other public servants. Let them rise up and demand a law that will prohibit the receiving of gifts and the taking of employment and compensation from public-service corporations and others interested in legislation. Let them rise up and demand the passage of this law, put it in their platform, and demand a pledge from every candidate that he will favor it; for only by such means will the measure ever become a law.

Those whose pecuniary profits will be greatly reduced by the passage of this bill can not be expected to favor its enactment. To accomplish this much-needed and necessary reform the

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people must demand pledges in advance on this question, and then see to it that the pledges are carried out. I believe the time has come when the people will no longer tolerate a state of affairs in which there is no law to prevent the railroads, telegraph companies, and other public-service corporations from giving franks, privileges, and remunerative employment to Members of Congress during their term of service. Shall the hirelings of the steel trust have a voice in writing the tariff schedules on iron and its products? Shall the paid attorneys of the lumber trust write the rates on lumber? Shall any other trust, public-service corporation, or person interested in legislation, be permitted without violation of law to employ every Member of Congress who will take such employment? What is the use of having a law against bribery when gifts and employment are not prohibited by law? Is it not enough to awaken the attention of the people and to arouse their alarm when men trusted with high position have while in office grown immensely rich through the favor and employment of the great moneyed interests of the country? I say nothing against rich men being in Congress, but I do inveigh against anyone coming to Congress to get rich. The people need and will demand a law that will sever the connection between the public servants and the treasuries of the trusts. When the people force the passage of this law it will show a determination on their part, directed in an effective manner, to banish from the halls of this Capitol those who have in them the foul odor of coal oil and turpentine, or who are vilely besmeared by iron and coal, or who prosper by gambling on farm products, or who are pampered and fattened and enriched by reason of their public position and the favor of the public-service-corporations and trusts. I want here to proclaim one thing, which I hope may reach the ears of every American citizen; drive the grafter out of politics, and public questions will be easily and correctly solved. [Continued applause on the Democratic side.]

PAY OF RURAL FREE DELIVERY CARRIERS

Speech of Hon. JOHN L. BURNETT, of Alabama, in the House of Representatives, Saturday, May, 14, 1910. [Part of Congressional Record.]

Mr. Burnett said:

Mr. Chairman—I had hoped to make a few remarks on the subject of rural mail service while the post-office bill was pending, but was called away on account of the serious illness of my wife and did not get to do so.

There is no more useful branch of the government service than that engaged in by the rural letter carriers of our country, and yet there are no government officials as poorly paid as they.

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When we employ a city carrier we only have the man himself, but for the paltry sum of \$75 per month we have the rural carrier and his horse and cart, both of which he furnishes and keeps up himself.

If the city carrier uses a cart and horse, which in some instances he does, to collect the mails, both are furnished and kept up by the Government. In the case of the rural letter carrier, he furnishes his own labor, pays for and feeds his own horse, and pays for and keeps up his own buggy and harness.

In presenting this matter to the Committee on the Post-Office and Post-Roads, the question was asked us by members of that committee whether some of these carriers did not run little farms or some other kind of business in addition to that of letter carrier. I do not know the conditions in other districts, but the carriers in mine, who have standard routes, have no time for anything else. They have to live in or near the town or village from which they start; must be at the post-office early in the morning, often have to wait on delayed trains or star-route mails, and in that way are entirely precluded from doing a thing before they start except the chores necessary to getting ready for their trips.

Even then, if the carrier had nothing to do except to make his round in a trot, he would not necessarily consume the entire day. While you or I, Mr. Chairman, or any other ordinary individual would make the trip that way, the rural carrier does not. Almost as soon as he leaves the post-office he has to begin to distribute and take up mail, to issue money orders, and give receipts for registered letters. Thus every few steps he is stopped. Any man who has traveled over country roads knows that it is the steady gait that gets there, and the one who stops all along the way soon finds that he makes no time.

Again, in most of the rural districts, at least in the South and West, the roads in winter and spring are heavy, and little headway can be made over them. Most of the standard routes are over 24 miles; in fact the average is nearer 26. Now, put yourself in the carrier's place, forced, as he frequently is, to get a late start, stopping every few steps, resting at noon a half hour to eat and feed his horse, often over poor roads, and how much time can he put in on a crop during that part of the day which remains after making the rounds?

Gentlemen, let us take a practical view of this question and not theorize and speculate upon what might be done over pike roads in the East. Throughout the South, the successful farmer has to prepare for his crop mainly in the first three months of the year. The days are then short, the roads bad, and I would like to see the carrier who could make his rounds and get home before night.

To those of us who are from country districts, it seems ridiculously absurd to talk about a rural letter carrier having any time to make a crop, or to do anything else in addition to his official work. Mr. Chairman, it is not the ordinary day laborer that we are getting for this niggardly sum, but it is the man with some education and business qualifications; necessarily

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so, as he is required to take a civil-service examination before he can be employed.

So what is it we are getting for \$75 per month? It is a man with a fair education, usually 2 horses, a cart, and the expense of feeding the horses and keeping up the cart and harness. Gentlemen, upon your consciences, do you believe that is enough?

Another question asked at the hearings by members of the committee was, Whether we knew of any carriers resigning on account of the inadequacy of salary. I answer, yes; there are many such resignations. They are constantly increasing. But suppose there were none, does that right the glaring injustice we are doing? There are gentlemen on the committee, and there are Members of this House who conscientiously believe that \$5,000 per year was not enough salary for Congressmen a few years ago, and most of you voted for the increase, but I did not hear of any of you resigning because it was not more before you got the raise.

I have the reports of a number of carriers of my district as to what they are able to save out of their salaries after paying for the feed of the horse, the expense of keeping up the cart and harness, and the interest on money invested in horses, carts, and harness. The average sum that these hard-worked servants of Uncle Sam are able to save is less than \$300 per year. Think of a man decently supporting himself, let alone his family, on such a miserable pittance? It would not pay a Congressman's board bill for three months at an ordinary Washington hotel.

Another feature of the bill as reported, which I regard as an outrage, is that it makes such meager provision for an extension of the service. The bill as reported only adds \$285,000 to the appropriation of last year for the extension of the service. This sum, added to what is now available on the appropriation of last year, would not pay for the new routes already approved and pending in the department. A measly addition was forced on the bill during its consideration, but it is still totally inadequate. There are applications for routes in my district reported favorably six months ago that have not yet been started.

I realize the fact that the extravagance of this Republican administration has well-nigh bankrupted the United States Treasury, but is it fair and just that you should begin to economize by cutting off this splendid service that is helping to educate the farmers of the country? You claim that the rural service has brought about a deficit of \$28,000,000. Well, what of that? Is there any other department of the Government that pretends to be self-sustaining? You keep on spending \$160,000,000 per year on pensions, \$120,000,000 on your army, and over \$130,000,000 on your navy, and yet you are not willing to spend a few millions to carry letters and papers and periodicals to those who uncomplainingly pay much of the expenses of the Government.

Your Payne-Aldrich tariff bill has increased the price of the necessaries of life till the toiling masses can scarcely buy food and clothing for their families, and yet you close the purse

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strings of the Nation against them when it is proposed to extend a system which educates the people in the rural districts, and helps them in the battle of life, which each day you are making more grievous to be borne. The hypocrisy of some of the leaders of the Republican party is appalling! You pretend to be the friend of those who toil, and yet you grudge them the meager opportunity of informing themselves as to the ways that are dark and the tricks that are vain which you practice on them day by day. [Applause on the Democratic side.]

You have a Postmaster-General who is the political Goliath of your party, and it looks like it is the deliberate purpose of that political despot to try to keep out of the hands of the American voter the opportunity of reading and learning what you are doing to forge and weld the chains of oppression. No doubt the same motive inspired that Postmaster-General to advise the President to recommend in his message an increase in the postal rates on newspapers and periodicals.

In your last platform you declared: "We favor the extension of the Rural Free Delivery Service until every community in the land can have the benefit of it."

Gentlemen, did you mean this when you said it, or was it one of the many platform declarations which you made before the election merely to secure further lease of power, to be broken before the echoes of the voices of your stump orators had died away in the distance? You broke your pledge to revise the tariff downward, and now you are breaking the one to extend free rural service.

Many rural carriers all over the country were urged by you to tell the people that it was necessary to keep your party in power in order to extend this rural service, and yet as soon as their votes are counted you begin to plot ways to throw the mantle of ignorance over the people. No system ever inaugurated by the Government has been so productive of good to the farmer as the rural mail service. But you suddenly awake to a realization of the fact that he is becoming too wise for your perfidy.

As the papers and magazines which unfold the iniquities of many of your leaders reach the people day by day, you begin to realize that something must be done to keep the treachery of those leaders from their eyes, and this seems to be your deliberate conspiracy to compass that end.

In my district hundreds of families are getting daily papers who before the rural service did not see a weekly. All over the country no doubt the same is true. The great masses are reading, and as they read, a new light begins to dawn upon them. They begin to learn that a Republican Speaker, has, in some respects, more power than the President, the entire Congress, and 80,000,000 American people. They begin to learn that the New York Exchange can and does complacently gamble away the sweat and toil of 30,000,000 American farmers.

They begin to learn that a Payne-Aldrich tariff bill brings poverty and distress to their homes. They begin to learn that special interests and greedy trusts are the wards of Aldrich and

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Payne and that class of men. They begin to learn that millions of their taxes go each year to fill the bursting coffers of transportation companies that carry the mails. They begin to learn that the professional friendship of such leaders for those who toil is but the demand of Shylock for the pound of flesh next the heart.

When the political cabinet official and his willing henchmen saw this, they set about to destroy that source of light and knowledge, and, Mr. Chairman, this bill would, to a great extent, compass that very end. Are the same steam-roller methods that crushed out opposition at the Chicago convention now to be brought to play to crush out information and knowledge and education?

The Post-Office Department may still trade postmasterships for delegates, may still depose women postmasters, who are acceptable to Republicans and Democrats alike, to pay political debts as has been done in the district which I have the honor to represent, but will the great masses in the several districts stand for a party which deliberately seeks to spread intellectual darkness about their homes? The growth of this great system of rural mail service has extended far beyond the fondest hopes of its most sanguine advocates.

When I came into Congress eleven years ago there was not a single rural route in my district; now there are about 160. At that time there was only one in the State; now there are over 900. The district which I represent now has the second largest number of routes of any in the State. Every day 160 of Uncle Sam's school-teachers carry light and knowledge to the farmers of my district. Every day hundreds of happy children meet these messengers of joy, and sometimes of sorrow, to receive missives from loved ones, and papers and periodicals that teach them of the outside world. They bring the country to the town, and carry the town to the country. They help many a toil-worn parent to while away his few leisure moments in reading and in thought. They inspire many a struggling boy and girl to press through the door of opportunity, and reach ideals bright and pure. [Applause.]

Hear what the Postmaster-General in his last report says of its growth:

The rural carriers last year handled approximately 2,723,262,000 pieces of mail, and the average for a route was 5,600 pieces a month. A count in 1905 showed an average of 3,600 pieces a month, which indicates an increase during the last four years of 55 per cent. in the average number of pieces of mail handled by a carrier. It is estimated that the daily travel of the carriers on routes now in operation aggregates 980,000 miles.

The rapid growth of the rural service has no precedent in the history of the postal establishment. Other branches of the service have been developed gradually, but this one has grown during the last twelve years from 82 routes to 40,628 routes, with an increase in annual expenditures from \$14,840 to \$35,661,034.

And yet, on the next page, read these ominous words of that same official:

In view of the increasing deficit and the large excess of the expenditures for the maintenance of rural service over the reve-

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nue from mail originating on the routes, the present would seem to be an opportune time to make special effort to perfect existing service rather than to continue its rapid extension to territory where the conditions may not be altogether favorable for the establishment of new routes.

Gentlemen, how does that comport with your platform declaration? The deficit was increasing when you wrote that declaration, but you did not tell the people then that you would punish them for your own extravagance and incompetency. Not only has the growth been phenomenal in the extension of the service, but the average increase of packages handled by each carrier has been even greater.

DEMOCRATIC RECORD ON PENSION LEGISLATION

Speech of Hon. LINCOLN DIXON, of Indiana, in the House of Representatives, June 16, 1910. [Part of Congressional Record.]

Mr. Dixon said:

Their platform declared "that every general pension law on the statute book was placed there by a Republican Congress."

A statement, while false in fact, seems to imply that the Republicans alone are responsible for progressive pension policies. It is true that the Republican party has had a better opportunity to secure legislation, for it has been in power longer. But fortunately the Democratic party has had control of legislation at different times since the war, and in every instance it has taken advanced positions in favor of the soldiers. Look at the laws passed by a Democratic Congress and approved by a Democratic President to show its gratitude to the Nation's defenders. A Democratic House passed:

(1) Act of August 15, 1876, providing for the issuance of artificial limbs, or commutation therefor, to disabled soldiers and seamen, and providing transportation for the purpose of having the same properly fitted.

(2) Act of February 28, 1877, increasing the pension of those who lost both an arm and a leg.

(3) Act of March 9, 1878, granting pensions on account of service in the war of 1812 and the Revolutionary war, requiring a service of but fourteen instead of sixty days on the part of the survivors of the war of 1812, and granting pensions to widows regardless of the date of marriage to soldiers of this war. It also granted pensions to widows of soldiers of the Revolutionary war on a service of fourteen days. Former laws required a marriage prior to the treaty of peace in the case of widows of the war of 1812.

(4) Act of June 17, 1878, increasing to \$72 per month the pensions of those who lost both hands, both feet, or the sight of both eyes incident to the service.

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(5) Act of March 3, 1879, increasing to \$37.50 all pensions on account of amputation at the hip joint. This sum was afterwards increased to \$45 per month by a Democratic House.

(6) Acts of January 25 and March 3, 1879, granting arrears of pensions from the date of discharge, generous measures which benefited more than 225,000 pensioners at once and caused the annual pension rate to leap from \$33,780,526.19 to \$57,240,540.14. The Republican party had control of both Houses of Congress for more than ten years after the close of the war, but passed no legislation of this character.

(7) Act of June 21, 1879, abolishing biennial medical examinations and providing that in no case shall a pension be withdrawn or reduced except upon notice to the pensioner and a hearing upon sworn testimony.

(8) Act of June 16, 1880, giving \$72 per month to all those who became totally helpless for any cause incident to the service.

(9) Act of February 26, 1881, for the protection of pensioners in the soldiers' home.

(10) Act of July 4, 1884, which established the proper relations which should exist between attorneys and clients and fixed by law the fees to be allowed in pension cases. By this act a Democratic Congress placed the strong arm of the law between the helpless applicant and the rapacious agent.

(11) Act of July 14, 1892, establishing an intermediate rate of pensions between \$30 and \$72 per month and fixing the rate at \$50 for all who required frequent and periodical, though not regular and constant personal aid and attention.

(12) Act of August 5, 1892, granting pensions to army nurses and forbidding the demanding of a fee by claim agents for prosecuting this class of cases. This was a generous recognition of the noble heroines, who, leaving home and loved ones behind, in self-sacrifice braved pestilence and hardships to minister to the sick in the hospitals of the army.

(13) Act of December 21, 1893, making a pension a vested right.

Here are some other contributions to the pension laws which were either approved by a Democratic President or passed by a Democratic House of Representatives.

(14) Act of April 18, 1884, making it a felony for any person to falsely or fraudulently represent himself to be an officer of the United States.

(15) Act of March 19, 1886, from \$8 to \$12 per month the pensions of 79,989 widows and dependents on the roll at the time, as well as tens of thousands who have since been placed there. These certificates were issued by a Democratic Commissioner of Pensions without any expense or unnecessary delay to those deserving beneficiaries.

(16) Act of May 17, 1886, amending the reports of the War Department, which discriminated against a large and worthy class of soldiers, relieving thousands of unfortunate veterans of the hardships worked by the resting of charges against them based upon technical errors in the records.

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(17) Act of August 4, 1886, increasing the pensions of 10,030 cripples—armless and legless veterans.

(18) Act of January 29, 1887, benefiting about 30,000 survivors and widows of the Mexican war.

(19) Act of June 7, 1888, granting arrears to widows from the date of the death of the husband and providing that all United States officials authorized to administer oaths should administer all oaths required to be made in pension cases in the execution of vouchers for pensions free of charge. This arrearage act benefited at once more than 200,000 soldiers' widows.

(20) Act of August 27, 1888, increasing pensions on account of deafness.

(21) Act of February 12, 1889, granting an increase in pensions from \$72 to \$100 per month to all persons who lost both hands in the service and line of duty.

(22) Act of March 1, 1889, relating to the payment of pensions to the widows or dependent heirs where subsequent to the issuance of the check the pensioner dies.

(23) Act of March 2, 1889, removing certain technical charges in the record and relieving a large and meritorious class of soldiers.

(24) Act of March 2, 1895, which abolished the rates of \$2 and \$4 and fixed the lowest rate of pension at \$6 per month.

With this record on the pension question and in the light of its revelations, what can be said of the Republican platform of Indiana? It is true that some of these measures have been amended and larger pensions given in certain cases, but most of them are on the statute books now. These acts were of substantial benefit to the soldiers and represent the sentiment of the party toward them. It has ever been mindful of their heroic sacrifices for the preservation of the Union.

Bills for the benefit of the soldiers during Republican control of Congress have always received the support of the Democratic Members of Congress.

PENSIONS

We Can Never Pay the Debt We Owe These Men

Speech of Hon. ISAAC R. SHERWOOD, of Ohio, in the House of Representatives, Monday, June 13, 1910. [Part of Congressional Record.]

Mr. Sherwood said:

Mr. Chairman—Since my speech of January 29, 1908, in favor of a dollar-a-day pension for the veterans who stood behind the guns over a hundred thousand of those once stalwart sons of the armies of the Union have gone to the other shore. They

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are now where cold neglect and stolid indifference will no longer vex their spirits. And now, in the closing days of the second session of the Sixty-first Congress, I am here again to say a few words more for that rapidly diminishing army, marching with faltering steps, every day nearer life's gloomy sunset.

I am here to say a few words for the bill known as the Warner-Townsend bill, which is intended to give a few dollars to the veteran officers of the Union army, after they have passed the threescore years and ten milestone (70 years), and which also provides for certain disabled veterans of the rank and file, at \$1 per day. As I said in my reply to Gen. Charles Francis Adams, of Massachusetts, on May 24, this bill does not do adequate justice to either the private soldiers or the officers, who are to be beneficiaries, but it is the best we could get, and for that reason commands my support. My dollar-a-day pension bill still slumbers with the Committee on Invalid Pensions, and the friends of this humane measure have not been able, up to date, to get a vote in the committee.

Section 5 of the Warner-Townsend bill is my amendment, and it refers exclusively to enlisted men. If enacted it will pay every disabled soldier who served ninety days or more, and whose disability is such as to require the occasional aid of another person, \$360 per year; and the bill takes care of all of the disabled and helpless, whether said disability was contracted in the war, or since the war. The bill, as now amended, contains no age limit for enlisted men. All disabled soldiers of the rank and file will, if the bill become a law, be entitled to \$30 a month during life, without regard to age. The age limit of 70 years—which should be reduced to 64 years—only applies to officers.

If passed, this bill will include in its provisions probably 30,000 enlisted men and 10,000 officers. In order to secure the full measure of benefit, an officer must have served two years. No officer who served less than six months will get any benefits whatever unless wounded or disabled in the service. In my speech of May 24, entitled "The case of Adams v. Adams" I explained in detail the provisions of this bill, hence will not repeat now. A comparison of the provisions of the Warner-Townsend bill with existing laws shows how niggardly the volunteer officers and soldiers of the civil war are provided for in comparison with the officers of the Regular Army. Regular Army officers—not 2 per cent. of whom see any battle service—are retired at 64 on three-fourths pay for life. The Warner-Townsend bill retires officers at 70 on only one-third pay, all of whom have service records at the front and many of them in 40 battles. The rate of pay now for officers in the Regular Army is as follows:

Lieutenant-general pay, \$11,000; retired pay, \$8,250. Major-general pay, \$8,000; if retired, \$6,000. Brigadier-general pay, \$6,000; if retired, \$4,500. Colonel, pay, \$4,000; if retired, \$3,000. Lieutenant-colonel pay, \$3,000; if retired, \$2,650. Major pay, \$3,000; if retired, \$2,250. Captain pay, \$2,400; if retired, \$1,800.

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First lieutenant pay, \$2,000; if retired, \$1,500. Second lieutenant pay, \$1,700; if retired, \$1,275.

Private soldiers in the Regular Army are now paid, according to the official pay table of the Paymaster-General for 1908, as follows: At first enlistment \$15 per month. By the pay table of 1906 the pay was \$13 per month. The Congress which ended March 4, 1909, increased the pay of the Regular Army, in the aggregate, over \$10,000,000. And how was that increase distributed between officers and enlisted men? Let us see. While the pay of the private was increased \$24 a year, the pay of a major-general was increased \$500 per year and a brigadier-general \$500 per year and a colonel \$500 per year and a major \$500 per year and even a second lieutenant was increased \$300 per year. In other words, the pay of a second lieutenant is now more than ten times as much as a private, and a captain's pay is 12 times as much, a colonel's is 23 times as much, and a brigadier-general's 36 times as much, and a major-general's 49 times as much. And not 2 per cent. of any of these officers ever see any battle service, because, thanks to a beneficent Providence, we have no battles to fight and no prospect of any. And with the above statements from official records, showing the great inequalities of salaries in the Regular Army, Members of Congress who voted to increase the pay of the private soldier \$24 per year, while a brigadier-general's pay was increased \$500 per year, did not protest against the great inequality. Now, when a bill is pending that provides for a payment to a disabled private soldier of \$30 per month, or double what is now paid a private in the Regular Army, and also provides only one-third pay for officers 70 years old or over, several Members who voted for the enormous ten million increase in the Regulars' pay in 1908 are protesting against the claimed inequality of the pending bill and threatening to defeat it.

How can they explain their hostility to this patriotic and humane measure on the ground of inequality of money distribution between privates and officers when confronted with their own record of only two years ago? They voted then to pay a private soldier \$180 per year and a major-general \$8,000 per year. How will they explain to their patriotic and justice-loving constituents their votes for squandering ten millions of our hard-earned tax money to increase the pay of the army, that had stood unchanged for over forty years, on the ground of the increased cost of living, and now, when the cost of living has increased at least 25 per cent. (since 1908), refuse to give 30,000 old soldiers, worn out and crippled with the infirmities of age, \$1 a day? What answer will they make when confronted with the record vote of 1908, when major-generals, with nothing to do but glorify resplendent uniforms in idle dalliance, were voted an increase of salary of \$7,500 a year to \$8,000 and brigadier-generals from \$5,500 to \$6,000, while the privates were voted an increase of only \$24 per year?

Should the Warner-Townsend bill become a law, a disabled private soldier who served ninety days will get \$360 per year.

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while a second lieutenant who served two years would draw \$566 per year. And yet some of the preposterous patriots (Members of Congress) who voted in May, 1908, to pay a private of the Regular Army \$180 per year and a second lieutenant \$1,700 per year and a major-general \$8,000 per year are opposing this just and humane measure on the ground that it favors the officer over the private. The above figures show the utter falsity of this claim.

The average pension of all the soldiers of the Union is now about 55 cents per day. The purchasing power of this pension now as compared with fifteen years ago is about 30 cents per day.

Congress increased the salaries of Members from \$5,000 to \$7,500 on account of the increased cost of living. It added (including traveling expenses) \$50,000 to the salary of the President. It added in one bill \$6,000,000 to the salary of the navy. The Vice-President, the Speaker, the Cabinet, have all been granted largely increased salaries. But the old soldier has been entirely neglected, if not forgotten. And yet the old soldier must buy his living in the same market with these high-salaried officials. Do not forget that the patient and industrious hen makes the same effort to produce an egg for an old soldier on his last legs as for a millionaire Senator or Congressman.

Thousands of the old veterans, staggering to a near-by grave, are asking for this bill now, and I am very sad to state that some members who were soldiers, and soldiers with good records, are now making protest against the bill. Some of the best friends of the Warner-Townsend bill are not soldiers, notably the author of the bill, the able and distinguished Member from the Second Michigan District [Mr. Townsend], also the capable and experienced gentleman from Illinois [Mr. Prince] in charge of the bill.

ELECTION OF UNITED STATES SENATORS BY THE DIRECT VOTE OF THE PEOPLE

Speech of Hon. JOHN A. MAGUIRE, of Nebraska, in the House of Representatives, Thursday, June 16, 1910. [Part of Congressional Record.]

Mr. Maguire of Nebraska said:

Mr. Chairman—For many years the question of the election of United States Senators by a direct vote of the people, instead of by the state legislatures, has occupied the attention of the public mind.

Several times since 1891 Congress has taken notice of the popular demand by the consideration of a resolution before this House looking to the adoption of a constitutional amendment.

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The question met with favorable action in the House of Representatives on four different occasions, but just as often it has met with defeat at the other end of the Capitol. On July 1, 1894, by a vote of 141 to 50 the House approved this proposition, and on May 11, 1898, by a vote of 185 to 11, and again on April 13, 1900, by a vote of 242 to 15, and finally on February 13, 1902, by a viva voce vote the Representatives of the people expressed their desire for a change in the method of election of Senators.

* * * * *

If the people are good enough and intelligent enough to elect you they are capable of electing a United States Senator. It certainly is not necessary to clothe a man with extraordinary power and legislative authority in this day of widespread information in order to enable him to select a representative or officer. I believe in leaving with the people as nearly as practical, the direct exercise of the powers of government, and delegate only such as seems necessary. In practically every State the people vote directly on all officers, state and local, members of each branch of the state legislature and including Members of Congress. In practice to-day the people as a whole elect directly their President, and the function of the electors provided by the Constitution is merely a formality; they do not attempt to exercise any discretion in the matter. But this was not the case originally, nor was it the intention of the framers of the Constitution that it should now be so. In this particular, then, the people of the United States have amended the Constitution in spirit without changing the letter, and they have shown that they are fully capable of selecting their own President without leaving it to the judgment of a select body of men chosen by them for that purpose. And in the case of the election of United States Senators there is less reason for selecting them by the legislatures of the States than there ever was for the selection of a President by presidential electors.

Scandals and suspicion of scandals come now entirely too often, and I believe that they would occur with much less frequency in the event of popular elections. I believe it is not necessary for me to here enumerate instances. Around the present method of selection has grown up a system, which from its very nature invites logrolling and trades, dissipates the energy of the legislature, reacts upon the political and moral life of the people, and shakes the confidence of the people in free institutions. The selection of a Senator is not properly a legislative function, but under the spirit of our Constitution it properly belongs to the electorate. Let the legislators be elected on local and state issues, and when they convene they ought to be in a position to go direct to the care of the state's business, appropriate sufficient money for the expenses of the State, enact the necessary laws and return to their homes. This is a Government of party control and perhaps always will be. That party which can command the confidence of the people will be entrusted with power whether in the State or in the Nation. The people may want the State controlled by one party and the

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Nation by a different party. But under the present method of selecting United States Senators, if the State is controlled by one party in the legislature that body is practically sure to select a party man for Senator. In such cases the people can not vote their sentiments both as to Senator and legislature, but are bound by the dominant party in the State legislature, to whose judgment in the choice of a Senator the people must submit. And again, if you permit the naturally foreign subject—the selection of a Senator—to be a part of the legislative programme both in the session of the legislature and in the campaign, you thereby divert the public mind, dissipate the energies, and you expose the legislature to the degraded control of political bosses and machine manipulators.

The Representative in this House is the servant of the people and he returns every two years for a new commission and further instructions, while the Senator is not a direct creature of the people and never returns to them for election. He is selected by a legislature and represents that body for a period of perhaps two years, or during its term, and he returns every six years to a new body which has succeeded the old one which elected him.

In a great many States now we have the direct primaries for nomination of candidates. These are either local or state-wide. In several States the Senators are voted upon at either the primary or election or both. These attempts to bring the election of the United States Senator as near the people as the Constitution will permit is proof that the demand for the change is well founded and growing. The last legislature of my own State passed a law providing that each member of the legislature may sign a statutory statement before election promising to cast his vote for the candidate for Senator receiving the highest number of the people's votes for that position at the general election next preceding the election of a Senator, without regard to his individual preference. In both the States of Nebraska and Oregon, the plan adopted virtually operates as an amendment and the people have taken the power, except as a matter of form, out of the hands of the legislatures.

Some will say that the people are not competent or fitted to elect a Senator, but I will ask them if they do not believe that the farmer, the mechanic, and the professional and business man in this day of widespread intelligence is not capable to make his laws and care for his affairs of state.

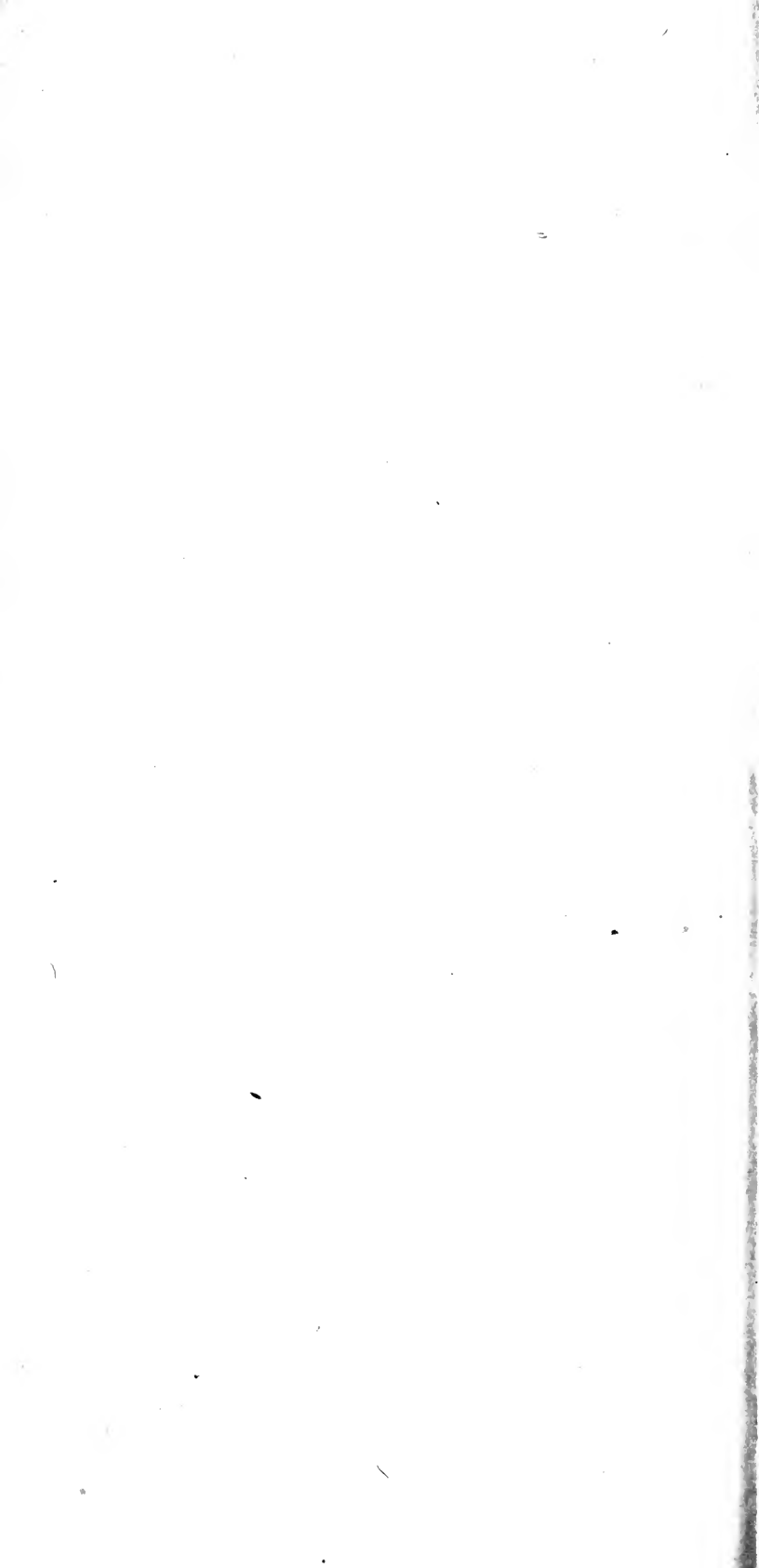
I do not believe that we have any other honorable course of duty as to the question before us than to recognize the demand, call up this resolution, and pass it. If we question the wisdom of the change and wish a discussion of the real issue, the forum of public opinion in the several States and districts is open for us or for the Senators to combat or to advocate the issue.

Make the change and under it more Senators from the masses will be elected and fewer from the special interests; more legislation will result for the people and less bounty be voted from the public Treasury; there will be fewer men who secure and

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retain their seats through personal or selfish purposes and more who respect the millions of honest toilers.

The business and policies of the public in general are more certain of enactment only through a system of legislative responsibility. Pledges and promises would become enforceable, and power not delegated would be less likely to accumulate in the hands of a Senator. The legislature would be relieved of the burden of selecting the Senator, and the candidate would be relieved of the embarrassment of political obligations to members of the legislature. He could approach his duties as a lawmaker, influenced only by the public good. I believe that the change is in behalf of better laws, higher civic and moral standards, will bring the Government closer to the people, and preserve the fundamental principles upon which our representative government rests.



**Quotations From
Republican Speeches**

QUOTATIONS FROM REPUBLICAN SPEECHES

Speech of Hon. JONATHAN P. DOLLIVER, of Iowa, in the Senate of the United States, Monday, June 13, 1910. [Part of Congressional Record.]

Mr. Dolliver said:

Mr. President—On Saturday I sought the floor near the hour of adjournment for the purpose of making some remarks in relation to the pending amendment and in a larger way in relation to the present state of the tariff question. I was aware then, and I have not got it out of my head entirely yet, that there was a certain reluctance on the part of the honored chairman of the Appropriations Committee to have any further controversy on that subject. In fact, I thought I detected in his closing speech a certain phase of satire entirely free from any personality, and yet rather broadly intimating that I had sufficiently stated my views on this question in the Senate heretofore. That is true, and yet I have seldom had the honor or opportunity of addressing either my honored friend from Maine or any of his associates upon the Finance Committee, and that gives me a certain curiosity to state some of my views under these more favorable conditions.

I do not, however, desire to claim for myself or for anybody who is associated even remotely with my opinions such a tribute as the Senator paid at the last session of the Senate. I do not desire to assume, either for myself or for the very humble group of men who have been fighting together for their convictions and views on public questions, that anything we have said has disturbed the business of the United States. It is a tribute which we do not deserve. It overstates the importance of what we say. It presupposes that we have an audience outside of the Senate which we have never been able to get here, and that we have carried conviction to a good many people, when it was supposed that we were addressing only a very select audience indeed in the Senate Chamber.

My own opinion is that if the tariff question is still up in the United States it is not because of what anybody has said about it, but because of what has been done in respect to it. What is said is a mere vapor; what has been done is a substantial thing, with which the public throughout the United States has to reckon.

I am not one of those who have enjoyed any controversy within the Republican party. I have always been a disciple of party peace, of party harmony, of party good-will among its members associated together for political purposes. I have never been able even to comprehend the bitterness with which men are, in these days, reviled for their opinions within the

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Republican party. Why should I be assailed because I voted against the wool tariff of 1909, which is 42 years old, and against which Charles Sumner and Henry Wilson, of Massachusetts, voted when it was fresh, and for the first time presented to the Congress of the United States? Yet, I am inclined to think, from everything I can hear and from everything I read, that there is no longer in the Republican party that freedom of conscience and judgment and opinion that once made the party strong and mighty in the confidence of the American people.

What sort of degeneration has come to the Republican party that the Speaker of the House of Representatives before a great public assemblage should refer to some of his colleagues as traitors fit, not to be shot, but to be hanged? I no more take the venerable Speaker seriously than anybody else does; but fortunately there are some who still look reverently upon the great offices of our Government. Why should badges be passed about between high public officials of our Government, insulting not only a little group of people in the two Houses of Congress but millions of people scattered everywhere throughout the United States?

What has come over the Republican party that freedom of debate and freedom of opinion have suddenly become infamous within its ranks? I had hoped, when the last session of Congress adjourned and I went back to my home worn out by labors in which we all participated, that the unfortunate differences of opinion which had arisen in the course of a very long and a very bitter controversy might be permitted to adjust themselves without sacrificing any man's self-respect, without sending any man to apologize to political overseers for the exercise of his own judgment and for the honest effort he had made to represent his people in pursuing a course approved then, and I believe sanctioned ever since, by the enlightened judgment of the whole community. I regret that in that pleasant anticipation I have been disappointed; and as time has gone on, though I have managed to keep perfectly quiet myself, it has become more and more obvious that new terms of fellowship in the Republican party have been prescribed and that hereafter Members of Congress are to be given a very narrow choice in the exercise of their representative functions—the choice of becoming either understudies or Ishmaelites. For one, I reject the terms, and while I occupy a seat, however humble it may be, on this floor, I shall hold the purpose to contend for the absolute independence of these two great popular assemblies representing the legislative power of the American people.

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Without undertaking to speak for others, and measuring as well as I have been able, the organized forces of organized politics and organized business already arrayed actively against me, I suppose to tell the American people exactly what went on here last summer and exactly what is going on here now. It is a disagreeable duty, and it could have been avoided altogether if the President, who had nothing, or next to nothing, to do with the framing of the tariff law, had felt content to

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leave Members of Congress to settle with their own constituencies the question of their party relations without interposing the weight of the greatest political office in the world to humiliate and discredit and disparage men who, in a failing effort to carry into effect his own campaign utterances, had already been expelled from the party on the floor of both Houses of Congress by "constructive statesmen" who derided the candidate's opinions when they were uttered in the campaign, and laughed out loud when they were repeated in the Senate debates.

If those of us who found it inconsistent with our sense of duty to make the Republican support of the tariff act of 1909 unanimous have made any mistake, it is that we have remained silent too long while an organized defamation of our political character has been set on foot, proceeding from the highest public officers of the Government, executive and legislative, and from a congressional campaign committee, presided over by a multimillionaire promoter of street-car franchises, with a treasury filled with rotten money, out of which is flowing a choice assortment of vest-pocket literature, much of it bearing the mark of the Bureau of Engraving and Printing, and a muddy stream of parasitic eloquence.

I notify all interested persons that I have no intention of leaving the Republican party, even to oblige old and valued friends. Neither do I intend, however brief my public service may be, to sit in this Chamber without making an effort, in my own name, to represent my people and to defend their interests, asking no license of any sort, even from the most accommodating political holding companies.

I was born in the Republican party—down among the loyal mountains of Virginia. I think I know what the articles of its faith are. From my youth I have pored over the pages of its history and found inspiration in all of its high traditions. I have followed its great leaders and sought direction in the wisdom of their counsel. We have sometimes lived in very humble houses, but we have never lived in a house that was so small that there was not room on its walls for the pictures of the mighty men who in other generations led it to victory; and now my own children are coming to years and are looking upon the same benignant, kindly faces as I teach them to repeat the story of our heroic age and to recite all the blessed legends of patriotism and of liberty.

The President is in error. It is not necessary for men to swallow down every tariff law that is set before them or "in conscience abandon the party." It is going to be a very difficult thing to get me out of the old Republican party. It can not be done by lying about me, as those have done who said that I held a brief for foreign importers. It can not be done by calling me names, like free trader, Democrat, or whatever names may be selected to prejudice me in a Republican community. There never was an hour since I entered public life when an American industry, making a fight against foreign competition, coming to Congress asking for a reasonable measure of pro-

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tection to the wages of its labor or to the investment of its capital, found anything but help and sympathy in me; and I believe such an hour will never come. Least of all can it be done by taking from about my neck the millstone of political patronage through which even Presidents of the United States have more than once been drowned in the midst of the sea.

In common with good citizens everywhere, I share the universal disgust which has arisen on seeing the greatest executive departments, those departments which touch the business of the Nation most intimately, made a headquarters for the awkward squad of politics, bucket shops for dealing in political futures upon margins calculated daily from the record of the yeas and nays.

It does not trouble me very much to be relieved from participating in a business like that. But I can not forbear to express my sorrow that, with nearly three full years to win the confidence of the American people by an intelligent interpretation of the public will, it should be thought necessary, in order to bolster a failing political enterprise, to revive the most odious degradations of parliamentary government in other lands and in past generations by doling out the offices, which belong to the people, in exchange for the votes which their representatives hold by a solemn trust.

If those of us in the two Houses of Congress who felt constrained to challenge the programme of party leadership had represented a merely personal or selfish ambition, they would have escaped, I think, not only the threats which had been uttered against them, but possibly the homilies which have so generously enriched the President's speeches. So few in number as to suggest the mere stroke of the lash of party discipline, such as was administered at Chicago, they have survived the ordeal because they are making an effort to stand for the sober judgment and the alert conscience of the people throughout our borders.

If that is not so, how does it come to pass that their adversaries, with one accord, accuse them of courting popular favor at the expense of the harmony of the party? How does it come to pass that the President in his New York speech deplores the results of "demagogic appeals to the imagination of a people greatly aroused on the subject of purity and honesty in the administration of the Government."

So far as I know, the so-called insurgents are not credited with a disposition to set a morbid value upon the martyr's crown. In fact, I think they are more commonly described as hypocrites.

How does it happen that a fairly intelligent hypocrite sets about to win the popular favor by disowning the leadership which has taken possession of the party to which he belongs?

On the anniversary of his inauguration, the President, in an authorized interview in the New York World, seems to have searched the dictionary for an unusual word to describe those whose studies in our form of government have led them to value the guidance of public opinion. "If there is one thing that I could do for the people of this country," said the President, "that would be eternally valuable to them, it would be

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to teach them the truth about the sycophants that pander to them, whether they are right or wrong. The larger view of politics—not the view of office holding,” continues the President, “is the view which produces the best for all the people, and that is the view the political sycophant does not take. He selfishly goes from one popular idea to another, with no conviction; he opposes men when he believes that it will be to his advantage politically to oppose men that his people think they oppose, and if there is one thing I would like to do it is to show to that man’s people the truth about his motives.”

Well, I will give the President or anybody else full leave to inquire into all the horrible details of my unregenerate desire to find out what the public will is and as well as I can give expression to it, if he will let me hold a sort of inquisition on the motives of those amiable characters in the two Houses of Congress and on the outside of both Houses whom he has seemed at least to be following with great confidence, under the very harmful delusion that he is their leader.

It is a sign of new times when men are caught in the act of seeking public favor by refusing to tag after a leadership in full control of the organization of the political party to which they belong. It was not always so.

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I do not claim the reward for introducing into our controversial affairs this word “solidarity.” I do not even claim to know exactly what it means, though the dictionaries trace it to the French law and indicate that it refers to such a community of interest among many persons as warrants a debtor owing something to them all to settle in full by paying any one of them. In that sense the word finds a suggestive place in our tariff literature, for not only are the attempts of lawmakers to write tariffs embarrassed by a community of interests, but in the same sense the whole field of legislation finds itself dealing in these latter years with allied syndicates, apparently unrelated, yet closely joined together for the purpose of usurping the authority of every department of our Government. The history of their brutal and sordid control of a great political party in the execution of its pledges to rewrite the tariff law on a rational basis laid down in its platform and approved by its candidate has turned out to be a mere forerunner of an organized attempt, only partly successful, to use the political departments of the Government, not even sparing our highest office, as mere playthings to be moved about by unseen hands, grown at length so bold that they venture, in the mere pride of strength, to forget their cunning.

In trying to understand the influences which took the Republican platform pledges in relation to the amendment to the interstate-commerce law and the public utterances of the President in interpreting them and tried to smother them to death under the rubbish of 50 pages of printed matter issuing from the Attorney-General’s office, it is appropriate to go back to the extraordinary session and observe the methods by which the tariff revision, undertaken in pursuance of party promises of

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the most definite meaning, was lifted out of the hands of Congress and made a mere vehicle for the interchange of mutual benefits, in which the public got no share.

I have never seen an hour in my life when I was not willing to compromise any detail of a legislative proposal. I have gone so far, in a languid kind of humility, as to say that if it was not thought worth while to say a word to me about it, nevertheless I would give up my own opinions on details.

It is true, as the President said on Lincoln's birthday at New York, that we did not promise to revise the tariff downward. The newspapers said a quiet, derisive laughter went over the audience when that was said. But the President spoke the literal truth. We had made no promise for the downward revision of the tariff. If we had made a promise like that it would have been comparatively easy to have executed it. A few reductions judiciously made on articles covered by patent or made by patented machinery, a few reductions so small as to be commercially insignificant, a few reductions made on articles of common necessity now known to be controlled by international trusts, a few reductions scattered here and there throughout the schedules, would have literally fulfilled the promise, and it would be very possible for stump speakers to repeat, as was done at Winona, that anonymous scrap of statistical sophistry about the effect of the tariff reductions, a curious table made up for the guidance of Congress by a paymaster in the army and attributed by the President to the midnight researches of Mr. Payne.

Here is the public eagerly inquiring: "What do we get out of this?" And back comes the answer: "You get decreases on 654 items, involving a consumption value of \$5,000,000,000."

Now, only a slight glance at these statistics, imperfect and misleading as they are, would have indicated that these reductions were in most cases so small as to have no value to the public, that a full third of the number were yarns and threads of cotton jute, and linen ready for weaving into cloth, and that nearly all of the five billions of consumption is made up either of food products which we export or raw materials like coal, iron ore, petroleum, and the hides of cattle, or partly manufactured materials like pig iron, scrap iron, tonnage steel, and sawed lumber ready for the planing mill. The public has asked, and asked in vain, for anybody to point out a reduction in any article ready to enter into consumption which has any commercial significance of any sort. Even in the iron and steel schedule, where reductions were most numerous, we are exporters of the articles affected, which, according to the statement of Mr. Carnegie, need little or no protection, while the duty was surreptitiously raised on structural frames, in order that the trust may be able to penalize building contractors who have sometimes shown a restless spirit by turning to foreign markets rather than submit to unreasonable delay in the delivery of their orders.

Is it any wonder that the public receives this batch of freak statistics with derisive laughter? When they get to thinking

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about the length of time it will take them to eat themselves into possession of the 5 cents on the hundred pounds reduction on refined sugar, even if the thieves of the sugar trust give it to them, and then reflect that of the whole five billions of consumption affected by reductions nearly one-tenth of the amount is charged up to the sugar schedule, is it remarkable that they smile in a quiet way? When they know that contracts are outstanding between our planing mills and the sawmills of Canada by which one half of the reduction on lumber goes to the sawmill and the other half to the finisher on this side to be distributed equally among his fellow-citizens, is it any wonder that they make merry? When they hear it said that the total consumption of cotton goods upon which the duties are increased is only \$41,000,000, and that the increases affect only such articles as may be described as luxuries, how can any man expect them, even in the presence of the highest dignity, to keep their faces straight. When they examine the schedule called "sundries" and find out that of the \$1,719,000,000 of consumption on which duties have been reduced nearly the whole of it represents a commercially negligible reduction on bituminous coal, and a concession to the leather trusts, who were perfectly willing to give up duties which they did not need for the sake of getting rid of the small duty on cattle hides which they had to pay, they begin to see where the joke comes in.

Any good man enjoying general confidence among his fellows can succeed by making his affirmations in his own name, without conditions or modifying clauses, in persuading a great many people to take his view of any given case. A reliable man may stand up in a crowd and get a certain following by making a dogmatic assertion, based upon his own observation, that the moon is made of green cheese, but if he is clumsy about it and begins by saying, "Gentlemen, I have not personally examined this cheese question, but I have a friend who is out a good deal of nights, who hands me a statement based upon the calculations of his hired man, which goes to show conclusively not only that the moon is made of cheese, but that the color of it is well defined," such a one can not complain if his audience loses interest in the demonstration.

It is reported that millions of copies of the speech at Winona and of the speech on Lincoln's birthday are to be scattered abroad for the education of the people. It may not be good form for me to make any suggestion to the committee which has this matter in charge, but it looks like a strategic blunder to circulate both speeches. Taken together, they will have a tendency to confuse the public mind. At Winona the President disavows any obligation on the part of the Republican party to reduce rates to the point of introducing foreign goods. That, he says, is what the free trader desires. High prices, made possible by monopoly, secure against outside interference, seemed to the President a peculiarly Republican institution, yet there never was a generation of protectionist statesmen in America, outside of a little group of trust magnates, who ever proposed by the protective policy to do more than put the American factory on terms of fair competition with the im-

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porters of like merchandise. At Winona the President seems to have considered our prices as landmarks too sacred to be moved, even by the intrusion of a temporary outside interest in our troubles.

Was it this stalwart faith in the moderation of our trust managers that led him step by step to the grotesque conclusion that "The Payne tariff bill is the best tariff bill that the Republican party ever passed?" It is evident, however, that a few months' reflection have tended to soften the asperity of the President against those who have been unable to reach the height which he occupied at Winona, for at New York we find him repeating that "The present customs law is the best customs law that has ever been passed," but giving a very different reason, namely, that "It indicates on the part of the Republican party the adoption of a policy to change from increase of duties to a reduction of them, and to affect an increase of revenues at the same time." How this can be done without increasing importations, if the President's New York use of current statistics of customs receipts is allowable, is a mystery which will be likely to puzzle the fortunate citizen who receives a copy of both speeches.

If the committee does not have a care the public will get the impression that the tariff was revised by its most intimate friends, and the defense of the performance left to a total stranger. It is probable that those who engineered the tariff bill through the two Houses indulged the expectation that the exact nature of the transaction, while it was going on, could be hidden by the intricate movements of the machinery. But it may well be doubted whether the most buoyant lobbyist about the Capitol expected that the bungling work of Congress, when known and read by all men, could be surrounded by such an array of bogus statistics and high official sanctions, disseminated in speeches, in private letters, and by personal telegraphic messages throughout the country, as to very long conceal its actual operation from the American public.

Let us take another little look at the Winona tables. Of what possible interest is it to the public to be informed that reductions were made upon a large number of articles unless you give them the names of the articles and tell them how much the reduction was? Why should people be told that in the chemical schedule—Schedule A—there were reductions amounting to \$433,000,000 and the citizen be left to find out for himself that three-fourths of those reductions were on petroleum and its products, and that not a single reduction has been made on any article of which we are not the exporters large enough to find any appreciable expression in the business of the people? I know that my honored friend, the chairman of the Ways and Means Committee, the other day in the House of Representatives—I did not intend to allude to him, though he seems to have alluded to me—stated that I had got hold of the wrong tables. He is in error. I got hold of the only tables there were. Here is the Book of Estimates, with all these tables in it. The exact figures correspond to the Winona speech. They were made by exactly the same people; and if they are not correct, it

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throws such a suspicion on the whole transaction as to altogether discourage me. When I find a row of figures added up producing one result and another row figures added up producing the same result to a cent, the presumption with me is very great that they are the same figures, yet in order to make out in this chemical schedule a showing for vast downward revision, it was necessary to transport into it the whole value of petroleum and its finished products, making up, as I have said, three-fourths of the total.

It is true that cotton-seed oil, with a consumption value of \$31,000,000, was put on the free list, but that was done at the request of the Senator from Georgia because the duty was of no importance to those interested in its production. It is true that linseed oil, with a consumption value of \$27,000,000, was reduced from 20 cents a gallon to 15; but since we do not import it, the trust interested offered no objection and the public does not derive even an imaginary advantage from the decrease.

It is true that slight reductions were made in some of the chemicals employed in the manufacture of plate glass, involving a consumption value of several millions, while new classifications affecting varnishes and other articles effectually conceal, so far as existing statistics are concerned, the effect of the changes that were made. Yet this Schedule A is paraded as an evidence that the downward revision affected articles with a consumption value of nearly half a billion dollars.

The past year witnessed two events of unusual interest—the discovery of the North Pole by Doctor Cook and the revision of the tariff downward by the Senator from Rhode Island [laughter]—each in its way a unique hoax, and both promptly presented to the favorable notice of the public by the highest official congratulations. [Laughter.]

The next schedule is Schedule B, referring to earthenware and glassware. The Winona tables indicate decreased duties in this schedule upon articles the consumption value of which is \$128,358,344, and that no increases were made. Yet the fact is that duties were substantially increased upon certain small sizes of glass, consumed to the amount of many millions, while the decreases, for the most part negligible in amount, were upon the larger sizes of plate and silvered glass. The reductions upon crude gypsum and mica, with a consumption of \$15,000,000, were made for the benefit of seaboard manufacturers, while the reductions on tombstones and other manufactures of marble and similar materials, with a consumption value of \$84,287,520, interest the public rather remotely; yet all these taken together make up a hundred millions of the total consumption exhibited in the Winona tables, while the Dingley rates were retained on most of the articles in general use covered by the schedule.

Referring again to Schedule C, metals and manufactures of, the tables indicate that rates of duty were decreased on articles consumed to the value of \$1,221,956,620 and increased on articles consumed to the value of \$37,675,804. The table is inaccurate, as the increased rate on several articles was left out by the paymaster. The reductions in duty were, of course, upon

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such articles as iron ore, pig and scrap iron, bar and sheet iron, and steel, none of which are purchased by the general public, while the Dingley rates were retained on most finished articles ready for use, such as cutlery, and the whole contents of the basket clause of the schedule. Indeed, this ancient basket clause received for the first time the whole product of structural steel ready for the builder's use, and by that underground transfer from the paragraph, where it had previously stood in its own name, the old duty of \$10 a ton was nearly doubled. The slight reduction on tacks, nails, files, screws, and saws has no commercial significance, since we produce the articles more cheaply than anywhere else in the world and sell them in every nation of the earth and every island of the sea, while as to such articles as wire nails and steel rails the reductions amount to nothing, because international trusts divide the markets and fix the prices.

Coming now to Schedule D, woods and manufactures of, the Winona tables show that duties have been decreased on articles valued at \$566,870,930, while the increases affect articles valued at only \$31,280,372. There is evidently a good deal of guesswork about these figures. They overlook entirely the fact that the decrease upon timber that is hewn or squared has no practical meaning, because such kinds of timber disappear from the market, and the introduction of the phrase "otherwise than by sawing," put in by the conference committee after both Houses had rejected it, transfers the entire product of squared timber, such as bridges and the sills of barns are made of, at nearly double the old rate to the paragraph applicable to sawed boards. The honorable chairman of the Committee on Ways and Means, replying to some remarks which I had the opportunity to make elsewhere, made no other answer except that the subject was too small to consider, because we only import in a year \$31,000 worth of such timber. But these tables are not made up on the basis of what we import—they are thrown together on the basis of what we annually consume in the United States—and there would seem to be something sinister in slipping into a conference report a rate increasing a duty already prohibitory after the proposition had been rejected in both Houses. I will only add that the Dingley rates remain unrevised on articles consumed to the value of nearly \$600,000,000.

When we come to consider Schedule E—sugar and molasses—we encounter a mass of phrases, unintelligible to everybody except possibly a few experts. No reduction in that schedule was made of any possible value to the public. Yet, since we consume \$300,965,953, that vast sum is added to the total consumption which has enjoyed the experience of reduction in duties, though a citizen, in order to get a dollar out of the transaction, would have to eat a ton of sugar, and even then the trust might not give him the money.

Schedule G—agricultural products, and so forth—was also cunningly revised to produce the appearance of "real and substantial downward revision," for the table indicates that rates were reduced on food products consumed to the extent of \$483,430,637, and increased on only buckwheat flour (valued at

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\$4,380,044), which looks good if correct, and if the reductions are not carefully looked into to see if they are real. Upon examination we at once find that these figures are incorrect, for there are other advances on articles which have again been conveniently overlooked in the preparation of this statistical table, for rates were not only increased on buckwheat flour, but upon certain crackers, biscuits, and wafers for the benefit of the national biscuit trust; and on fruits in bulk and when canned, and on fruit trees, shrubs, and vines. Of course the rates remain the same as in the Dingley bill upon flour and most of the important food products, groceries, fish of all kinds, in bulk or canned, the consumption value of all of which items amounts to several billions per year. The articles making up the \$483,430,637 consumption upon which rates were decreased are smoked herring, reduced one-fourth cent per pound; meats, one-half cent per pound; salt, 1 cent per 100 pounds; and starch, one-half cent per pound; all of which we export very largely, and the trivial reductions have no commercial importance whatever.

The Winona tables make only a scant reference to Schedules F and H, which relate to tobacco and spirits, probably because the first was not disturbed by any change in tariff duties, and, in the case of spirits and malt liquors and extracts, the slight increase in the duties may turn out to have a revenue value of some importance to the Treasury, as well as a protective value to the brewing and distilling interests of the United States. The internal-revenue duties upon certain forms of tobacco were slightly increased, and the process of adjusting the size of the packages in the conference committee resulted in one of the grossest wrongs which the American tobacco trust has ever induced Congress to perpetrate—the ruin of scores of independent manufacturers of fine-cut chewing tobacco who had heretofore packed their goods in buckets and sold them to country merchants, and who have recently waked up to the fact that a benign Government has made such a package of tobacco a criminal offense against the Government of the United States.

I will omit a reference at this point to Schedule I—cotton manufactures—and to Schedule K, which deals with wool and woolens, because I shall have occasion to refer to these schedules at a later point in my discourse.

Let me consider for a moment Schedule J—flax, hemp, and jute, and manufactures of. The Winona tables are curiously inaccurate as to this schedule. Reductions are claimed on articles having a value of \$22,127,145, while the value of the articles on which the rate has been increased is only \$804,445. The item "oil cloths and linoleums," amounting to \$10,335,705, belongs in the list of articles on which duties were, in fact, increased, for though the rates were reduced, the classifications (dividing lines) were so changed as to result in higher duties. The rates were also increased on edgings, insertions, and other machine-made trimmings for women's wear, but these increases are again conveniently overlooked by those who prepared this useful table. And, of course, the old Dingley rates remain on

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most articles of wearing apparel, such as shirts, collars and cuffs, and window curtains, bedspreads, napkins, towels, and other manufactures of linen generally, the consumption value of which is very large.

On Schedule L, silk goods, the Winona table admits the rates were increased on goods, the value of which was \$106,742,646, and decreased on only \$7,947,568; but they are all claimed to be "luxuries;" and yet they are now commonly used by almost every girl and woman in the land in some form or other, for dresses, shirt waists, underskirts, and hats, and for men's and boys' neckties and suit linings, and by most people are no longer considered luxuries.

On Schedule M, paper, the table also has to show many more increases than decreases, increases on \$81,486,466, against decreases on \$67,628,035, a bad showing for "revision downward" on these articles of general use—writing paper, wrapping paper, and so forth.

Schedule N, sundries, is the masterpiece, however, of tariff jugglery to look like "real revision downward," for here the paymaster's table claims decreased rates on consumption value \$1,719,428,069, against \$101,656,598 increased, and that the increases were only on luxuries such as manufactures of leather, belts, bags, boxes, trunks, suit cases, and so forth, manufactures of fur, artificial flowers, and feathers. To be sure, they overlooked the increased rate on rubber goods, the consumption of which amounts to \$60,000,000 per year. But now suppose we carefully analyze the items on which the rates were decreased, together with the exact change of rate in each instance, and see how the consumer benefits by these supposed decreases on articles valued at \$1,719,428,069. First, there is the item of "bituminous coal," amounting to \$932,344,733, of which we export seven times more than we import, and on which the remarkable reduction of 22 cents per ton was made, for the benefit only of the Atlantic seaboard manufacturers, who may thereby get their coal a little cheaper from Nova Scotia.

Next comes the item of hides and leathers, amounting to about \$265,000,000. Duties on hides were removed and decreased on leather for the benefit of the boot and shoe manufacturers; and notwithstanding the decrease on boots and shoes consumed to the extent of \$305,484,947, how have the consumers benefited by these reductions? We export some 60 times more of these manufactures than we import, and manufacture more cheaply than any other country. The manufacturers admitted they needed no duty at all.

Next is the reduction of 5 per cent. on agricultural implements of a consumption value of \$84,452,164, which we produce mostly under patents, more cheaply than any other Nation and supply the world, having exported in 1907, \$26,936,456 worth. No duty is needed for the purpose of protection. The production is largely in the hands of a trust, and the trifling reduction of 5 per cent. was for statistical purposes only.

Next is a remarkable concession to the consumer of 2 cents per gross on matches in boxes, and $\frac{1}{4}$ cent per 1,000 in bulk;

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and a reduction of 2 cents per pound on gunpowder, the consumption of these two items being \$31,000,000. These items merely paid the reductions.

While the table purports to give all the increased and decreased rates, it again omits any mention of the articles of general use on which the old Dingley rates were retained, such as men's and women's leather gloves, straw hats, brushes, brooms, buttons and buckles, lead and slate pencils, umbrellas and parasols, candles, and so forth. The advanced rates on pencil leads and imitation jewelry were also overlooked in preparing this table, though the new classification of "imitation jewelry" includes nickel or silver plated or gilded pins, chains, collar and cuff buttons, combs and millinery articles, metal-mesh purses and bags, chiefly worn or carried by the poorer people. The rates on diamonds and real jewelry remain unchanged.

Such an analysis of the Payne-Aldrich tariff, schedule by schedule, and item by item, together with a careful dissection of the Winona table, prepared for the purpose of proving that "real and substantial downward revision" had been accomplished, should convince anyone that so far as the public is concerned the tariff revision in fact carries rates as high or higher than the Dingley tariff law on most articles of general use in their finished condition. Most of the reductions were so trivial as to be ridiculous, and were either upon articles which we do not import to any extent, but on the contrary export in enormous quantities, or were for the purpose of further protecting the manufacturers especially, by reducing the duties on raw materials, while most of the rates on finished products were either kept at the Dingley tariff standard or were increased. In fact, a careful scrutiny of the particular items that were changed, and the exact trifling change of rate in each case, shows how cunningly the revision was arranged in order to deceive the public and look like real revision downward.

A great deal of stress has been laid upon the supposed enlargement of the free list, and yet the only new items on the free list of the Payne-Aldrich tariff are hides, a few semifinished coal-tar products, radium, works of art over 20 years old, miners' appliances, and Brazil and cream nuts.

Much has also been made of the fact that the importations of free goods have been larger in amount since the enactment of the new tariff law than for a like period in 1907 under the Dingley tariff law. There are several reasons to account for this. Of course, free hides has contributed to this result, but the increased amount is chiefly due to the fact that during the panic of 1907 and the poor year following manufacturers allowed their stocks of raw materials to get very low, with the result that as soon as business revived the importations of free raw materials became abnormally large, and as prices of such articles also increased the values were abnormally increased, as in the case of crude rubber. The claim that the "average ad valorem equivalent" of all importations, free and dutiable, is lower under the new tariff than its predecessor is simply due to the fact that importations of foreign raw materials (and the values of such

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articles) during that period has increased faster than imports of finished articles, which of course, has had the effect of reducing the average duty. As a matter of fact, if we keep on revising the tariff upward on finished articles, the difference between the values of importations of dutiable and free goods will inevitably increase, and the average rate of duty collected will decrease, even though no new articles are put on the free list. For example, if the rates on all articles now dutiable were made absolutely prohibitive and the free list allowed to remain as at present, all our imports would of course be free; but what would be the effect upon the prices of finished articles and consequent cost of living to the people?

Mr. President, I shall now proceed to discuss a single one of the schedules about which I claim to have a great deal more information than I have about many of the others.

I want to take up the cotton schedule, and I do that because the President was led by the friends of this measure to state to the American people that no changes had been made in it, except as to certain high-priced goods, the total consumption value of which was only \$41,022,024. It is because I object to having that statement passed along from these brethren to the President of the United States to be made a part of the official literature of the Republican party, that I propose to take a few minutes to expose it. I do so as a friend of the party; I do so as one who acquits altogether the President from intentionally saying a word not founded upon the truth.

What did they tell the President to say about this? They told him how many items there were in the cotton schedule, 261; that 28 of them had been decreased; 47 of them had been increased, and that 186, I think, had been let alone. The fact is that all the decreases in the cotton schedule were upon cotton yarns, except possibly one, and that throughout the whole range of countable cotton cloths the most startling and inexcusable increases were made, not by increasing openly the Dingley ad valorem, but by restating them in what purported to be equivalent specific assessments, mounting on ladders, representing dividing lines of value.

More than that, the definition of "cotton cloth" was changed so that hereafter in determining the density of the cloth, which determines its place in the schedule, there are counted not only the warp and woof of the fabric, but also the threads superimposed upon the fabric, whether cut or uncut. And, more curious still, the color of the cloth is hereafter to be determined not by the color of the fabric, but by the color that may appear even in a single thread superimposed upon the fabric.

In addition to that, the great bulk of the high-grade cotton-cloth consumption in the United States is mercerized, and we have deliberately made an assessment of a cent a yard upon all mercerized cloth, thus enabling the factories, if they take advantage of it, to take the pennies away from the contribution boxes of the children of the United States.

But worse than that, after both Houses of Congress had rejected what I had almost been tempted to call a "swindle," it re-

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appeared in the conference report, by which the question of whether cloth was mercerized or not was settled by the appearance anywhere in the cloth of a single mercerized thread.

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What a farce to send men around talking about the rule of majorities, when before the eyes of all men, and with no dispute of the truth of it possible, the most important business of the American people has come down to the bargain counter; and men authorized to say, "This is the citadel of protection; if any of you have constituents that want anything, come here; we are the dispensing power; support what we want, and take anything you think you need;" and the man who does not like it, and has no stomach for the fight, is requested to depart. If that is to be the continued practice of the Government of the United States, I think nearly everybody will depart.

I do not propose that it shall remain the practice of the Republican party if I can help it. I do not propose that the work which it brought forth here last summer shall be forced into the platform of the Republican party, and made a test of party fealty and party duty and party obligation. I propose, that the job shall stand on its merits, and that the American people shall inquire to the full limit of their curiosity into every detail of the performance.

Again, I do not like this idea of having custom-house officials, to whom most of us have never been introduced, write our tariff laws. It hurts my pride, to start with. Those who know us begin to see what a bubble this Senate business is; that its majority does not represent ideas—which my friend from Oregon [Mr. Bourne] so well says is the one potent thing there is in this world—that its debates have no significance, that when you want to get anything done you send out to the custom-house and get an expert—a veteran expert if you can—to fix it up. Well, I am tired of it and I will tell you why. The veteran experts that are given carte blanche to fix up our laws do not appeal to me as they used to. Behind nearly every veteran expert that we have had fluttering around here in recent years is the veteran manager of the enterprise that is to be fixed.

No expert in the New York custom-house ever conceived this job I have referred to in this cotton schedule without the knowledge and consent of people standing behind the scenes. This very expert, who seems to have done the cotton business for us, is a veteran. He was just as helpful to you, my Democratic friends, in 1894 as he ever has been to us. He went home from the session that wrote the Wilson tariff law, boasting that he was the author of it. In the presence of one of the most distinguished citizens of Massachusetts, once connected with the Treasury Department, he stated, with evident pride, that he represented the textile industries of New England; that he had a contract with them that if he would drop his business as general appraiser he could go on with the Textile Association with three times the salary of the office which the Government of the United States had confided to him.

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One sad result of the surrender of the legislative power in the United States has been the creation of professional experts, not to advise Congress, but to mislead it, and to deceive and to confuse our counsel. This veteran expert helped the Republican side of the committee in 1897 in the daytime and helped the Democratic side of the committee at night. [Laughter.] He was a messenger between hostile political camps. He certified to the Republican members of the committee that the sugar schedule did one thing and certified to the Democratic members that it did another. Instead of being an expert he is an employee, and he has come down now for nearly a generation dominating the proceedings of Congress, telling everybody what ought to be done, relieving even the great committees of their duty of investigation, writing these laws, and presenting to the American public a scandalous performance, such as I have exposed on this floor here this afternoon.

I am done with that kind of business. I want the Government of the United States to provide itself with trained students of these questions—nonpartisan, scientific, filled with knowledge, filled with industry—so that from time to time the President may lay before Congress the facts and figures that indicate what its duty is.

Do you suppose that if last summer we had known that the total cost of smelting a ton of lead ore was \$8 we would have been induced to put a duty of \$42.50 a ton on pig lead, on the theory that labor was to be protected and a reasonable reward offered to capital? Do you suppose that if we had known that the cost of smelting copper in the United States is not materially greater than in other countries, we would have allowed a protective duty of \$42.50 a ton on pig copper in all its forms? Do you suppose that if we had known that the rubber industry in the United States needs little or no protection, that at 30 per cent. ad valorem every department of it was prosperous, that we were making rubber wearing apparel cheaper than it was made anywhere else in the world, that we were making rubber tires for automobiles with such profit that in Akron, Ohio, in ten years the Diamond Rubber Company had declared stock dividends which had increased its capital from \$50,000 to \$10,000,000 under the old rate—if we had known that, do you suppose the Senate would have listened with patience to the Senator from Rhode Island when, after admitting that rubber wearing apparel like boots and shoes needed no protection, he said "but there are rubber tires of automobiles?"

How long does the Senate of the United States propose that these great interests, affecting every man, woman, and child in the Nation, shall be managed with brutal tyranny, without debate and without knowledge and without explanation, by the very people that are engaged in monopolizing the great industries of the world, that propose to impose intolerable burdens upon the market place of our country?

So far as I am concerned, I am through with it. I intend to fight it, but I intend to fight it as a Republican and as an American citizen. I intend to fight without fear—I do not care

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what may be my political fate. I have had a burdensome and toilsome experience in public life now these twenty-five years. I am beginning to feel the pressure of that burden. I do not propose that the remaining years of my life, whether they be in public affairs or in my private business, shall be given up to a dull consent to the success of all these conspiracies, which do not hesitate before our very eyes to use the lawmaking power of the United States to multiply their own wealth and to fill the market places with witnesses of their avarice and of their greed.

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I propose to fight it. I propose to fight it as a Republican, and I expect to find the party interested in the fight. For the day is coming—it is a good deal nearer than many think—when a new sense of justice, new inspirations, new volunteer enthusiasms for good government shall take possession of the hearts of all our people. The time is at hand when the laws will be respected by great and small alike; when fabulous millions, piled hoard upon hoard, by cupidity and greed, and used to finance the ostentations of modern life, shall be no longer a badge even of distinction, but rather of discredit, and it may be of disgrace; a good time coming, when this people shall so frame their laws as to protect alike the enterprises of rich and poor in the greatest market place which God has ever given to His children, and when the law of justice, entrenched in the habits of the whole community, will put away all unseemly fears of panic and disaster when the enforcement of the statutes is suggested by the courts. It is a time nearer than we dare to think. A thousand forces are making for it. It is the outcome of the centuries of Christian civilization, the fulfillment of the prayers and dreams of the men and women who have laid the foundations of this Commonwealth, and with infinite sacrifice maintained these institutions. I would have the old Republican party freed from corrupt influences, emancipated from bad leadership, order the forward movement toward the larger reforms which are to realize in the future all the labors of other generations, for the welfare of the people of the United States. [Applause in the galleries.]

COURT OF COMMERCE, ETC.

Speech of Hon. ALBERT B. CUMMINS, of Iowa, in the Senate of the United States, Tuesday, Wednesday, Thursday, and Friday, March 15, 16, 17, and 18, 1910. [Part of Congressional Record.]

Mr. Cummins said:

Mr. President—The bill under consideration proposes certain additions and amendments to the several statutes which, taken together, are popularly known as the interstate-commerce law.

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In the authority of Congress to regulate and control common carriers, there lies a greater power to promote the general welfare than can be found in any other provision of the Constitution. For twenty-three years the Federal Government has been attempting to protect the people against excessive and discriminatory charges for interstate transportation. After each attempt experience speedily disclosed fatal weaknesses in the legislation adopted. The act of 1906 has shared the fate of all its predecessors, and we are now confronted with the imperative and important duty of strengthening the interstate-commerce law so that it may accomplish the objects which are universally accepted as the proper objects to be attained.

My chief purpose in addressing the Senate at this time is to analyze the measure that has been reported by a majority of the Interstate Commerce Committee from the standpoint of the minority report presented by the junior Senator from Minnesota [Mr. Clapp] and myself, and to propose such amendments to the bill as will, we hope, make it an effective instrument of regulation; but, in view of the extraordinary circumstances which surround the bill, and of my intent to comment upon the relation which ought to exist between the executive and legislative branches of the Government with respect to legislation, I believe it to be my duty to inquire into the origin of the bill, and to trace its evolution into its present form.

The bill is not the product of any Senator or any Member of the House of Representatives, and it has never been considered by the Interstate Commerce Committee of the Senate in the sense in which it is the obligation of every committee of the Senate to consider a bill before it is reported. According to the unchallenged reports of the public press, certain gentlemen, namely, the Attorney-General, the Solicitor-General, the Secretary of Commerce and Labor, two members of the Interstate Commerce Commission, and a Representative in Congress, met in New York on the 30th day of August of last year to consider and put in the form of a bill the views which the President of the United States had at various times expressed with regard to amendments of the interstate-commerce law. This supervisory and unofficial commission, I will assume, acted under the invitation or command of the President.

The result of its labors, while bearing date September 2, did not, in fact, come into the hands of the President, as I have been informed, until about November 10. I have seen the report of these pioneers of the present bill. Indeed, I have a copy of it on my desk at the present moment. It was printed for the confidential use of the President, but it quickly became public property, and was in the hands of the railroads even before it reached the President. Remember that I suggest no want of good faith in this, because a public measure of such sort ought to be in the hands of those who are to be affected by it. I do not intend to refer to it at this point further than to say that, were it not for the birthmark of the commerce court, which has distinguished the bill in all its stages, the gentlemen who sat upon the matter in New York would not be able to recognize in the bill which finally emerged from the Attorney-General's

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office, and which passed through the committee without consideration or amendment on February 25, the measure that was born in the dog days of the year before.

With the return of the President from his western tour on November 10 the campaign began, and between that time and January 11, that being about the day upon which the bill came from the Attorney-General to the chairman of the Interstate Commerce Committee for introduction into the Senate, nearly every important railroad president in the United States visited Washington and was heard by the President and the Attorney-General in opposition to certain features of the proposed bill. Some of them were heard not once, but twice and thrice. During the same period and before the same tribunal representatives of the shippers were also heard.

Mark you, I do not complain of the appearance of the railroad presidents to urge objections to the passage of any law that will affect the business and property which they represent; and if the President and Attorney-General are to prepare bills which Congress is to pass simply because the executive branch of the Government wants them passed, then it was eminently appropriate that the hearings upon the present bill should take place before the men who were to decide what the bill should be. It is, however, a significant fact that in the hearings held by the Interstate Commerce Committee of the Senate no railroad man, save one, had a word to say either for or against the measure, although they filled up the committee room every day given to the hearings. The single exception to which I have referred was an appearance by the general-counsel of the Rock Island Railroad, who contented himself with an argument against the constitutionality of that section of the measure which purports to regulate the capitalization of railroads.

My protest against the course of this bill is not, because the railroad men were heard, but because they were not heard in the proper forum. Between the 10th of November and the day upon which the bill left the hands of the Attorney-General for the hands of the distinguished Senator from West Virginia many and radical changes were made; and so far as I can now recollect substantially every change was made to remove an objection urged by the railroads. As I proceed I shall point out these changes; but just now I am dealing with the unfortunate practice which the history of this bill has disclosed. The Senate does not know and never can know what the arguments or showings were that led to these changes. I am very far from imputing any improper motive to either the President or the Attorney-General. I assume that they believed that they had good reason for yielding to the importunities of these representatives of the railways; but I deplore the introduction of a custom which leads those who desire to influence legislation to the White House rather than to the committees of Congress. If these railroads had appeared before us, what they said and what they presented would have been preserved and laid before the Senate, and such weight could now be given to their facts and their arguments as they

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deserve; but as it is, we have a bill modified in the most important respects upon their demand and do not know their reasons for insisting upon the demand.

Those of us who still maintain some admiration for the Government which the fathers of the Republic established, with its clear and positive distinctions between executive, judicial, and legislative functions, can not accept, without an expression of dissent, the obligation of these fundamental principles.

COURT OF COMMERCE, ETC.

The administration bill and the Senate bill—a contrast.

Speech of Hon. ROBERT M. LA FOLLETTE, of Wisconsin, in the Senate of the United States, Friday, June 3, 1910. [Part of Congressional Record.]

Mr. La Follette said:

Mr. President—The hour is at hand for the Senate to determine whether the pending bill shall pass.

It falls to me to state with such exactness and provision as I am capable the true character of this bill as reported to the Senate and the changes wrought in it during the protracted contest over its provisions.

I. WHAT THE BILL DID FOR THE PUBLIC.

As the bill was drafted by the Attorney-General, recommended by the President, and reported by the Committee on Interstate Commerce to the Senate, it contained only four provisions which could be construed as conferring any benefit upon the public. Those provisions were:

1. It authorized the commission to control classifications and issue orders based upon investigations made on its own initiative.
2. It authorized the commission to establish through rates, and authorized the shipper to route his shipments.
3. It provided penalties for incorrect statements of rates by the railroad company.
4. It authorized the commission to suspend a proposed new rate for a period of sixty days.

That was all that the bill proposed to do for the public, as reported to the Senate. It represented the views of the administration as outlined in the message of the President. It was drafted by the Attorney-General with the aid of railroad attorneys, and reported by a majority of the Committee on Interstate Commerce, exactly as received from the hand of Mr Wickersham, the Attorney-General.

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What did this administration bill propose to do for the railroads?

II. WHAT THE BILL DID FOR THE RAILROADS.

It was most generous in conferring favor upon the railroads.

1. It created a new court, open to the railroads, to enjoin the orders of the Interstate Commerce Commission, and it denied the public admission to that court upon the same terms.

2. It attempted to create in the commerce court the broad power to review and set aside the findings of the commission upon grounds other than those involving jurisdiction and constitutional questions.

3. It provided that a judge of the court of commerce upon an ex parte showing, and without any notice whatever to the commission, could issue a temporary injunction restraining the enforcement of the commission's order reducing rates.

4. It provided no appeal from an interlocutory order or decree by the court of commerce granting or continuing an injunction restraining the enforcement of orders of the Interstate Commerce Commission.

5. It expressly denied the Interstate Commerce Commission any right to appear in the court of commerce or the Supreme Court, by its attorneys, and defend its orders, a right which it had always exercised under existing law.

6. It denied to shippers, communities, associations, corporations, firms, and individuals interested in defending orders of the commission made in their behalf any right to appear on appeal and aid in sustaining the orders involving their interests.

7. It ousted the Interstate Commerce Commission as the party in interest on all appeals from its orders and substituted the United States, giving the Attorney-General exclusive control of all appeals, with full authority to prosecute or discontinue at his pleasure.

8. It gave the railroads the privilege of appearing before the court of commerce with a prepared case, securing in advance a decree as to whether their proposed action was unlawful, giving the court the widest discretion to interpret the law and estopping the Government from thereafter raising any question as to the transaction.

9. It proposed to legalize agreements between railroads, to fix rates and classifications, giving the commission no authority whatever with respect to such agreements, thus annulling the antitrust law as to railroads.

10. It proposed, under cover of a proposition to prohibit any railroad from acquiring any stock in another and substantially competing road—a proposition perfectly harmless, because directly and substantially competing roads have already been consolidated in ownership and control—to legalize crimes heretofore committed in the acquisition by one interstate road of the control of other competing interstate roads, followed by a further provision to legalize and provide for the completion of railroad consolidations heretofore unlawfully entered upon.

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11. Under the pretense of controlling capitalization it gave legislative sanction to all existing railroad capitalization, fictitious and otherwise, and provided various schemes of stock watering through legalized mergers and financial operations.

12. It perpetuates the power of the railroads to increase and enforce unreasonable transportation charges by withholding authority for a valuation of railroad property, declared to be necessary by the Supreme Court and urged by the Interstate Commerce Commission as absolutely essential, not only to the determination of reasonable rates, but to the protection of investors in railway securities.

That, sir, presents this bill exactly as it was recommended by the President and reported by the committee. It contained four provisions in the public interest; it contained a dozen provisions in the interest of the railroads.

Mr. President, for twelve long weeks the progressive Republicans and the progressive Democrats on this floor have made war upon those provisions which were hostile to the public interest. Through their efforts this bill has been reconstructed. In the face of strong opposition and continued criticism, emanating from the White House, these Senators have labored here from day to day, determined that this legislation should be made of some value to the public.

It is no longer the President's bill, or the Wickersham bill, or the Elkins bill. Again all the influence of the railroads, combined with all the powers of the administration, many bad provisions have been stricken out, and many good provisions have been adopted. In other words—excepting as to the court of commerce—the administration bill, framed in the interest of the railroads, has been torn to pieces and rewritten in the interest of the people here on the floor of the Senate.

I now proceed, Mr. President, to state in brief summary, the changes which have been effected in this bill by Senators who are striving to serve the public.

III. THE BILL AS AMENDED BY THE SENATE.

1. It has been amended by providing that the proposed law shall not be construed as enlarging the jurisdiction now possessed by the Courts to review and set aside the orders of the commission.

2. It has been amended by a provision which permits appeals to the Supreme Court from interlocutory orders by the court of commerce.

3. It has been amended by a provision authorizing the Commission to employ counsel and to appear in the Court of Commerce and defend its orders under such rules as the court may prescribe.

4. It has been amended by requiring five days' notice to the commission and opportunity for hearing before a temporary restraining order shall be issued in any case by the court of commerce.

5. It has been so amended as to allow interested parties to intervene in the court of commerce and prosecute or defend the orders of the commission made in their behalf.

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6. It has been so amended that in cases and proceedings in the court of commerce and in the Supreme Court, upon appeal from the orders of the commission, the Attorney-General shall not dispose of or discontinue such suit or proceeding over the objection of the Interstate Commerce Commission or interested party.

7. The privilege conferred upon the railroads of appearing before the court of commerce with a prepared case and securing in advance a decree as to whether their proposed action was unlawful has been stricken from the bill.

8. The provision legalizing agreements between railroads to fix rates and classifications, a plain sanction of rate making by combination, repealing as to railroads the antitrust law, has been stricken from the bill.

9. The three sections which pretended a control of railroad capitalization, but, in truth and in fact, legalized all of the fraudulent capitalization existing in railroad organization at the present time, and prepared the way for various schemes of stock watering through legalizing mergers and financial operations, have been stricken from the bill.

10. It has been so amended as to bring telephone and telegraph companies engaged in the transmission of interstate messages under the supervision and control of the Interstate Commerce Commission, as to rates and services.

11. It has been so amended as to require the Interstate Commerce Commission once in each six months to analyze classifications and tariffs and show the changes in through rates on all staple commodities between the principal producing and consuming sections of the United States, and to report annually to Congress the results of such changes in rates.

12. It has been so amended as to require carriers engaged in interstate commerce to maintain an office in Washington or an agent upon whom service can be made in all action and proceedings before the Interstate Commerce Commission and in the court of commerce.

13. It has been so amended as to provide that no injunctive order suspending or restraining the action of any officer of a State, in the enforcement of a State statute, shall be granted or issued by the federal, circuit, or district courts upon the ground of the unconstitutionality of the State statute unless there shall be a hearing thereon before three judges, two at least of whom shall be circuit judges, and unless a majority of said judges shall concur in granting such injunction.

14. It has been so amended as to make it unlawful for any common carrier to disclose, or permit to be acquired by any person or corporation other than the shipper, without the consent of the shipper any information concerning nature, kind, quantity, destination, or routing of any property delivered to the common carrier for interstate transportation.

15. It has been so amended as to prevent the making of a lower rate for a longer than for a shorter distance whenever the commission finds that the lower rate will destroy water competition. This provision should put an end to practices of railroads by

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which they have deprived seaports and lake ports of their natural advantages.

16. It has been so amended as to make it unlawful for a railroad company to charge higher rates for shorter than for longer distances over the same line, unless the commission shall, upon investigation, determine that the circumstances and conditions of the longer haul are dissimilar to those of the shorter haul, whereupon it may authorize a higher charge for the shorter haul, but in no event shall authority be granted to charge more for the shorter haul unless the commission is satisfied that all the rates are reasonable and not unjustly discriminatory nor unduly preferential.

17. It has been so amended that any new rate, fare, charge, or classification filed with the commission may be suspended for ten months unless sooner declared by the commission to be just and reasonable.

18. It has been so amended that in any case involving the reasonableness of a rate increased after January 1, 1910, or of any rate which the railroads may seek to increase after the passage of this act, the burden of proof to show that the increased rate is just and reasonable is placed upon the common carrier. It shifts the burden in regard to these from the complaint to the railway company.

19. It has been so amended that if advanced rates go into effect before the commission and courts have determined such advanced rates to be reasonable, the shipper shall be entitled to a bill of lading or receipt, which shall state the amount paid under the new rate and the amount which would have been paid under the old rate. If it is finally determined that the old rates was a reasonable rate and the advanced rate unjust and unreasonable, then the shipper shall be entitled to have refunded to him by the railroad on demand the difference between the old rate and the new rate.

Mr. President, that is an array of substantial improvements in the existing law which stands to the credit of those who have contended for their adoption. The Senators who have secured these changes are content to rest under the displeasure of the administration, conscious that they have rendered a substantial service to the country.

Mr. President, this bill is about to pass. I believe, sir, that it will receive a majority of the votes recorded on both sides of this Chamber. As reconstructed by the Senate the bill is, on the whole, a substantial gain for the public.

SUNDRY CIVIL APPROPRIATION BILL

Speech of Hon. HAMILTON FISH, of New York, in the House of Representatives, May 20, 1910. [Part of Congressional Record.]

Mr. Tawney—I yield fifteen minutes to the gentleman from New York [Mr. Fish].

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Mr. Fish—Mr. Chairman, those of us who are unwilling to carry out every wish of the Speaker and the House organization are derided as insurgents. Insurgents against whom? Against what Republican policy? No; not that, but against the tyrannical rules of the House.

The Good Book tells us that "he that is without sin let him cast the first stone."

I have taken some pains to look up the record of those who bore the principal part in defending the rules, and I find that many of them, if not all, have been insurgents at one time or the other—not against the rules, but against Republican Presidents or Republican policies—and that almost without exception every one who came to the rescue of the Speaker and the rules voted on January 8, 1909, to rebuke President Roosevelt.

A careful scrutiny of that vote is worthy of perusal.

Few will question the statement that the most consistent, insistent, and persistent insurgents against the Roosevelt administration were the gentlemen from the first district of Minnesota [Mr. Tawney] and the eighth district of Massachusetts [Mr. McCall], and that in spite of the tremendous Roosevelt sentiment in their respective States, and notwithstanding the fact that President Taft, at the urgent request of the gentleman from Minnesota, who wished to bolster up his political fences, changed his line of travel to make a speech in his district, we find that gentleman only a few weeks since vigorously opposing one of the administration measures, namely, the provision for the construction of two battle ships; and in the very early days of President Taft's administration the gentleman from Massachusetts spoke and voted against the passage of the joint resolution for a constitutional amendment to provide for the levying of an income tax, and, with the courage of Ulysses of old, stood alone on the Republican side against the granting of the franking privilege to Theodore Roosevelt. [Applause.]

The poet laureate of the House, on February 22, quoting from Washington's Farewell Address—

Let me now take a more comprehensive view and warn you in the most solemn manner against the baneful effect of the spirit of party generally—

Inveighed against and depicted the evils of party tyranny. I quote further from his speech:

Evidently they—the fathers of our country—did not anticipate the power and perhaps the necessary tyranny of party government.

"We have in a great measure realized the evils of the party spirit which Washington predicted," and yet within but a few short weeks—less than a month—in his denunciation of those who sought to put an end to the tyranny of the House organization, he referred to the Roman holiday and the impending butchery. [Applause.] I call to his mind another Roman holiday in this very Hall of Representatives on January 8, 1909—the intended victim was none other than Theodore Roosevelt, then President of the United States—when the chief inquisitors were the gentlemen

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from the first district of Minnesota [Mr. Tawney] and the ninth district of Iowa [Mr. Smith], and when a combination of minority of the Republicans elected to the House and a majority of the Democrats passed a resolution reflecting on and rebuking the man who is to-day the idol of the American people. [Applause.] Well may those who bore a conspicuous part in that tragedy, and who are now appealing to their constituencies for a reelection, exclaim, "Out, damned spot; out, I say!" for the supposedly dead lion of that day is the live lion of today. The gentleman from the thirty-third district of New York [Mr. Fassett] glories in the fact of his blind adulation of the Speaker and of the rules of this House as they existed prior to March 19 and anathematizes the so-called insurgents, and yet, with but little consistency, in conjunction with the eminent whip of the House, he sought to bring about in the month of March the election as president pro tempore of the New York State Senate of a gentleman (of admittedly high personal character) who only two months before had refused to support the caucus nominee of the Republican state senators. [Applause.] Is there not a broad enough field for the political activities of these gentlemen in their home neighborhood, in view of the fact that within two or three months even the state senator from the district of one of these gentlemen and the state senator from a county represented on this floor by the other gentleman have, for the sake of the good name of our State, been compelled to resign?

Mr. Cooper of Wisconsin—Did I understand the gentleman from New York to say that one of the gentlemen who criticised the insurgents himself advocated a bolter from the Republican caucus of the State Senate of New York?

Mr. Fish—The gentleman's understanding is correct.

Mr. Cooper of Wisconsin—Who was it?

Mr. Fish—The gentlemen from New York [Mr. Fassett and Mr. Dwight].

Mr. Cooper of Wisconsin—Advocated the election of a man who refused to support the caucus nominee. Who was the man?

Mr. Fish—Senator Hinman.

Mr. Cooper of Wisconsin—That is one of the saddest things I have ever heard. [Laughter.]

Mr. Fish—My colleague from the thirty-third district owns, and I believe edits, a newspaper which, while perhaps limited in circulation is by no means limited in fulsome praise of its owner; its columns are bubbling over with his great deeds. In fact, he needs no press agent; he fills it himself. That is a mere matter of taste and I have no comment to make, but I had supposed that one was rather ethically restrained from attacking a colleague, as it were, in the dark.

The issue of his paper of March 21, in which his own speech is described as "one of the best, most eloquent, and patriotic of the many addresses made during the memorable struggle," states that "Mr. Malby called attention to the fact that when Mr. Fish was speaker of the New York assembly he created a committee on rules and made himself the chairman of the committee on rules," and then it goes on to say that "it illustrates

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the sweet simplicity or the hypocrisy of the Hon. Hamilton Fish," and so forth. The article in question shows only the crass ignorance of the owner or editor of the paper, one or both. As the rules of the New York assembly specifically provide for a committee on rules of which the speaker shall be not only a member, but chairman, how then could I have appointed myself?

Mr. Cooper of Wisconsin—What editor was that?

Mr. Fish—The editor of a paper owned by the gentleman from New York [Mr. Fassett.]

Mr. Malby has since acknowledged that he was mistaken in his statement. I do not expect any such frank acknowledgment from the editor-owner. It is a matter of indifference to me, as well as to the people of the Twenty-first Congressional District what the gentleman from the thirty-third may think. The only time the people of the four counties composing the twenty-first district had of expressing their views of him was when in 1891 he ran for governor and was defeated by upward of 47,000 majority by his Democratic opponent, and by 820 in the counties composing the present Twenty-first Congressional District. In fact, he is the single and significant instance of the only Republican candidate for governor of our State who in twenty years has been defeated. The gentleman does not always correctly reflect public sentiment. For a long time he vigorously opposed Governor Hughes in his efforts to secure legislation to stop betting on the race tracks. He urged his state senator to oppose it, and it was only at the very end of that memorable struggle that he sent the famous "John & I" telegram, which apparently was found to be capable of two interpretations.

Two years ago, I remember him, at the State convention (where we were both delegates) protesting against the renomination of that fearless executive Charles E. Hughes, and only lately he is credited with the following statement. I quote from the Troy Observer of April 3, 1910:

Referring to the proclaimed intention of Governor Hughes to retire from politics, at least for the time being, Mr. Fassett says:

"A possible defeat for the governorship race, in addition to the record of the last election wherein he fell 130,000 votes behind the Republican ticket, would seriously cripple his activity as a presidential possibility."

This is certainly a very unpleasant remark, and it is not surprising that some of Governor Hughes' admirers resent it with considerable show of heat.

By analogous reasoning, as the gentleman's majority for Congress in 1904 was 8,221, in 1906, 5,252, and in 1908—I quote from the New York World Almanac of 1909, page 646—

Thirty-third District of New York—James A. Parsons, Democrat, 20,319; Jacob S. Fassett, Republican, 24,580.

That is a majority of 4,261, compared with 8,221 in 1904. We might inquire, in view of his vote in the House of Representatives on January 8, 1909, to rebuke Theodore Roosevelt, and his unremitting efforts to save the House rules and the House or-

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ganization, what the gentleman's majority is likely to be this fall?

From the result of the recent special election in the thirty-second district of our State, one would infer from the extracts from the gentleman's paper that his hindsight is better than his foresight. [Laughter.]

Quoting:

The Hon. George W. Aldridge will undoubtedly be the successor to Hon. James Breck Perkins from Rochester. Mr. Aldridge is a strong man; one of the best-balanced and level-headed members of the Republican State committee. He is a power in council. In Rochester he has the full and complete confidence of the people. They have known him since boyhood. They trust him; they have tried him out.

The Advertiser predicts that the results from the Rochester district will not be so gratifying to our friends, the enemy, as the results from the Massachusetts district. (Elmira Advertiser, March 28, 1910.)

With all his profession of loyalty to President Roosevelt when seeking favors, well may the latter have exclaimed, "How sharper than a serpent's tongue," when he learned that the gentleman from the thirty-third district had voted to rebuke him; and yet the same gentleman, in the recent debate on the rules, in his fruitless effort to save the House organization, quoted from a letter of four years ago of the late President. Was that the latest expression which has emanated from that source?

Is it not possible, aye, probable, that in view of subsequent events there had come a change of mind on his part?

However that may be, one may well exclaim, considering the purpose for which the letter was made use of, "He was a man who stole the livery of the court of heaven to serve the devil in."

Possibly the quotation would also apply to that part of the speech which my colleague [Mr. Bennet] delivered Tuesday. It is the first time that he has come out in the open as the champion of Cannonism. True it is that at a meeting of the New York delegation in January he offered an inspired resolution stating that the rules of the House, as then existing, were adequate. Suffice to say that this proposal to commit the delegation and thus to forestall the question met with so much opposition on the part of the members of the delegation that he was obliged to withdraw it.

Thus ended the movement to commit the delegations of the great States of New York, Pennsylvania, and Ohio to the "adequacy of the rules;" the child died "aborning."

Mr. Parsons—If the gentleman will yield, I think the statement in the resolution was that we were in favor of certain legislation and rules as these were advocating to secure that legislation. The explanation was made that the Republican party could call a caucus and that undoubtedly the Rules Committee would obey the party caucus and bring in a special rule.

Mr. Fish—I do not agree with the gentleman's explanation. The gentleman from New York [Mr. Parsons] was one of those who wanted to cut that part out.

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Mr. Parsons—I did; I thought that the explanation was all right, and the resolution would be all right if it had the explanation in it, but it did not.

Mr. Fish—My colleague [Mr. Bennet] in his new-born zeal—and I admit that he has cause to be grateful to the House organization; he has been singularly favored—drags in the name of Theodore Roosevelt with intent to lead people to believe that the ex-President stands for Cannonism. Has the gentleman any reason for believing that Theodore Roosevelt was opposed to the elimination of the Speaker from the Rules Committee? Has he any reason for believing that he stands for Cannonism? Does he not know that on the contrary Theodore Roosevelt resented the manner in which he was treated by the Speaker and the House organization the latter part of his administration?

Exuberance of spirits and intemperance of speech are often concomitants of banquets. The day that it was feared the comet might strike the earth was no exception to this rule. An assertion that there is not a Republican majority in this House for all measures that are for the good of the country and the party is a wilful misstatement of facts.

Republicanism does not mean the stifling of legislation which is in the interest of the people and of labor at the behest of corporations, nor does it stand for the writing of tariff schedules either by those who have special interests to subserve, nor for the benefit of and at the behest of certain former legislative cronies.

To-day in another capital, the city of London, royalty, nobles, are paying their last tribute to one of the wisest rulers. Among others in attendance is the Right Hon. James William Lowther, Speaker of the House of Commons, a house second only to this, a man of dignity, of breeding, who has the respect of his colleagues and who respects them, a man who honors the place to which he has been called.

The Republican party from the earliest days has recognized the broadest and most liberal views and differences of opinion among its members. It was founded upon the doctrine of freedom of speech; unlike its political adversary, it chafed at the lash of either political or human bondage. Never in the history of the country has there been a time when the ties of party rested more lightly than to-day. The spirit of deep thinking and independent voting is rife.

The recent special elections in Massachusetts and New York attest it. It is no time to attempt to drive men out of the party, but rather to admit honest differences of opinion and recognize the conditions and adjust ourselves thereto by pursuing a broad and liberal policy, and the man, be he public official or private citizen, who fails to recognize it does his party a lasting injury. A few months ago there appeared a manifesto from some of the officials of the Republican congressional committee, of which the gentleman from Illinois [Mr. McKinley] is chairman, the gentleman from Minnesota [Mr. Tawney] is vice-chairman, and the gentleman from New Jersey [Mr. Loudenslager] is secretary. It attempted to read out of the party

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some gentlemen who did not agree in all things with those who issued the manifesto; it may be dismissed as merely a fine touch of kindergarten politics. It reminded one of that of the three tailors of Tooley street. Compare that manifesto with the broad-minded views on the very same question propounded in a speech in this House a few weeks later, on March 17, by the distinguished leader of the Republican side, the Hon. Sereno E. Payne:

I have no criticism to make of any gentleman on this side of the House for any vote he has given, for any position he has taken in all the debates in this Congress. I have no criticism to make of any Members on this side of the House who failed to vote for the conference report on the tariff bill last summer.

Now listen to the highest Republican authority in the land. President Taft, who within three weeks of the memorable struggle which resulted in the election of the new Rules Committee and the elimination of the Speaker therefrom used the following language in a speech at the Arlington Hotel in this city on April 9 last:

The Republican party is not rigid in its demands; it is so broad and liberal that it permits differences of opinion. To-night we are reading nobody out of the party. We want them all with in the ranks.

After these expressions, what small soul will attempt to read men out of the party?

The Republican national convention two years ago decided by an overwhelming vote, by almost three-fourths of the convention, in favor of the exponent of progressive policies as opposed to the reactionary element. The Speaker of this House was a candidate for the Presidency and received 58 votes out of 1,000 for other candidates. The Republican delegates to that convention represented correctly the wishes of their constituencies. They desired that the Roosevelt policies should be carried out to their legitimate conclusion, and President Taft, faithful to his trust, is attempting to fulfill the principles enunciated in the platform, and in that he has been sustained at this session by an almost solid support of the progressives in this House.

While the Republicans, Representatives from 15 great Commonwealths and numbering one-fifth of the Republicans voting upon the question, who voted to enlarge the composition of the committee and to eliminate the Speaker, are blind followers of no man, yet as a whole they favor the progressive Roosevelt-Taft policies rather than those of the reactionary element of the party.

The long delay in reporting from the Committee on the Post-Office and Post-Roads the bill for postal savings bank can not be charged to the progressives, for there is but one of its representatives on the committee, and he has for weeks strenuously, in and out of season, urged having a bill reported.

The delay in reporting the antiinjunction bill from the Committee on the Judiciary can not be charged to the progressives, and yet each of these measures was part of our national platform and have been asked for by President Taft.

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A party, like a man, which lives merely on its past stagnates and is but of little benefit to its or future generations. The Republican party, while justly proud of its glorious past, must turn its eyes to the future and keep step with that great onward uplift movement which, within the past eight years, has made such great strides under the leadership of Theodore Roosevelt.

The Republicans of my State have two great molders of public opinion, men who are in the advance guard of all that makes for the benefit of morality and the good of their fellow-man. The first, that great private citizen to whom the whole civilized world has lately paid unexampled homage and who upon his return to our shores will receive from his countrymen such a welcome as has never been extended to living man. The other is our chief executive, Charles E. Hughes, whose administration has been the exponent of the highest citizenship and loftiest purposes.

In a speech delivered at New Rochelle, N. Y., on March 29 of the present year, he said:

I want to see the illicit efforts of privilege frustrated, bribery and corrupt arrangements destroyed, and the market places, where governmental favor has been bought and sold, converted into true assemblies of honest representatives of the people.

These words strike a sympathetic chord in the hearts of the progressives of this House. To those principles they give their cordial support, and all that they stand for they will maintain in their legislation. Is it not significant that a large share of responsibility of the administration measures in this House falls on so-called insurgents or near insurgents? The able gentleman from Iowa [Mr. Pickett] introduced the President's chief conservation bill; in fact, as it passed the House it was almost a literal copy of the bill as introduced; and the railway rate bill was largely the handiwork of the gentleman from Michigan [Mr. Townsend], who bore a conspicuous part in securing its passage, and yet both of these gentlemen voted for an enlargement of the Rules Committee and the elimination of the Speaker therefrom.

A new brand of insurgents was developed in the consideration of the rate bill. Whether we call them New England or New Haven Republicans it is immaterial. Suffice it to say among them was the gentleman from Massachusetts [Mr. Weeks], who was so incensed at insurgency against the rules, and also that devoted follower of the Speaker's, Mr. Tilson.

Let us be frank with one another. The definition of insurgency depends largely upon who construes it. It is a case of the old familiar definition of orthodoxy. Orthodoxy is my doxy. Heterodoxy is another man's doxy.

The progressive element of the House heartily support not only the principles of the national Republican platform, but also the President's measures. While they favor a protective tariff, they are not in favor of raising a Chinese wall to exclude all imports. Nor will they, unlike the ultra stand-pat element, oppose the laudable desire of the President for an appropriation of \$250,000 for the employment of experts and

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securing information as to the tariff rates so that the inequalities found to exist may be corrected, and in this attitude they are sustained by the great mass of the Republican party.

To the independent course of the progressives of this House is due the fact that the House membership of the Ballinger-Pinchot investigating committee was elected by the House rather than appointed by the Speaker. To this same element is due the fact that the Democratic membership of that committee was selected by the minority Members of the House rather than by a Republican caucus as was desired by the Speaker and the House organization. To them also is due the fact of the election by the House of an enlarged Rules Committee and the elimination of the Speaker therefrom; in fact, the whole atmosphere of the House has changed of late and many public questions are given the utmost consideration and the fullest debate on the floor of the House.

Such have been the fruits of the contest waged for greater freedom of action and the rights of the Representatives, and yet more remains to be done, and that it will be done within the next few weeks admits of no doubt; that is, giving to this body an opportunity such as exists in every other legislative body in the civilized world—to vote on the question of having committees discharged from measures that have been too long stifled by them. Preferably it should come in the regular course of procedure by a rule reported from the Committee on Rules; if not, it shall come before the House in the same way as the resolution of the gentleman from Nebraska [Mr. Norris]. Does anyone question its adoption by a still larger majority than his received on March 19?

The two great measures of the President's which have passed this House—the conservation bill and the railway rate bill—have received the support of the so-called insurgents or progressives, and I challenge contradiction of this statement. We can, fellow-Republicans, best carry to a successful issue in this House the remainder of the progressive measures of President Taft by recognizing that broad spirit of liberality which is so well and tersely expressed in the following words:

In essentials, unity;
In nonessentials, liberty;
In all things, charity;

* * * * *

THE TARIFF

Speech of GILBERT N. HAUGEN, in the House of Representatives, June 17, 1910. [Part of Congressional Record.]

Mr. Chairman—I want to avail myself of this opportunity and say a word about the Payne-Aldrich tariff bill. To begin with.

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the Republican party in its platform, right or wrong, pledged tariff revision. It declared:

In all tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries.

President Taft, who, it is understood, wrote the platform, has repeatedly declared that this meant tariff revision downward. Congress convened in extra session immediately after the inauguration, as was promised in the platform. Congress and the President made an honest effort to comply with the terms of the platform. The Committee on Ways and Means was appointed by the Speaker. That committee framed and reported a bill to the House. The bill reported by the committee did not meet with the approval of some, and others did not believe that this bill fully redeemed the party pledges. In anticipation of the Committee on Rules reporting a special rule that would have for its object the cutting off of amendments to the bill, a number of us plead with that committee to give the Members of the House a separate vote on at least 10 or 12 out of the total 4,000 schedules in the bill, so that Members of the House be allowed, under the rules of the House, to record their judgment and convictions on at least 10 or 12 schedules.

That right and privilege was denied. The Committee on Rules, appointed by the Speaker, reported a rule giving the Members a separate vote on a half dozen schedules only. The bill was considered and debated. A few committee amendments were offered and considered, but other amendments were barred under the rule. One single amendment, however, was put in by accident—the amendment relating to petroleum. The bill had to be voted on as reported by the Committee on Ways and Means, with the exception of the few schedules referred to. It had to be voted up or down. It had to be swallowed in full or rejected. The bill was fairly satisfactory and received practically a unanimous Republican vote. It went to the Senate and it came back with a number of objectionable amendments. The bill was sent to conference. The House conferees failed in their efforts to secure the desired concessions, and finally were compelled to yield and to agree to a conference report. The conferees brought in their report. To many the bill as reported from the conference did not comply with the terms of the Republican platform. The report came up for consideration and agreement. The bill being objectionable, as it was to many Republicans, a number of Republicans voted against agreeing to the report, with a view of sending it back to conference, and with a view of having it improved upon and in the hope that it could be so improved as to meet the wishes of many and fully comply with the party pledges, a thing often done where there is differences between the House and Senate. Several bills have been sent back to conference—not once, but several times. When conference reports are unsatisfactory this is the only way for the two Houses to get together and reach a satisfactory agreement on bills in conference, for the conferees

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to give and take and finally come to an agreement satisfactory to the two Houses. Certainly, if this practice is to be followed at all, it should be in a case like this, where it concerns a bill affecting the progress, prosperity, happiness, and welfare of all the American people, a bill more important than any other considered by Congress. Notwithstanding the fact that this is the regular and honorable way of procedure, and that it has been the practice from time immemorial for thus voting and exercising our right and privilege given under the rules and practices of the House, for conscientiously discharging our duty and for supporting an honest and effective way of discharging a party pledge and redeeming its obligations, we are condemned, vilified, criticised, and classed as traitors.

Styled as Bryan Democrats; called the slough of the party. Shooting is too good for us. Nothing less than hanging will pay the penalty. Though the credit, honor, and dignity of this Nation might require a reply to such assaults, it is enough to say that this is "a food for gulls, nonsense and falsehood for fools." You are welcome to all you get out of such pestiferous language, but I suggest that you confine this line of argument to the backwoods, for the average districts are too enlightened to stand for it. You may think they will, but you underestimate their intelligence.

While the Republican party believes in a protective tariff, in the upbuilding and encouragement of home industries that will benefit the conditions of labor, and that will result in the common good of all the people, it believes also that where a tariff is no longer needed for protection or revenue, or where it shelters, encourages, creates, or fosters trusts, combinations, or monopolies, it should be modified, and the party so declared in its platform in 1908. As I did not believe that the bill reported back by the conference committee complied with the terms of the Republican party platform, in that case, as I should have done in any other case, I voted against agreeing to the conference report, with the view and in the hope that the bill might be improved upon by sending it back to conference. This and the voting for other committee amendments is a right which every Member has under the rules, a right which is frequently exercised by Members nowadays, though it is not considered strictly regular and proper under the interpretation of the rules by the Speaker, but his interpretation does not seem to be altogether accepted. Not only have the rules been revised, but the Speaker has been overruled, not alone by insurgents, but also by the so-called regulars.

THE MAJORITY IS HELD RESPONSIBLE.

We have a Republican President, a great man, of judicial temperament. It is supposed we have two-thirds of the Senate and a majority of more than 40 in the House. And yet, looking in your eyes, I say to you that we can not in Washington, nor can the country, tell from day to day whether, with a Democratic minority, there are not enough of Populists who call themselves Republicans to flock with that Democratic-Populist minority, plus

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a few cowards, to make a majority joining the minority, leaving us without an efficient Republican majority in either body. I do not mention individuals. I do not abuse any man; but, speaking the plain, simple truth, I measure my words when I say it. Somebody may say, "Oh, Cannon is disappointed; he is sore because he has been dethroned." Gentlemen, I might drop dead this minute. You would pause a half hour to-morrow and help bury me. The day thereafter my three children, including the boy who married one of my daughters, and my two grandchildren alone would grieve for me. No individual that ever has existed in the United States, or ever will exist here as long as it remains a government of the people, is of much importance in the presence of 90,000,000 people. I only speak as a Representative and as a man at the age of 74 years, telling you the plain, simple truth as to the condition in the National House of Representatives and in the Senate of the United States. [Applause.]

Mr. Cannon said:

Mr. Speaker—You may say, "What are you going to do about it?" Now, let me talk about that just a minute. If there were two great armies facing each other in actual war, and in one army there were those who professed to be with that army, but so professing refused to charge when the order was given by the general in command and availed themselves of that condition to betray their army to the opposing forces, do you know what would be done with them? [A voice, "Shoot them!"] Shooting would be an honorable death under such circumstances. [Laughter and applause.] In actual war they would be hanged. I do not mention names. Individuals are of but little consequence; I am telling you of conditions. [Laughter.] It is of the very essence of the perpetuity of the great Republic that majorities shall control. [Applause.] With real majorities there is full responsibility, and with our frequent elections, if the real majorities make mistakes, with full responsibility, the voting population of 90,000,000 people will make the minority that was a majority in fact. [Applause.] Therefore I am a partisan.

RAILROAD RATE BILL

Speech of Hon. GILBERT N. HAUGEN in the House of Representatives June 17, 1910. [Part of Congressional Record.]

Going back to the rules controversy, I will say that all kinds of falsification, misrepresentations, unfounded and unwarranted charges and insinuations have been hurled at the so-called insurgents, besides claiming they have held up administration measures. It is enough to say that the insurgents have voted for and have supported every administration measure presented to this House, reserving the right, however, to endeavor to improve all bills either by amendment on the floor or by sending back to conference, As to the delay in passing administration bills, you

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regulars who had these bills in charge will have to assume the responsibility. You waited five months before reporting and calling up for consideration any of the administration bills. Not one minute of delay can be justly charged up to insurgents, and if any administration measure has not been brought in for consideration, if any bill or part of bills have been defeated, it has been by the regulars. Every section struck out of the rate bill, and especially section 7, the one most desired by the President, was voted out largely by the so-called regulars.

With the permission of the House I will insert in the Record an editorial from the Washington Times of June 19, 1910.

RAILROAD BILL IS NOW FINALLY ENACTED.

The railroad bill has now passed both Houses of Congress and has been signed by the President. Part of it is already law. Such parts of it as are not now in effect will become effective in sixty days. It is by long odds the biggest legislative accomplishment of the session. It is, moreover, the most stringent measure for the government control of railroads ever put on the statute books in this country.

Now that the bill is passed and signed it will be just as well to say one final word about it in the interest of keeping history straight. Between now and the November elections we shall hear a good deal about who is entitled to the credit for the advanced legislation on this subject the country has secured. Already more or less is being heard about it. Gentlemen are showing signs of going before the country and taking credit unto themselves when they do not deserve it, and everybody familiar with the facts knows they do not.

Early in the session there was sent to both Houses the administration railroad bill, chiefly the handiwork of Attorney-General Wickersham. That bill had several meritorious features and a good many that were anything but meritorious. At first efforts were made to crowd this bill through in its original form. The word went out that Members of Congress who opposed its chief features would find themselves not in good standing at the White House.

What happened? A storm of opposition arose to some of the features of the administration bill. The ablest of the insurgents in both Houses, who are the peers in capacity of any of its Members, assailed those provisions of the bill they deemed evil and vicious. One of these was the section which would have allowed traffic agreements to be formed without hindrance, on mere filing of the agreements with the Interstate Commerce Commission. The merger section provoked a storm. So did the proposition to shut the Interstate Commerce Commission and the shipper out of standing in court on appeals from the orders of the commission, as did some other phases of the original bill.

The result of this opposition and of the fight to strengthen the bill that followed can easily be read in the bill as it stands now, signed by the President. The bill that has been enacted is widely different from the original administration bill. The differences are so marked that they are apparent in every part of the bill. It has been made over into a new measure, and the men who have forced Congress to make it over and improve it are not the regulars of Senate and House by any manner of means. They are, with few exceptions, the Senate and House insurgents, the men who are in disfavor with the White House.

Others there will be, in large numbers, who will go before the country and say "we" made the railroad bill. Perhaps, even, it will be said that a good railroad bill was fashioned in spite of insurgents opposition. In that not at all improbable event it will be just as well to have the real facts fresh in one's memory.

TREASURY DEPARTMENT

Speech of Hon. E. J. HILL of Connecticut, in the House of Representatives, January 18, 1910. [Part of Congressional Record.]

* * * * *

Mr. Hill—That is the question to which I was about to speak. I want to call the attention of the House to this fact: That the discussion of the question of whether these few clerks are under the civil-service law or not can perhaps be likened to Nero fiddling while Rome was burning. A couple of years ago the Aldrich currency bill was passed by Congress after much agony and tribulation. Not one human being in the United States has availed himself of it. No bank has ever availed itself of the privileges of that bill. It was purely surplus legislation from the start to finish, and it stands to-day a brutum fulmen in the legislation of this country; and, Mr. Chairman, we have not only employed many clerks, but we have spent hundreds of thousands of dollars in useless changes of the currency. In the past two or three years we have changed the plates of thousands of national banks and printed and reprinted twelve hundred millions of new notes; and, in addition to that, we have had a commission roaming around the world, at a cost of \$60,000 thus far, and nothing as yet resulting from it.

Mr. Douglas—Whether it be true that no advantage has been taken of that act in the past—

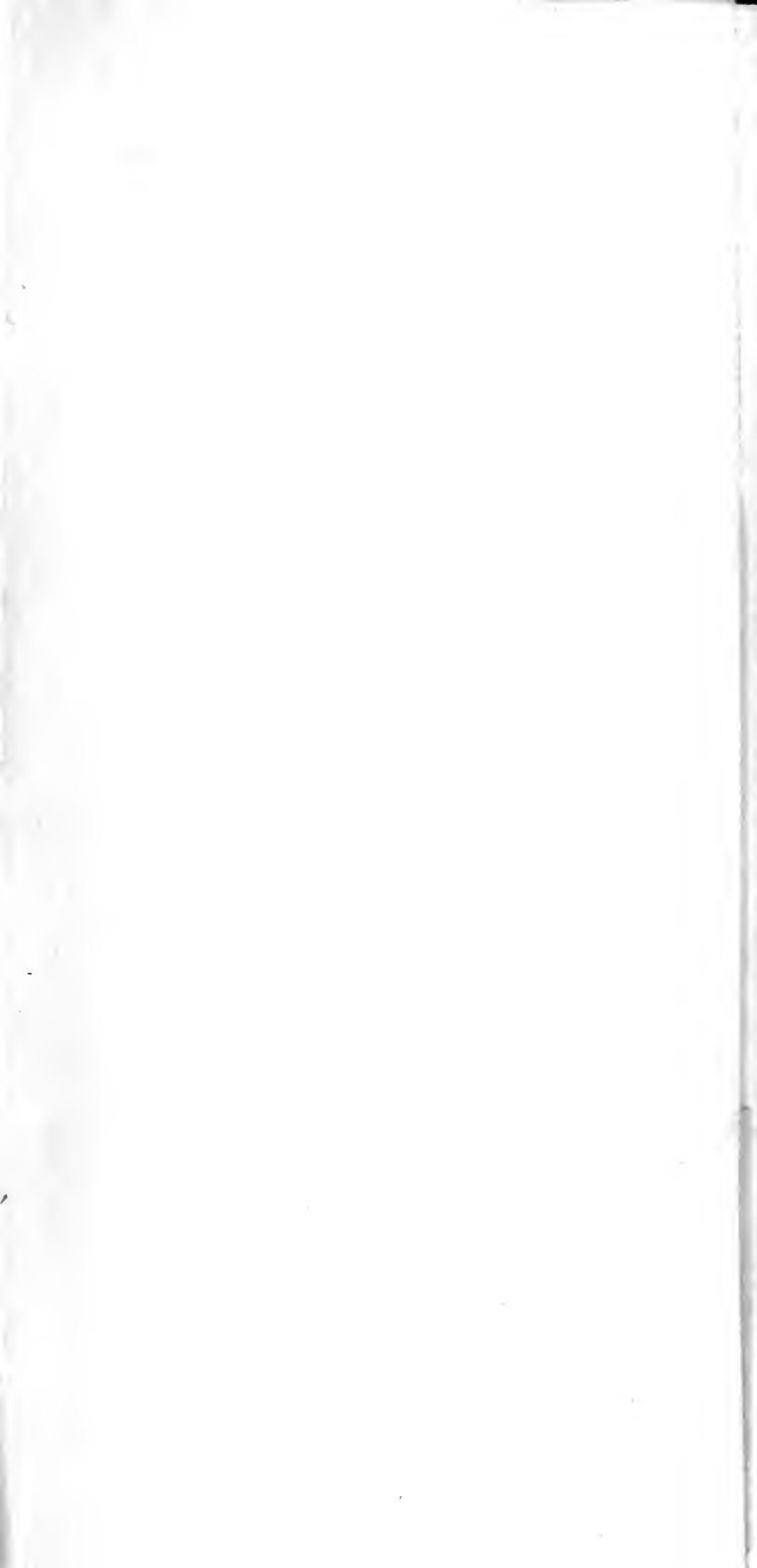
Mr. Hill—It is absolutely true. There has never been but one association formed, and that was in Washington, where, of all places in the country, it is least needed, and the whole of the rest of the country has repudiated that legislation.

Mr. Douglas—The gentleman is answering something I have not asked. I say, taking that to be true, may it not nevertheless be true that, under certain circumstances, that act may prove to be of the most tremendous benefit to the banks of the country?

Mr. Hill—Absolutely, no. The banks have refused even to organize themselves under that legislation; and any bank that goes into it, in my judgment, would be acting very, very foolishly in assuming responsibilities of other banks out of their own neighborhood, and to a practically unlimited amount, and evidently the bankers of the country think so, too.

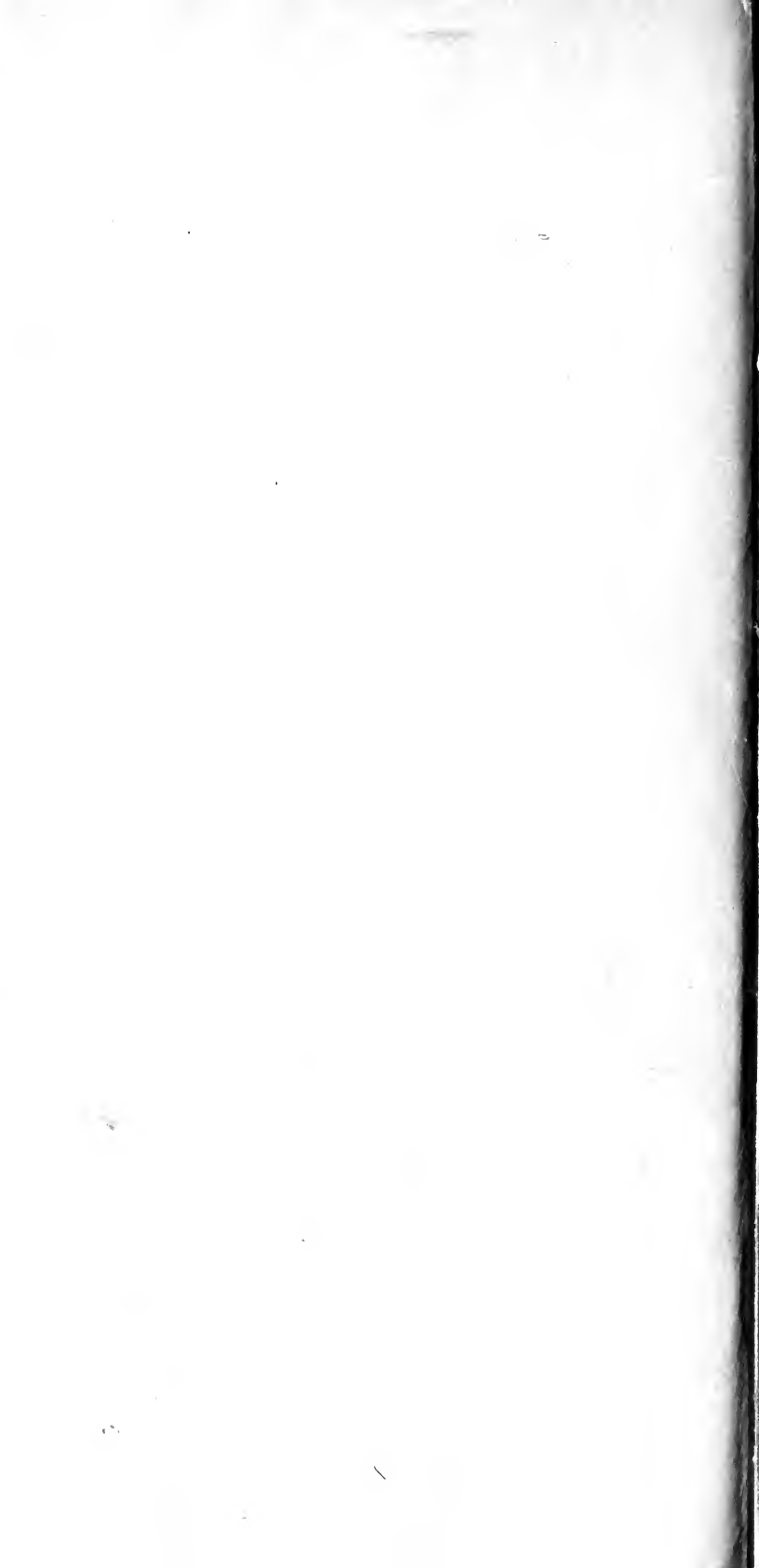
Now, that is the situation. I do not know what they are going to do about it; but I want to serve notice now that when the appropriation bill comes in, providing for the continuance of these clerks for another calendar year, I for one shall endeavor to have a point of order against the provision sustained, and to see that there is some authorization of law for their employment if they are needed.

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