Also, petitions of George G. Hopkins and others, Elba Reynolds and 168 others, George G. Hopkins and others, and A. H. Curtis and 49 others, all of New York, for a volunteer officers' retired list—to the Committee on Military Affairs.

By Mr. REEDER: Petition of Kansas State Retail Merchants' Association, for enlargement of powers of Interstate Commerce Commission—to the Committee on Interstate and Foreign Commerce.

By Mr. RYAN: Petition of National German-American Alliance of Missouri and Southern Illinois, for repeal of canteen law—to the Committee on Military Affairs.

Also, petition of National German-American Alliance, against interstate liquor legislation—to the Committee on the Judiciary.

By Mr. SCOTT: Petition of McCook Post, Grand Army of the Republic, for a pension of $1 per day for all honorably discharged soldiers—to the Committee on Invalid Pensions.

Also, petition of McCook Post, Grand Army of the Republic, of Iola, Kans., for the Sherwood bill, granting $1 per day for all honorably discharged Union soldiers—to the Committee on Invalid Pensions.

By Mr. SHERMAN: Petition of Typographical Union No. 62, of Utica, N. Y., for removal of duty on wood pulp, white paper, etc.—to the Committee on Ways and Means.

By Mr. SPERRY: Petitions of Company K, of Wallingford, Company I and Company F, Second Infantry, Connecticut National Guard, favoring the militia bill—to the Committee on Militia.

Also, petition of Business Men's Association of New London, Conn., for bill equalizing and fixing the pay of Army, Navy, and Marine Corps—to the Committee on Military Affairs.

By Mr. WEISSE: Petition of legal voters of Sixth Congressional District of Wisconsin, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of Edward S. Bragg and 5 other volunteer officers of the civil war, of Wisconsin, for a volunteer officers' retired list—to the Committee on Military Affairs.

SENATE.

WEDNESDAY, *February 5, 1908.*

Prayer by the Chaplain, Rev. EDWARD E. HALE.

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

JUDGMENTS IN INDIAN DEPREDATION CASES.

The VICE-PRESIDENT laid before the Senate a communication from the Attorney-General, transmitting, in response to a resolution of the 3d instant, a list of judgments rendered by the Court of Claims in favor of claimants in Indian depredation cases, requiring an appropriation from Congress, not heretofore reported, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. W. J. BROWNING, its Chief Clerk, returned to the Senate in compliance with its request the bill (S. 3344) extending to the subport of Knights Key, in the State of Florida, the privileges of the seventh section of the act approved June 10, 1880, governing the immediate transportation of dutiable merchandise without appraisement.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill H. R. 7694, an act to provide for the purchase of ground for and the erection of a public building for an immigration station, on a site to be selected for said station, in the city of Philadelphia, Pa., and it was thereupon signed by the Vice-President.

PETITIONS AND MEMORIALS.

The VICE-PRESIDENT presented a petition of sundry citizens of East Chicago and of the Indiana Harbor Manufacturers' Association, of Indiana Harbor, Ind., praying that an appropriation be made for the improvement of the harbor and canal at that place, which was referred to the Committee on Commerce.

Mr. ALLISON presented a petition of sundry citizens of Brighton, Iowa, praying for the enactment of legislation to regulate the interstate transportation of intoxicating liquors, which was referred to the Committee on the Judiciary.

He also presented a petition of the Tri-State Mining Association, of Galena, Ill., praying for the enactment of legislation to establish a Bureau of Mines, which was referred to the Committee on Mines and Mining.

He also presented a petition of Washington Post, No. 135, Department of Iowa, Grand Army of the Republic, of Adair, Iowa, praying for the enactment of legislation making $20 per month the maximum pension at the age of 65 years, which was referred to the Committee on Pensions.

He also presented the memorial of Charles W. Challed and 13 other citizens of Norway, Iowa, and the memorial of J. F. Fox and 54 other citizens of Fremont, Iowa, remonstrating against the passage of the so-called "parcels-post bill," which were referred to the Committee on Post-Offices and Post-Roads.

He also presented the petition of John M. O'Brien, jr., and sundry other citizens of Muscatine, Iowa, praying for the enactment of legislation providing for the issuance of $10 or $15 per capita of legal-tender paper money to be used to pay national obligations, which was referred to the Committee on Finance.

He also presented petitions of Local Union No. 68, of Keokuk; of Local Union No. 118, of Des Moines; of Local Union No. 180, of Sioux City, and of Local Union No. 22, of Dubuque, all of the International Typographical Union; of Tri-City Union, No. 89, Stereotypers and Electrotypers' Union, of Davenport, and of sundry citizens of Des Moines, all in the State of Iowa, praying for the repeal of the duty on white paper, wood pulp, and the materials used in the manufacture thereof, which were referred to the Committee on Finance.

He also presented petitions of sundry volunteer officers of the civil war in the State of Iowa, praying for the enactment of legislation to create a volunteer retired list in the War and Navy Departments for the surviving officers of the civil war, which were referred to the Committee on Military Affairs.

Mr. GALLINGER presented the petition of Rev. Charles S. Booard, pastor of the First Methodist Episcopal Church of Oxford, Ohio, praying for the enactment of legislation to prohibit the sale of intoxicating liquors in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a petition of the Woman's Sixteenth Street Improvement Association of the District of Columbia, praying that an appropriation be made for the purchase of the park on Sixteenth street, Meridian Hill, which was referred to the Committee on Public Buildings and Grounds.

Mr. ANKENY presented a petition of Local Union No. 355, Typographical Union, of Bellingham, Wash., praying for the repeal of the duty on white paper, wood pulp, and the materials used in the manufacture thereof, which was referred to the Committee on Finance.

Mr. CULBERSON presented resolutions adopted by the American National Live Stock Association, which were referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

AMERICAN LIVE STOCK ASSOCIATION,
OFFICE OF THE SECRETARY,
Denver, Colo., February 1, 1908.

Hon. CHARLES A. CULBERSON,
United States Senator, Washington, D. C.

DEAR SIR: I have the honor of inclosing herewith duly certified copies of the following resolutions:

Resolution No. 1, relative to furnishing cars for the transportation of live stock and other perishable freight, which indorses Senate bill No. 3644 introduced by you.

Resolution No. 2, opposing advances in interstate rates, fares, and charges except on approval of the Interstate Commerce Commission.

Resolution No. 8, regulating the speed limit of live stock trains.

I am directed by our executive committee to ask you to have these resolutions read in the Senate and referred to the proper committees.

Yours, respectfully,

T. W. TOMLINSON, *Secretary.*

AMERICAN NATIONAL LIVE STOCK ASSOCIATION.

[Adopted at Denver, Colo., January 21 and 22, 1908.]

Resolution No. 1, relative to furnishing cars to transport live stock and other perishable freight and to give prompt and efficient service.

Whereas many of the railroads have failed to supply themselves with sufficient facilities to perform their duties as common carriers in receiving and transporting freight throughout the western half of the United States, where live-stock raising and feeding and shipping is a most extensive and important industry, and have failed to furnish cars in which live stock could be shipped to market to such an extent that tens of thousands of cattle and sheep could not during the past season be marketed, and have failed to supply cars for such great length of time after orders have been given therefor that a large proportion of the live stock marketed were so much delayed—generally for weeks and in many instances for months—that they lost seriously in flesh and condition, and after cars were supplied and live stock loaded have moved the same at such slow rate of speed and otherwise delayed shipments as to seriously damage such live stock; and

Whereas this treatment of the live-stock industry of the country has been growing worse year by year and has cost the producers millions of dollars, reaching the appalling condition during the past season of forcing many shippers practically out of business, probably bankrupting some and seriously injuring and demoralizing the entire live-stock business, particularly in the Southwest; and

Whereas there are, as a whole, more stock cars and have been fewer shipments the past season than heretofore, and it is our belief, from observation, experience, and from what we can ascertain, that there has been a reckless indifference of the railroad management in the localities where this disastrous condition has existed in supplying themselves with stock cars or in utilizing what they have been able to obtain to transport live stock, either permitting the cars to stand idle, as has often been the case, or using them in transporting other traffic at a time when live stock was being held for shipment and fast depreciating in value, thereby producing a wanton destruction of property; and

Whereas there exists no adequate means of compelling the railroads to perform their duty to furnish cars and perform the transportation service in reasonable time, if at all, and no means of securing adequate redress for failure of the railroads to perform those duties where they fail to do so; and

Whereas there is no way by which one railroad can compel its connections to exchange empty cars for loaded cars of live stock or to receive and forward live stock in the cars in which they are loaded; and

Whereas the refusal of railroads to permit cars to go off their own line and to deliver cars to other lines has to a great extent impaired the efficiency of the cars which should be available and placed it beyond the power of many railroads to secure cars or a return of cars or exchange of cars, and in this way demoralized the railroad service; and

Whereas it is our earnest belief, concurred in by all those who investigate the subject, that the free exchange of cars and the through and rapid transportation of live stock is the only way in which this unbearable condition can be relieved; and

Whereas we believe that if left to themselves the railroads will not better conditions, at least not relieve them, in absence of some law which compels a free exchange and interchange of cars to enable each road to get back empty cars for loaded cars delivered to its connections and a law which fixes penalties to compel the furnishing of cars to shippers and the exchange and interchange as between railroads; and

Whereas there has been introduced in the Senate of the United States by the Hon. C. A. CULBERSON, United States Senator from Texas, a bill, numbered S. 3044, declaring it to be the duty of railroads, subject to the act to regulate commerce, to provide sufficient facilities to perform with dispatch their duties as common carriers in furnishing cars and transporting all freight, including live stock, and to promptly transport same and to exchange loaded and empty cars and otherwise to provide sufficient facilities, fixing penalties for failure of such duties and giving to the shipper the right to recover in any court of any State or Territory having jurisdiction his damages and attorney's fees, and in case of failure to furnish cars for shipping live stock double the damages sustained, and also empowering the Interstate Commerce Commission to enforce penalties for violation of the act and to make rules and regulations with respect to the time and manner of giving notice for cars, furnishing cars, exchange and interchange of cars, and all needful rules and regulations in the administration of such law and to compel its observance and providing rules applicable to the different classes and kind of freight and the varying circumstances and conditions of shipment; and

Whereas we believe that the enactment of said bill into law will speedily remedy the deplorable conditions herein set forth and that some such measure is imperatively necessary: Now, therefore, be it

Resolved by the American National Live Stock Association, in convention assembled in Denver, Colo., January 21 and 22, 1908, That we heartily indorse said bill and recommend to our Senators and Congressmen from all of the Western States from which this association draws it membership that the same be passed; and be it further

Resolved, That copies of this resolution be promptly printed and sent to each of the Western Senators and Congressmen, with the request that the same be read in both the Senate and the House of Representatives as the expression of this convention; and be it further

Resolved, That a copy thereof be sent to President Roosevelt as the expression of this convention, with the request he submit to Congress a special message urging an enactment of such a law; and be it further

Resolved, That said bill be printed by the secretary of this association and furnished the members thereof, with the request that they write their respective Senators and Members of Congress urging the enactment thereof.

A true copy.

T. W. TOMLINSON, *Secretary.*

AMERICAN NATIONAL LIVE STOCK ASSOCIATION.

[Adopted at Denver, Colo., January 21 and 22, 1908.]

Committee resolution No. 2, opposing advances in interstate rates, fares, and charges except upon approval of Interstate Commerce Commission.

Be it resolved by the American National Live Stock Association, in annual convention assembled in Denver, Colo., January 21 and 22, 1908, That the Congress of the United States be, and the same is hereby, memorialized to enact a law which shall prohibit any railroad company from advancing interstate rates, fares, and charges, except upon approval of the Interstate Commerce Commission after notice thereof to interested parties in such cases as the Commission shall deem necessary; and

That all parties having the right under present laws to complain of unlawful rates shall have the right to complain of any proposed advance in the rates, whereupon it shall be the duty of the Interstate Commerce Commission to suspend the taking effect of such proposed advances until an opportunity shall be afforded the interested party to be heard; and

That the Interstate Commerce Commission shall be authorized to suspend in all cases any changes in the tariffs covering rates, fares, and charges, or rules and regulations respecting the same, pending any investigation which the Commission deem necessary to determine whether the same is just and reasonable.

A true copy.

T. W. TOMLINSON, *Secretary.*

AMERICAN NATIONAL LIVE STOCK ASSOCIATION.

[Adopted at Denver, Colo., January 21 and 22, 1908.]

Committee resolution No. 8, regulating speed limit of live-stock trains.

Be it resolved by the American National Live Stock Association in annual convention assembled in Denver, Colo., January 21 and 22, 1908, That the Congress of the United States be, and the same is hereby, memorialized to enact a law to provide for a minimum speed limit for the transportation of live stock, which minimum speed limit for stock trains shall not be less than 20 miles per hour from the place of loading to the first division point of the road, and between division points and the place of destination, with such exceptions as should be made over mountain divisions and under other exceptional cases, as to make the same reasonable, as circumstances may require; and

That the time limit for stoppage of live stock at division points does not exceed a reasonable time. That the law fix appropriate penalties against railroad companies for failing to observe such speed limit in the transportation of live stock, and for failure to observe such rules as may be prescribed by the Commission, subject to such exceptions as are fair and reasonable for accidents and causes beyond the reasonable foresight and control of such railroad companies: *Provided,* That the burden shall be on the railroad company to show in all such cases the facts of such accident preventing the observance of said mentioned speed limit; and be it further

Resolved, That the Interstate Commerce Commission be vested with the power to prescribe the speed limit, so as to make it applicable to the various circumstances and conditions of transportation.

A true copy.

T. W. TOMLINSON, *Secretary.*

Mr. GAMBLE presented a memorial of Cement City Council, No. 304, United Commercial Travelers, of Yankton, S. Dak., remonstrating against the passage of the so-called "parcels post bill," which was referred to the Committee on Post-Offices and Post-Roads.

Mr. LODGE presented petitions of sundry volunteer officers of the civil war in the State of Massachusetts, praying for the enactment of legislation to create a volunteer retired list in the War and Navy Departments for surviving officers of the civil war, which were referred to the Committee on Military Affairs.

Mr. LONG presented a petition of the State Retail Merchants' Association, of Topeka, Kans., praying for the enactment of legislation to enlarge the powers of the Interstate Commerce Commission, which was referred to the Committee on Interstate Commerce.

He also presented a memorial of the State Retail Merchants' Association, of Topeka, Kans., remonstrating against the passage of the so-called "parcels-post bill," which was referred to the Committee on Post-Offices and Post-Roads.

He also presented a petition of the State Retail Merchants' Association, of Topeka, Kans., praying for the enactment of legislation to increase and equalize the pay of officers and enlisted men of the Army, Navy, Marine Corps, and Revenue-Cutter Service, which was referred to the Committee on Naval Affairs.

He also presented a petition of the Automobile Association, of Kansas City, Mo., praying for the enactment of legislation providing for the regulation, identification, and registration of motor vehicles engaged in interstate travel, which was referred to the Committee on Interstate Commerce.

Mr. STEPHENSON presented a petition of Local Union No. 23, International Typographical Union, of Milwaukee, Wis., praying for the repeal of the duty on white paper, wood pulp, and the materials used in the manufacture thereof, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Milwaukee, Wis., praying for the adoption of a certain amendment to the so-called "Crumpacker bill," relating to the employment of additional clerks for taking the Thirteenth Census, which was referred to the Committee on the Census.

CHINA AND JAPAN TRADING COMPANY (LIMITED).

Mr. KEAN. I present a memorial of the China and Japan Trading Company (Limited), of New York, in support of Senate bill No. 4449 and House bill No. 15353 for their relief. I move that the memorial be printed as a document and referred to the Committee on Foreign Relations.

The motion was agreed to.

ACTION OF NEW YORK CITY BANKS.

Mr. CULBERSON. Mr. President, I desire to state that tomorrow morning, immediately after the routine business, I shall call up the resolution I introduced two or three days ago asking for certain information from the Secretary of the Treasury, in order to dispose of the resolution.

REPORTS OF COMMITTEES.

Mr. GUGGENHEIM, from the Committee on Claims, to whom was referred the bill (S. 2027) for the relief of Phillip Hague, administrator of the estate of Joseph Hague, deceased, reported it with an amendment and submitted a report thereon.

Mr. CLAPP, from the Committee on Indian Affairs, to whom was referred the bill (S. 4734) to provide for the transfer of a certain fund from "depredations upon public lands" to the credit of the White Earth bands of Chippewa Indians in Minnesota, reported it without amendment.

Mr. CULLOM, from the Committee on Foreign Relations, to whom was referred the bill (S. 4639) to provide for participation by the United States in an international exposition to be held at Tokyo, Japan, in 1912, reported it with amendments.

Mr. GAMBLE, from the Committee on Public Lands, to whom was referred the bill (S. 4132) granting an additional land district in the State of South Dakota, reported it without amendment and submitted a report thereon.

Mr. DIXON, from the Committee on Public Lands, to whom was referred the bill (S. 3941) to amend section 4 of an act entitled "An act to prevent unlawful occupancy of the public lands," approved February 25, 1885, reported it without amendment and submitted a report thereon.

BILLS INTRODUCED.

Mr. SCOTT introduced a bill (S. 4986) granting an increase of pension to Lucretia L. Flick, which was read twice by its title and referred to the Committee on Pensions.

Mr. McLAURIN introduced the following bills, which were severally read twice by their titles and referred to the Committee on Claims:

A bill (S. 4987) for the relief of Martha S. Carmichael;

A bill (S. 4988) to carry into effect the findings of the Court of Claims in the matter of the claim of Elizabeth Johnson;

A bill (S. 4989) to carry into effect the findings of the Court of Claims in the matter of the claim of the estate of S. N. Clark, deceased;

A bill (S. 4990) to carry into effect the findings of the Court of Claims in the matter of the claim of the estate of Charles Baker, deceased; and

A bill (S. 4991) to carry into effect the findings of the Court of Claims in the matter of the claim of the estate of James A. Foard, deceased.

Mr. FOSTER introduced the following bills, which were severally read twice by their titles and referred to the Committee on Claims:

A bill (S. 4992) for the relief of the estate of Thomas W. Abney, deceased;

A bill (S. 4993) for the relief of the estates of Gustav Mayronne, Alfred Mayronne, and Fergus Mayronne;

A bill (S. 4994) for the relief of the estate of E. W. Sewell, deceased; and

A bill (S. 4995) for the relief of the estate of Leandre Campo & Co., deceased.

Mr. BORAH introduced a bill (S. 4996) authorizing the Secretary of the Interior to issue patent to certain lands to Boise City, which was read twice by its title and referred to the Committee on Military Affairs.

Mr. McCREARY introduced the following bills, which were severally read twice by their titles and referred to the Committee on Claims:

A bill (S. 4997) for the relief of the estate of John R. Poplin, deceased;

A bill (S. 4998) for the relief of the estate of Mrs. Mary F. Sims, deceased;

A bill (S. 4999) for the relief of the estate of Alexander Williams, deceased;

A bill (S. 5000) for the relief of the estate of William McCracken, deceased;

A bill (S. 5001) for the relief of Van Foreman;

A bill (S. 5002) for the relief of the estate of Mary Rudy Cammack, deceased;

A bill (S. 5003) for the relief of David B. Dowdell;

A bill (S. 5004) for the relief of Robert L. Langston, administrator of Robert Langston, deceased;

A bill (S. 5005) for the relief of L. M. Northcutt;

A bill (S. 5006) for the relief of D. W. Price; and

A bill (S. 5007) for the relief of the estate of James S. Clark, deceased.

Mr. NELSON introduced a bill (S. 5008) granting an increase of pension to Jerome B. Crandell, which was read twice by its title and, with the accompanying papers, referred to the Committee on Pensions.

Mr. BULKELEY introduced a bill (S. 5009) to reimburse John G. Foster and Horace M. Sanford, which was read twice by its title and, with the accompanying papers, referred to the Committee on Claims.

Mr. SMOOT introduced a bill (S. 5010) to enlarge the Grand Canyon game refuge, which was read twice by its title and referred to the Committee on Forest Reservations and the Protection of Game.

Mr. CURTIS introduced the following bills, which were severally read twice by their titles and referred to the Committee on Pensions:

A bill (S. 5011) granting an increase of pension to Lewis L. Bell;

A bill (S. 5012) granting an increase of pension to Catherine A. S. Davis;

A bill (S. 5013) granting an increase of pension to Michael Stagg (with accompanying papers); and

A bill (S. 5014) granting an increase of pension to F. B. Fritz (with accompanying papers).

Mr. CURTIS introduced a bill (S. 5015) for the relief of the estate of Charles Goody, which was read twice by its title and referred to the Committee on Claims.

Mr. BORAH introduced a bill (S. 5016) granting an increase of pension to Maggie Greenly, which was read twice by its title and, with the accompanying papers, referred to the Committee on Pensions.

Mr. GORE introduced the following bills, which were severally read twice by their titles and referred to the Committee on Public Buildings and Grounds:

A bill (S. 5017) to provide for the erection of a public building at Shawnee, Okla.; and

A bill (S. 5018) to provide for the erection of a public building at Bartlesville, Okla.

He also introduced a bill (S. 5019) to make the United States jail at Vinita, Okla., the property of Craig County, which was read twice by its title and referred to the Committee on the Judiciary.

Mr. MARTIN introduced the following bills, which were severally read twice by their titles and referred to the Committee on Claims:

A bill (S. 5020) to reimburse Smith-Courtney Company, of Richmond, Va., for penalties incurred under Government contracts (with the accompanying papers); and

A bill (S. 5021) for the relief of William Corcoran (with an accompanying paper).

Mr. BURKETT introduced a bill (S. 5022) granting an increase of pension to August Ihringer, which was read twice by its title and referred to the Committee on Pensions.

Mr. LODGE introduced a bill (S. 5023) granting a pension to Harriette M. Maxwell, which was read twice by its title and referred to the Committee on Pensions.

Mr. HALE introduced a bill (S. 5024) for the relief of Morey Mulliken, which was read twice by its title and referred to the Committee on Pensions.

Mr. CLARKE of Arkansas introduced a bill (S. 5025) for the relief of the Baptist Church of Dardanelle, Ark., which was read twice by its title and referred to the Committee on Claims.

THE PHILLIPINE ISLANDS.

Mr. STONE. I introduce a joint resolution and ask that it may be read and lie on the table subject to call.

The joint resolution (S. R. 52) requesting the President, on a day named in the future, to deliver the control and possession of the Philippine Islands to the authorities representing the people thereof, was read the first time by its title and the second time at length, as follows:

Whereas by virtue of the treaty between the United States and Spain, December 10, 1898, the United States established its control over the Philippine Islands; and

Whereas as a step toward their ultimate independence there was first established by acts of the Philippine Commission in 1901, and thereafter a scheme of provincial and municipal governments, which governments in the hands of the Filipinos themselves under an elective system have achieved and maintained order and stability; and

Whereas as a further step in the same direction and two years after a proclamation of the complete pacification of the islands, the United States provided for an election of a Philippine assembly, which assembly inaugurated last October is now, as appears from the reports of the Secretary of War, in full and satisfactory operation; and

Whereas the steps heretofore successfully, taken have demonstrated and are demonstrating the justice of the claim of the Filipinos for speedy independence and their capacity for self-government; and

Whereas it is frequently urged as a reason for refusing independence to the Philippine Islands, that some other nation would seize the islands if the United States abandoned them; and

Whereas this danger can be removed by an agreement between the United States and the great nations of Europe and Asia whereby the independence of the Philippine Islands shall be assured, and they shall be regarded as neutral territory not open to the occupation of any other nation, as the independence of Switzerland has long been secured in Europe; and

Whereas fidelity to the fundamental principles of the American Government requires that said Government should aim to secure and safeguard the independence of said islands: Therefore be it

Resolved, etc., That the President is requested on the 10th day of December, 1913, that is to say, fifteen years after the date of the Treaty of Paris, to deliver the control and possession of said islands to the authorities representing the people thereof, including also all government property therein pertaining to the administration of such government, and withdraw therefrom immediately thereafter the Army and Navy of the United States: *Provided, however*, That the United States shall retain on such date and thereafter such suitable coaling and naval stations as in the judgment of the President may seem necessary, and that the delivery of said islands to such native government shall in itself imply the assumption by it of the obligations then existing and incumbent upon the Government of the United States and consequent upon the granting of any franchise, as well as the assumption of all outstanding obligations of the Government at that time existing in said islands; and be it further

Resolved, That the President is requested to open negotiations with other nations for the purpose of securing an agreement with them for the neutralization of the Philippine Islands and the recognition of their independence whenever the same shall be granted by the United States.

The VICE-PRESIDENT. The joint resolution will lie on the table.

AMENDMENT TO INDIAN APPROPRIATION BILL.

Mr. DIXON submitted an amendment proposing to increase the appropriation for the pay of the Indian agent at the Flathead Agency, Mont., from $1,500 to $1,800, intended to be proposed by him to the Indian appropriation bill, which was referred to the Committee on Indian Affairs and ordered to be printed.

AMENDMENT TO NATIONAL BANKING LAWS.

Mr. HEYBURN submitted sundry amendments intended to be proposed by him to the bill (S. 3023) to amend the national banking laws, which were ordered to lie on the table and be printed.

LIGHT-HOUSE ESTABLISHMENT.

Mr. PERKINS submitted the following concurrent resolution, which was considered by unanimous consent and agreed to:

Resolved by the Senate (the House of Representatives concurring), That the balances of the appropriations for the construction of vessels for the Light-House Establishment appropriated for in the acts of Congress approved April 28, 1904 (33 Stat., 468), March 3, 1905 (33 Stat., 1171), June 30, 1906 (34 Stat., 659, 660, 710, and 711), and March 4, 1907 (34 Stat., 1317, 1318, and 1319), are hereby made available for the pay of officers and crews, the payment of consular fees, port dues, and exchange, the purchase of provisions, rations, fuel, engineer stores and supplies, pilotage, water, laundry, and all other necessary incidental expenses in the transfer of the following-named vessels of the Light-House Establishment from Tompkinsville, N. Y., where they are to be delivered when completed to their respective stations: Tenders for the twelfth light-house district; for the thirteenth light-house district; for the Pacific Ocean; for Lake Superior; relief light-vessel for the Pacific coast; Columbia River light-vessel, Oregon; Swiftsure Bank light vessel, Washington.

STREET CLEANING IN THE DISTRICT OF COLUMBIA.

Mr. GALLINGER submitted the following resolution, which was considered by unanimous consent, and agreed to:

Resolved, That the Commissioners of the District of Columbia are hereby directed to inform the Senate what, if any, increase is necessary in the appropriation for the coming fiscal year for sprinkling, sweeping, and cleaning streets, in order to avoid further dumping of street sweepings and ashes along the banks of Rock Creek.

PROPOSED TARIFF COMMISSION.

Mr. BEVERIDGE. Mr. President, I send to the Clerk's desk and ask to have read the following paper.

The VICE-PRESIDENT. The Secretary will read the paper in the absence of objection.

The Secretary proceeded to read the paper and read the resolution of the Baltimore Chamber of Commerce of December 9, 1907.

Mr. BEVERIDGE. I ask that the remainder of the resolutions may be printed in the RECORD as a part of my remarks, without further reading. I will state that the very large number that have not been read at the desk are equally emphatic, from bodies of American producers equally important as the resolutions of those that have been read.

The VICE-PRESIDENT. Without objection, permission is granted, and the entire paper will be printed.

The entire paper is as follows:

Resolutions from prominent organizations favoring tariff commission.

THE NATIONAL ASSOCIATION OF MANUFACTURERS.

[With a membership of 3,000 firms.]

FEBRUARY 4, 1908.

That for the promotion of the best interests of American industry this conference advocates the immediate creation of a nonpartisan permanent tariff commission, for the following purposes and ends, through Congressional action, viz:

First. The intelligent, thorough, and unprejudiced study of facts.

Second. The development and enlargement of our foreign trade.

Third. The accomplishment of this by reciprocal trade agreements, based on maximum and minimum schedules.

Fourth. The adjustment of the tariff schedules so that they shall affect all interests favorably and equitably, without excessive or needless protection to any.

NATIONAL GRANGE.

[Representing 1,000,000 farmers.]

[Resolution adopted at Annual Session, Hartford, Conn., November, 1907.]

We recommend to the Congress of the United States the appointment of a permanent nonpartisan tariff commission, composed of representatives of the agricultural, labor, manufacturing, transportation, and commercial interest of the country, whose duty it shall be to examine into all phases of the subject and secure exact information concerning all disputed points, and report their finding to Congress at the earliest possible date.

NATIONAL LIVE STOCK ASSOCIATION.

[Resolutions adopted at annual convention at Denver, Colo., January, 1908.]

Resolved, That, with a view toward securing all necessary data and adequate advices relating to the revision of tariff and other matters touching international trade, we urge the immediate creation of a nonpartisan tariff commission along the lines of the Beveridge bill recently introduced in the United States Senate, with instructions to investigate thoroughly existing conditions and promptly report, for the information of the Chief Executive, of Congress, and the people.

AMERICAN MEAT PACKERS' ASSOCIATION.

The American Meat Packers' Association, whose membership comprises 95 per cent of the meat packers of America, at their last annual convention unanimously adopted the following resolution:

"*Be it resolved*, That the American Meat Packers' Association formally declares itself in favor of establishing a nonpartisan tariff commission with semijudicial powers, as, for example, to summon witnesses; this commission to investigate thoroughly and scientifically the various schedules, and from time to time submit their conclusions in the form of recommendations to the Executive and to Congress."

NATIONAL ASSOCIATION OF AGRICULTURAL IMPLEMENT AND VEHICLE MANUFACTURERS.

[With 600 firms as members.]

Resolved, That the National Association of Agricultural Implement and Vehicle Manufacturers hereby instructs its officers to make every reasonable endeavor to secure the appointment of a permanent tariff commission at the forthcoming session of Congress.

INDIANA REPUBLICAN EDITORIAL ASSOCIATION.

INDIANAPOLIS, IND., *January 17, 1908.*

Resolved, That we enthusiastically indorse the bill introduced by Senator BEVERIDGE providing for a commission of tariff experts, whose duty it shall be to study the tariff in all its varying phases and applications and report to the next Congress. We believe that in this way the true condition of the tariff situation will be disclosed and the needed revisions of the schedules suggested.

MASSACHUSETTS STATE BOARD OF TRADE.

[Resolution adopted January 24, 1908.]

Resolved, That the Massachusetts State Board of Trade, believing that the changes in the tariff should be made in accordance with business requirements, and not because of political considerations, favors legislation by Congress which shall provide for the appointment by the President of a permanent nonpartisan tariff commission, to whom proposed changes in the laws relating to the tariff shall be submitted for consideration and report before being acted upon by Congress.

MERCHANTS' ASSOCIATION OF NEW YORK.

[With a membership of 1,200.]

Resolved, That the board of directors of the Merchants' Association of New York heartily indorses the proposal to create a permanent tariff commission, which shall take the tariff out of politics and politics out of the tariff; which shall include in its membership men qualified by training and experience to deal with the problems which would come before the commission; which would command the confidence and respect of the country, and which would be competent to obtain and compile statistical information needed by Congress and to formulate proposed legislation relating to the tariff in a manner which would simplify and facilitate action thereon by the legislative department of the Government.

CHICAGO ASSOCIATION OF COMMERCE.

We believe that the appointment of a permanent nonpartisan tariff commission, to make an unbiased investigation and report to Congress, would result in legislation adopting the broad commercial principle of reciprocity.

THE AMERICAN RECIPROCAL TARIFF LEAGUE AND 200 CONSTITUENT ORGANIZATIONS.

[National Reciprocity Conference, Chicago, unanimously adopted August 16–17, 1905.]

Resolved, That eventually the question of schedules and items to be considered in reciprocal concessions preferably be suggested by a permanent tariff commission, to be created by Congress and appointed by the President, which shall consist of economic, industrial, and commercial experts: That we urge upon Congress such action at the earliest time possible.

AMERICAN HARDWARE MANUFACTURERS' ASSOCIATION.

PHILADELPHIA, *December 9, 1907.*

Resolved, That this association is definitely opposed to the revision of the existing tariff laws except through the instrumentality of a nonpartisan commission with powers similar to the power now possessed by the Interstate Commerce Commission.

BALTIMORE CHAMBER OF COMMERCE.

DECEMBER 9, 1907.

Resolved, That the Baltimore Chamber of Commerce unites with other commercial organizations in urging the enactment of a law which shall create a tariff commission, thus affording ample opportunity to study the tariff thoroughly, in all its bearings, and report a definite and conclusive recommendation by 1909, when such changes in our tariff laws can be considered.

CHATTANOOGA MANUFACTURING ASSOCIATION.

CHATTANOOGA, TENN., *January, 1908.*

We are in favor of an early readjustment of our present tariffs, and of a permanent nonpartisan tariff commission. Also that the same commission be empowered to keep it revised to suit the changing business conditions of our country, so that equal justice may be done to all our people. The question of tariff, as we view it, should be outside of political parties, because it is a question of economics, and not one of policy or preference.

DAYTON CHAMBER OF COMMERCE.

DAYTON, OHIO, *January 28, 1908.*

Resolved, That the Dayton Chamber of Commerce approves the proposition to establish a national permanent nonpartisan expert tariff commission, as provided by Senate bill No. 3163, and that both our United States Senators be notified of this action and requested to support this bill.

NATIONAL CONVENTION FOR THE EXTENSION OF FOREIGN COMMERCE OF THE UNITED STATES.

[Resolutions adopted, Washington, D. C., January 16, 1907.]

Be it resolved, That in addition to the granting of discretionary powers to the Executive, we urge the establishment of a permanent nonpartisan advisory board or commission, charged with the duty of studying at all times our trade relations with foreign countries, with a view toward recommending, from time to time, such modifications in customs duties or regulations as may, in their judgment, be necessary or desirable.

MILLERS' NATIONAL FEDERATION.

CHICAGO, *January 24, 1908.*

The Millers' National Federation are in favor of a tariff readjustment entirely along the lines of reciprocal arrangements which will enable us to regain certain foreign markets which we are convinced are closed to us due to the lack of reciprocity. Our people are opposed to anything of a political nature, although believing in a tariff commission, and feeling that a commission of experts can do much good in securing the needed readjustment.

MERCHANTS' EXCHANGE OF ST. LOUIS.

DECEMBER 11, 1907.

The board of directors of the Merchants' Exchange of St. Louis indorses the sentiment as expressed in the letter of the American Reciprocal Tariff League and will cooperate in calling upon Congress to create a permanent nonpartisan tariff commission to make unbiased investigations and report to the President and Congress from time to time such modifications of the tariff as in their judgment may safely and properly be made, in keeping with the interests of the general welfare of the country.

NATIONAL PIANO MANUFACTURERS' ASSOCIATION OF AMERICA.

JANUARY 28, 1908.

Resolved, That we heartily approve of Senate bill No. 3163, for the creation of a tariff commission, and urge its passage.

WESTERN ASSOCIATION OF SHOE WHOLESALERS.

CHICAGO, ILL., *December 14, 1907.*

Resolved, That in the judgment of the members of the Western Association of Shoe Wholesalers in annual meeting assembled that Congress should be called upon to create a permanent nonpartisan tariff commission with semijudicial functions, such as the power to summon witnesses, which shall make an unbiased investigation of our customs duties, regulation and classification, hear complaints, study domestic and foreign market conditions, and to report to the Executive and to Congress from time to time such modifications of the tariff schedules as in their judgment may safely and properly be made in the interests of the general welfare.

MISSOURI MANUFACTURERS' ASSOCIATION.

[Adopted January 9, 1908.]

That the Missouri Manufacturers' Association indorses the position of the American Reciprocal Tariff League, and that this association will cooperate in requesting Congress to create a permanent nonpartisan tariff commission to make thorough and unbiased investigation and report to the President and Congress at stated intervals such changes in the tariff laws as in their judgment should be made to promote the interests and general welfare of the country and the nation's commerce.

NATIONAL BOOT AND SHOE MANUFACTURERS' ASSOCIATION.

ROCHESTER, N. Y., *January, 1908.*

We favor the taking of all tariff matters out of politics. We favor the passage of the bill now pending before the Senate providing for the appointment of a tariff commission to investigate and make recommendations from time to time for the revision of the tariff schedules to the President of the United States to be transmitted to Congress.

BOARD OF TRADE OF CHICAGO.

JANUARY 14, 1908.

The executive committee recommends the creation of a nonpartisan tariff commission which shall make unbiased investigations and report to the President and Congress from time to time as to such modifications of the tariff as in their judgment may safely and properly be made in promoting the general welfare of the country.

ST. LOUIS COTTON EXCHANGE.

The St. Louis Cotton Exchange, by its board of directors, approves the plan of a permanent nonpartisan tariff commission.

EAST BUFFALO LIVE STOCK ASSOCIATION.

EAST BUFFALO, N. Y., *January 2, 1908.*

Resolved, That the East Buffalo Live Stock Association approves the proposition that Congress create a permanent nonpartisan tariff commission to act in an advisory capacity, substantially as provided in the second section of said resolutions.

COMMERCIAL CLUB OF TOPEKA, KANS.

[Adopted December 13, 1907.]

Resolved by the Commercial Club of Topeka, Kans., That we are in favor of the creation by the present Congress of a permanent tariff commission as recommended by the National Association of Manufacturers, the National Foreign Commerce Convention, and the American Reciprocal Tariff League.

CARRIAGE BUILDERS' NATIONAL ASSOCIATION.

WILMINGTON, DEL., *December 5, 1907.*

Whereas the resolution adopted at the convention of the Carriage Builders' Association, Atlanta, Ga., in 1906, favoring the prompt revision of the tariff and the governmental commission to assist in removing the questions of tariff from active partisanship:

Resolved, That we reaffirm our views as set forth in our Atlanta resolutions and earnestly request prompt consideration by our national representatives at the incoming session of Congress.

THE MERCHANTS' ASSOCIATION OF NEW YORK.

Resolved, That the board of directors of the Merchants' Association of New York heartily indorse the proposal to create a permanent tariff commission, which shall take the tariff out of politics and politics out of the tariff, which shall include in its membership men qualified by training and experience to deal with the problems which would come before the commission, which would command the confidence and respect of the country.

BOSTON CHAMBER OF COMMERCE.

[Resolutions adopted July 26, 1906.]

Resolved, That the Congress of the United States should, as speedily as possible, take such measures as may be necessary to safeguard our markets in foreign countries, either by lessening those duties that will surely lead, if continued, to reprisal by foreign Governments at our expense.

MERCHANT TAILORS' NATIONAL PROTECTIVE ASSOCIATION.

This association is in favor of the establishment, at the earliest practicable moment, of a tariff commission, expert, impartial, and thoroughly competent, which shall investigate the tariff schedules, one by one, and present their findings in the shape of recommendations to Congress and the Executive, this commission having power to summon witnesses and compel the submission of testimony.

THE MANUFACTURERS' ASSOCIATION OF NEW YORK.

We heartily commend the proposition for the establishment of a standing national expert commission, whose duty it should be to investigate all matter bearing on tariff, and to report to Congress such recommendations as would be deemed wise as the basis for legislation to promote the commercial interests of the country as a whole.

Mr. BEVERIDGE. Since I have been sitting in my seat I have received a telegram, which I will ask the Secretary to read.

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

The Secretary read as follows:

PORTLAND, OREG., *February 4, 1908.*

Hon. ALBERT J. BEVERIDGE,
United States Senate, Washington, D. C.:

Portland Chamber of Commerce urges passage S. 3163 to create a tariff commission.

PORTLAND CHAMBER OF COMMERCE.

Mr. BEVERIDGE. I may say for the information of the Senate that these resolutions of these important bodies of American producers of every kind are located in every portion of this country, and as this discussion proceeds others of a similar nature will be produced from every State in the Union.

I send to the desk, and ask that it may be read for the information of the Senate, Senate bill 3163.

The VICE-PRESIDENT. In the absence of objection, the Secretary will read the bill.

The Secretary read the first three sections of the bill (S. 3163) to create a tariff commission, introduced by Mr. BEVERIDGE, January 7, 1908.

Mr. BEVERIDGE. I will not ask that the reading of the bill shall further proceed. Each Senator has it on his desk. I have had this much of the bill read so that the Senate may now know, as I am about to address it, just what the bill proposes.

Mr. FRYE. The whole bill will be printed?

Mr. BEVERIDGE. The whole bill will be printed as a part of my remarks. I thank the Senator from Maine.

The bill is as follows:

A bill (S. 3163) to create a tariff commission.

Be it enacted, etc., That there is hereby created a Commission which shall be known as the tariff commission.

SEC. 2. That said Commission shall consist of seven members, appointed by the President of the United States, by and with the advice the consent of the Senate, the members of said Commission to be appointed solely with a view to their qualifications as specified in this act and without regard to political affiliations. The composition of the Commission shall be as nearly as possible as follows: First, three members identified with the producing interests; second, one member a lawyer who has made a special study of the customs and tariff laws of the United States; third, one member who has had special experience in connection with the administration of customs and tariff laws of the United States; fourth, one member familiar with industrial and commercial conditions in foreign countries affecting competition of foreign products with products of the United States and thoroughly conversant with the customs and tariff laws of those countries; fifth, one economist and statistician who has given special attention to the subject of prices and cost of production as affecting the tariff. No member shall belong to either branch of Congress. The members of said Commission shall be appointed for terms of seven years, but any commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. The Commissioner first named shall be the chairman of the Commission. Each Commissioner shall receive an annual salary of $7,500. The Commission shall appoint a secretary, who shall receive a salary of $3,600. The Commission shall have the power to employ and fix the compensation of such other employees as it may find necessary to the proper performance of its duties.

SEC. 3. That it shall be the duty of said Commission to investigate immediately the cost of production of all articles covered by the tariff, with special reference to the prices paid American labor in comparison with the prices paid foreign labor, the prices of raw materials, whether domestic or imported, entering into manufactured articles, the condition of domestic and foreign markets as affecting American products, and all other facts which, in the judgment of said Commission, may be necessary or helpful to Congress in providing equitable rates of duties on any article; and, in general, to thoroughly investigate all the various questions relating to the manufacturing, agricultural, commercial, and mining interests of the United States so far as the same may be necessary or helpful to Congress in enacting customs tariffs laws.

SEC. 4. That said Commission shall tabulate the results of said investigation and submit the same to Congress, together with an explanatory report of said facts so ascertained; and said tabulation of said facts and report in explanation of the same shall be laid before Congress at the earliest possible moment for the use, information, and guidance of Congress; and at the request of the Ways and Means Committee of the House and the Finance Committee of the Senate, or by the direction of Congress by resolution, said Commission shall sit with said above-named committees of the House and of the Senate during the sessions of said committees when said committees are drafting or considering any bill affecting the customs tariff laws of the United States.

SEC. 5. That it shall be the duty of said Commission to study and investigate all rulings and classifications of the Treasury Department by which new articles not specifically provided for in the customs tariff law are now included in the operation of said law; and also make a study of the classifications recently adopted in the customs tariff laws of the leading commercial nations of the world; and to submit to Congress the result of said investigations, together with a draft of a scheme for the scientific classification of tariff schedules.

SEC. 6. That said Commission shall have the power to sit and hold hearings in any part of the country, and it shall be the duty of said Commission, through one or more members thereof, to personally visit every section of the country and personally investigate the conditions of each section with reference to the tariff; it shall also have the power to visit, through one or more of its members or employees, such foreign countries as may be found necessary in the prosecution of its work. Said Commission in pursuing its investigations, as above provided, shall have the power to take testimony, administer oaths, and require the production of books and papers for the purpose of the accurate ascertainment of the facts which it shall be the duty of said Commission to investigate and report to Congress, as hereinbefore provided. The principal offices of said Commission shall be in the city of Washington, and said Commission may hire suitable offices for its use and procure all necessary office supplies. Should said Commission require the attendance of any witness, either in Washington or at any other place not the home of said witness, said witness shall be paid the same fees and mileage that are paid witnesses by the courts of the United States.

All of the expenses of the Commission, including all necessary expenses for transportation incurred by the Commissioners, or by their employees under their orders, in making any investigations, or upon official business in any other places than in Washington, shall be paid on the presentation of itemized vouchers, approved by the chairman of the Commission. The sum of $100,000 is hereby appropriated for the salaries and expenses of the Commission authorized by this act.

A TARIFF COMMMISSION TO FIND FACTS AND MAKE CLASSIFICATIONS.

Mr. BEVERIDGE. Mr. President, this bill seeks to create a commission of tariff experts to find out the facts upon which Congress builds a tariff and to make a classification of articles to which Congress can plainly and accurately fix customs duties.

By this bill the commission itself is not allowed to fix duties or even to suggest any rate. By this bill the fixing of duties is left to Congress and to Congress alone. Congress parts with no legislative power.

The commission is kept strictly to the task of gathering facts and making clear classifications; the first is expert investigating work, the second, expert clerical work. Neither is properly legislative work.

In short, by this bill the commission is an assistant of Congress, a servant and clerk of Congress. It is to Congress as a whole what his secretary is to each Member of Congress; it is necessary to Congress for the same reason that the secretary is necessary to each Member.

Personally I am not wedded to this or any other bill. I am determined only upon the idea. If a wiser plan can be thought of than the one which this bill proposes, I shall work and vote for it as heartily as for this plan. But some plan to get the facts and to classify articles must be made and made at once, for Congress itself can not get these facts or make these classifications.

The tariff is fixed by facts; how to get at these facts is the first question in the whole tariff problem.

If any man needs the facts more than another it is the protectionist, like myself; because we can not wisely protect any business unless you know the facts about that business. In a purely revenue tariff some duties can be fixed without any facts, such as duties on coffee, tea, chocolate, tropical fruits, and other food necessities; for such a *revenue tariff must include all of these because they are consumed by all of our people, not produced by any of our people, and therefore would be the best revenue producers of all imports.*

Still the facts are also necessary to the advocate of a purely revenue tariff; for even such a tariff must sweep through thousands of articles because our needed revenue is so great. So the man who is for a purely revenue tariff should know the facts, and a man who is for a protective tariff must know the facts.

PLAN FOLLOWED IN BUSINESS.

How, then, can we best find out these facts? Common sense and experience answer the question. We should create a body of experts to find out these facts for us. These men should be the fittest men that can be found for this work; they should give their whole time to this work and lay before us the result of their investigations.

This plan is followed in business. Our largest industries keep experts at work all the time finding out the facts on which every branch of their trade depends. They send such men to all parts of the country and world to learn about new resources, trade conditions, and everything which helps them to do their business wisely.

Again, when a court of equity must hear a cause where large and varied accounts are to be examined or where masses of testimony are to be taken and sifted, the chancellor appoints a special commissioner to find out these widespread and mixed-up facts and lay them before the court classified and summarized.

Conditions have compelled us to do the same thing in government. For example, Congress created the Bureau of Corporations for this purpose. After years of thorough work by this Bureau no man in any party proposes to destroy it or stop its labors. The same is equally true of the Bureau of Labor.

EXPERTS FOR SIMPLER THINGS THAN THE TARIFF.

Again, the Senate some months ago ordered an investigation by these experts of a certain great trust. The other day, when it was proposed to stop this investigation, the Senate, after full debate, refused to do so. Again, a few weeks ago the President sent a commission to Goldfield, Nev., to find out the facts about the strike at that place, so that he could know whether to keep the nation's soldiers there or not; and everybody agreed that this was wise and necessary.

Again, Congress created the Industrial Commission to find out certain facts. The report of this Commission and those of the Interstate Commerce Commission resulted in the law for the Department of Commerce and Labor, the Bureau of Corporations, the Elkins law, the rate law, the immigration law, and most of the reform laws of the last six years.

Again, Congress created the Merchant Marine Commission, to find out the facts about our shipping and carrying trade; and while nothing has been done, yet we have the facts. Whether upon those facts we think it wise to do nothing or to do something, still we have no longer the excuse of ignorance.

Again, more than twenty years ago the Senator from Illinois [Mr. CULLOM], whose work in this body has been so invaluable to the Republic, introduced and had passed the bill establishing the Interstate Commerce Commission. During most of its existence its duties have been chiefly and still largely are the finding of facts which Congress could not find—facts about rates, discriminations, and the like. No man in any party now proposes to abolish that Commission or curtail its powers.

IF THESE EXPERTS NECESSARY, TARIFF EXPERTS INDISPENSABLE.

But if we thought it wise for the President to send a commission to find out the facts in so simple a matter as a strike at Goldfield; if it is wise for a chancellor to appoint special examiners and commissioners to find out and report the facts in single cases; if the Senate directs the Bureau of Corporations to find out the facts about the doings of a single trust in a single branch of its activities; if Congress creates a body of men to find out the facts about any great business which the President thinks should be investigated, and if its work is so wise that no man in any party asks that that work be stopped, how much more should we create a body of men, specially fitted for the work, to find out the facts about our tariff, which is more important, more intricate, more difficult than all these other things put together.

If we provide experts to find out the facts about things which have to do with comparatively few of the people, how much more should we provide experts to find out the facts about a thing which has to do with all of the people. If we take such measures to learn the truth about matters which are easy to learn, how much more should we take similar measures to find out the truth about a matter that is hard to learn.

If it be said that we have no right to know the facts about any business, the answer is that when that business asks for protective duties we can fix those duties only by knowing the facts about that business. If we fix duties only by what that business says it wants, its managers would be fixing its own tariff instead of our fixing its tariff. *It would be making a tariff law for itself instead of Congress making a tariff law for the people.* Would it not seem that any business or any man who is against the plan of having experts with plenty of time find out the facts, that he does not want the facts found out?

WHAT CONGRESSIONAL COMMITTEES HAVE TO DO WHEN MAKING A TARIFF.

Our tariff covers thousands of items. Whether duties should be placed upon these articles is a question of fact. The amount of the duty is an even harder question of fact. Heretofore we have forced committees of the House and the Senate to find out these facts. These committees do not work at the task all of the time. They work at it only when the tariff is being revised, which is about once in every ten years. Even then these committees work but for a few months, and only part of the time during these few months. That part of the time during these few months is not given wholly to the task of finding out the facts, but also to the fixing of duties upon these facts, considering how each of these duties affects the others, how each of them taken alone and all of them taken together affect our foreign and domestic trade, and all the other things that must be thought of in making a tariff.

TIME ACTUALLY SPENT ON TARIFF BILLS HERETOFORE.

For example, the Committee on Ways and Means of the House that framed the Dingley bill reported that bill the 19th day of March, 1897, so they did all the above work in *less than four months*. The Committee on Finance of the Senate took this bill and reported it back the 4th of May, 1897, so the Finance Committee did all this work *in six weeks*.

Again, the Committee on Ways and Means of the House that framed the McKinley bill reported that bill the 16th day of April, 1890, doing the work in *less than five months*. The Committee on Finance of the Senate took this bill and reported it back the 17th day of June, 1890, so the Finance Committee did all this work *in two months*.

Again, the Committee on Ways and Means that framed the Wilson bill reported that bill the 19th of December, 1893, so they did all the work *in a little over four months*. The Committee on Finance took this bill and reported it back the 20th day of March, 1894, so the Finance Committee of the Senate did all this work *in three months*.

TIME TAKEN BY SENATE COMMITTEE IN SMOOT CASE.

Compare this with the work of other Senate committees. On January 27, 1904, the Senate instructed the Committee on Privileges and Elections (one of the ablest committees of the Senate) to investigate the case of REED SMOOT, a Senator from Utah. Two years and six months later that committee made its report. Of these thirty months some members of the committee were at work all the time; and the full committee worked in actual session six solid months. The committee was aided by associations and persons who employed attorneys, detectives, etc., to look up facts and find witnesses.

If it took a Senate committee two years and six months working in some form all the time, and working steadily as a full committee six solid months to find out the facts in a single phase of the life of a single Senator, as was true in the Smoot case, how could a House committee, working part of the time for a few months and a Senate committee working part of the time for a few weeks, find out all the facts about all the articles in our tariff on which that committee fixes duties?

IS THIS FAIR TO ANYBODY?

Is it not plain that these committees, no matter how able, wise, and industrious, were overworked? Doubtless they did their work thoroughly, carefully, accurately as men could do it in such scanty time; but is it not asking too much of any man to crowd so much labor into so short a space? Is it fair to those committees? Is it fair to Congress? Is it fair to the thousands of American industries which, in their business, are affected by the tariff? Is it fair to the millions of farmers, wage-earners, and manufacturers who, as producers, are affected by the tariff? Is it fair to the 90,000,000 of the American people, who, as consumers, are affected by a tariff?

But not only are these committees forced to do this vast work in this brief time, but the members of these committees must do other heavy work at the same time.

OTHER WORK THAT MUST BE DONE BY MEMBERS OF THOSE COMMITTEES AT THE SAME TIME.

For example, the present committee of the Senate which must do the Senate work of tariff revision is ably presided over by Senator ALDRICH, but he is also a member of the Committees on Interstate Commerce, Rules, Cuban Relations, etc. The other members of the Senate Committee are—

The Senator from Maine [Mr. HALE], but he is also chairman of the Committee on Naval Affairs, a member of the Committees on Appropriations, Philippines, Census, Canadian Relations, etc.

The Senator from New York [Mr. PLATT], but he is also chairman of the Committee on Printing and a member of the Committees on Naval Affairs, Interoceanic Canals, Civil Service, etc.

The Senator from Iowa [Mr. ALLISON], but he is also chairman of the Committee on Appropriations, etc.

The Senator from Michigan [Mr. BURROWS], but he is also chairman of the Committee on Privileges and Elections, a member of the Committees on Naval Affairs, Philippines, Post-Offices and Post-Roads, etc.

The Senator from North Dakota [Mr. HANSBROUGH], but he is also chairman of the Committee on Public Lands and a member of the Committees on the District of Columbia, Agriculture and Forestry, Irrigation, Library, etc.

The Senator from Pennsylvania [Mr. PENROSE], but he is also chairman of the Committee on Post-Offices and Post-Roads and a member of the Committees on Commerce, Education and Labor, Immigration, Naval Affairs, etc.

The Senator from Illinois [Mr. HOPKINS], but he is also chairman of the Committee on Enrolled Bills and a member of the Committees on Commerce, the Census, and Interoceanic Canals.

The Senator from Virginia [Mr. DANIEL], but he is also a member of the Committee on Appropriations, Education and Labor and is chairman of the Committee on Public Health.

The Senator from Colorado [Mr. TELLER], but he is also a member of the Committees on Appropriations, Philippines, Pensions, Mines and Mining, Geological Survey and is chairman of the Committee on Private Land Claims.

The Senator from Mississippi [Mr. MONEY], but he is also a member of the Committees on Foreign Relations, Railroads, Agriculture and Forestry, etc.

The Senator from Texas [Mr. BAILEY], but he is also a member of the Committees on Rules, Census, Irrigation, etc.

The Senator from Florida [Mr. TALIAFERRO], but he is also a member of the Committees on Military Affairs, Coast Defenses, Interoceanic Canals, Cuban Relations, Post-Offices and Post-Roads, Pensions, and the Census.

Each of these Senators attends to the work of every committee on which he is a member. They are among the most industrious of our Senators. They neglect no duty on any committee to which they are assigned. The same is true of the members of the Ways and Means Committee of the House.

OCCUPATIONS OF MEMBERS OF COMMITTEES.

The same thing is true, Mr. President, in reference to the members of the Ways and Means Committee of the House of Representatives, in their ability, in their patriotism, and in their devotion to duty. But it may further be said that an examination of their occupations does not show that the Ways and Means Committee of the House or the Finance Committee of the Senate are especially fitted by their occupations and life work to act as experts in finding out the facts or arranging the classifications.

For instance, I have a list here of the members of the Ways and Means Committee of the House of Representatives who framed the Dingley bill.

Mr. President, every member of that committee at that time, with two exceptions, was a lawyer; one was an editor and one was a wood manufacturer.

Take the present Ways and Means Committee of the other House. A mere reading of their names and their occupations in the Congressional Directory will disclose to the Senate what admirable men they are as legislators; but it does not disclose that they are especially fitted by their life work for economic investigation, because all of them but two are lawyers, one is a lumberman, and one has no occupation at all.

SUPPOSE THESE COMMITTEES HAD ONLY THE TARIFF FOR THEIR WORK.

But, Mr. President, this is not all. Each one of these Senators and Representatives is busy with politics in his own State. Some of them are leaders of their party. Some of them are lawyers in active practice. Some of them are managers of great business interests. But suppose that not a man of them did anything in politics, business, or law. Suppose every one of them were to quit all his work in the Senate and in the House except the work of the Finance Committee of the Senate and of the Committee on Ways and Means of the House. Suppose, for example, the Senator from Iowa [Mr. ALLISON]—the loved and honored leader of this body; a man whose work for nearly a half century has so enriched his country, which in return so much reveres him; a man whom every member of this body, without regard to party, fervently prays may remain with us as our leader for many and many a long year to come—suppose the Senator from Iowa were to leave his tremendous duties as chairman of the Appropriations Committee; suppose the Senator from Maine [Mr. HALE], who commands the respect and confidence of the entire Congress, whose words are always so carefully weighed, and whose wisdom we so frequently follow, were to leave his duties, so delicate and so complex, as chairman of the Naval Affairs Committee, duties that are bound to grow from this day on in a manner that few of us now suspect; suppose that every member of this committee were to abandon every duty to which he is assigned on the other committees of this Senate and were to devote his entire time for the few months during the short period when the tariff is revised to the sole work of finding out the facts concerning thousands and thousands of articles, of fixing the duties on those articles, of considering their effect on domestic and foreign trade, on the producer and consumer, and all the other things, would it not be difficult for them to do that?

WHAT HAPPENS AT COMMITTEE "HEARINGS."

These committees have hearings, sometimes private, sometimes public. At the public hearings the committee rooms overflow with representatives of various interests. The private hearings are equally congested. Both are rushed and confused. At these hearings there is no time, no opportunity, to go into any one subject thoroughly; no time, no opportunity, to test the statements there made; no time, no opportunity, to verify a single supposed fact.

If any interest wishes to get an unjust rate of duty, the hurry, confusion, incompleteness of these hearings give that interest the chance; and the still greater hurry and difficulty of fixing the duties themselves adds to that chance—all this, of course, without any member of the committee knowing or intending to aid such an interest in such a way.

The most honest and alert man could not possibly prevent or even know about incorrect statements; and the best of men might be excused from making a tariff rate which they did not intend to make and which, had they known all the facts, they never would have made. I do not suggest that this has occurred, but only that, by the present method, it might occur without any member of the committee knowing of it.

I repeat that the whole work of these committees is rushed. They must hurry. Business waits to know the new duties; and so the committees are driven at greatest possible speed. How easy in this necessary haste for certain interests to get unjust rates without the committees knowing that they are unjust, as well as for the committees themselves to make mistakes both of fact and judgment.

DIRECT TESTIMONY ON THE WORK OF FRAMING A TARIFF.

Senator Vest, of Missouri, has told what this work means. In a signed article in the Saturday Evening Post two or three years ago he gives a shocking account of the work of the Senate committee on the Wilson-Gorman bill; and he concludes as follows:

I look back now upon what occurred during the debate and conference on the Wilson-Gorman bill as a nightmare, from the effects of which I have never recovered.

Before the conference ended three of the conferees had broken down under the constant strain to which we were subjected. Wilson was attacked by facial erysipelas, and in a few days afterwards I became a victim of the same malady. We sat opposite to each other, our faces discolored by iodine and looking like two Indians painted for a war dance.

In a short time afterwards Senator Harris also went upon the sick list and told me subsequently that *he dated the failure of his health from the effects of overwork and constant anxiety incident to the struggle over the Wilson-Gorman bill of 1894.*

Senator Jones was also stricken down with angina pectoris and was compelled to go abroad in order to obtain relief. I have myself *never been able to recover from the exhaustive labor to which I was subjected during that terrible struggle.*

DIFFERENCES IN HOUSE AND SENATE BILLS.

If it is said that, no matter how hard the work, nevertheless these committees actually have done it in the past, one answer is suggested in the bills which these two committes reported when the tariff was last revised. I have carefully gone over the bill that Mr. Dingley reported to the House and which the House passed, also the bill which Mr. ALDRICH reported to the Senate, and have tabulated the duties which these two bills fixed on the same articles—as you can see, this research has meant months of work. The duties fixed on most of them by the House bill differ widely from those fixed by the Senate bill, and in many cases the differences are so wide apart that they are startling. I shall not give the whole list—it embraces thousands of articles. But here are a few samples:

DINGLEY BILL IN HOUSE AND SENATE.

Article.	Duty fixed by House committee.	Duty fixed by Senate committee.	Difference.
			Per cent.
Borax	2 cents per pound	5 cents per pound	150
Borate of lime	....do	4 cents per pound	100
Boracic acid	3 cents per pound	5 cents per pound	66⅔
Fusel oil	½ cent per pound	¼ cent per pound	100
Opium	$6 per pound	$8 per pound	33⅓
Nitrate of lead	2½ cents per pound	1½ cents per pound	66⅔
Phosphorus	20 cents per pound	10 cents per pound	100
Soda ash	½ cent per pound	⅜ cent per pound	50
Sea moss	Free list	10 per cent	....
Unmanufactured pumice stone.	20 per cent	....do	100
Spectacles, eyeglasses, etc., of a certain value, but not over 75 cents a dozen.	25 cents per dozen and 20 per cent.	40 cents per dozen and 20 per cent.	a 60
Coral and spar	25 per cent	50 per cent	100
Railway fish plates or splice bars, iron or steel.	½ cent per pound	.4 cent per pound	25
On certain knives	50 cents per dozen	Duty omitted	....
On other knives	75 cents per dozen	....do	....
Razors and razor blades of a certain value.	$1 per dozen and 15 per cent.	50 cents per dozen and 15 per cent.	a 100
On razors and razor blades of a different value.	....do	$1.75 per dozen and 20 per cent.	a 75
Scissors and shears of a certain value.	50 cents per dozen and 15 per cent.	15 cents per dozen and 15 per cent.	b a 333⅓
Files of a certain length	30 cents per dozen	50 cents per dozen	66⅔
Files of a different length	60 cents per dozen	$1 per dozen	66⅔
Planed or finished lumber	50 cents per M feet	35 cents per M feet	$42\frac{6}{7}$

a In the specific part of the duty.

DINGLEY BILL IN HOUSE AND SENATE—continued.

Article.	Duty fixed by House committee.	Duty fixed by Senate committee.	Difference.
			Per cent.
On the same, if planed on one side and tongued and grooved.	$1 per M feet	70 cents per M feet.	$42\frac{6}{7}$
Toothpicks	2 cents per M and 15 per cent.	1 cent per M and 15 per cent.	a 100
Sugar cane, unmanufactured.	20 per cent	10 per cent	100
Saccharine	$2 per pound and 15 per cent.	$1 per pound and 10 per cent.	c a 100
Chicory root	1 cent per pound	Free list	....
Cocoa butter	6 cents per pound	3½ cents per pound.	$71\frac{3}{7}$
Substitutes for coffee	1½ cents per pound.	2 cents per pound	33⅓
Still wines	60 cents per gallon	30 cents per gallon.	100
Certain cotton cloth	8 cents per square yard.	6½ cents per square yard.	$23\frac{1}{13}$
Stockings, hose, etc., of a certain value.	50 cents per dozen pairs and 15 per cent.	60 cents per dozen pairs and 15 per cent.	a 20
Tow of flax, retted	$22.40 per ton	$11.20 per ton	100
Floor mattings	8 cents per square yard.	4 cents per square yard.	100
Carpets of a certain value	6 cents per square yard and 35 per cent.	10 cents per square yard and 35 per cent.	a 66⅔

a In the specific part of the duty.

These are only examples. There are hundreds like them. In the cotton and woolen schedule, the steel and iron schedule, and the glass schedule the House and Senate differ on numerous items. Frequently the House fixed specific duties, the Senate ad valorem duties. Sometimes the House and Senate put articles on the "free list" and the conference committee put heavy duties on those very articles. Sometimes the conference committee disregarded the duties of both Senate and House and fixed different duties and *on a different basis; yet the conference committee was in session only five days.*

COULD SENATE AND HOUSE HAVE HAD THE SAME FACTS.

Could the Senate and House committees have had the same information? If so, why these wide differences? If they had the same facts, how could the divergence in their judgment as to what duties ought to be fixed on those facts have been so great as the examples I have given? Remember that the members of these committees were experienced, able, careful men, and *a majority of each committee were high protectionists, as I am myself.* What explanation can there be except that these two committees were differently informed, or insufficiently informed, or both? Had these facts been carefully gotten up by a body of expert men, specially fitted for that work and with plenty of time to do the work, could there have been these astounding differences?

Mr. NEWLANDS. Would it interrupt the course of the Senator's argument if I were to ask him a few questions now?

Mr. BEVERIDGE. It depends upon what the questions are, I will say frankly to the Senator. He can then determine whether he would like to ask the questions now. I am very willing, as the Senator knows, not only to answer all questions, but I invite them. But I want to make this presentation, this being the opening of the debate, in as clear and concise a manner as I possibly can, and in the order in which it is arranged. If the Senator wishes to ask me a question which will not break the chain of the argument, which I wish to preserve, I will answer it. However, I will say to the Senator and every other Senator that, as is my custom, at least I shall give him and every other Senator ample opportunity to ask any possible question as the debate proceeds. Now, then, the Senator can judge for himself whether he wishes to ask the question.

Mr. NEWLANDS. I will be very brief, I will say to the Senator. My purpose is to put the question to him so that in the course of his argument he may answer it.

I understand the purpose of the Senator in presenting the bill is to treat the tariff as an economic and not simply as a partisan question.

Mr. BEVERIDGE. Yes; absolutely.

Mr. NEWLANDS. And in doing that he has provided that the commissioners shall be appointed solely with a view to their qualifications and without regard to political affiliations.

Mr. BEVERIDGE. Yes.

Mr. NEWLANDS. I would ask the Senator if he would not strengthen that view of the case by providing in the bill that no more than four of the seven commissioners shall be members of one party.

Mr. BEVERIDGE. I do not know. It might strengthen it. I will say to the Senator, if, in the judgment of the Senate or of Congress, that would strengthen that feature—of its being absolutely nonpartisan—I should be delighted to incorporate it in the bill. That it a matter of detail in the bill.

Mr. NEWLANDS. I will ask the Senator, further, whether he has properly made up the commission? He provides that three of the members shall be identified with the producing interest, and one member shall be a lawyer, and so forth. I observe that in the bill no provision is made for the appointment of an agriculturist.

Mr. BEVERIDGE. Yes; the producing interest. The Senator is mistaken. I will say in answer to the Senator's question—then I want to say something to him—that he is mistaken. It is provided that three shall be from the producing classes. My own thought when I drafted it was that one should be an agriculturist, one should be a cattleman, and the other should be a manufacturer.

Mr. NEWLANDS. I suggest to the Senator it might be well to make the bill more explicit in that particular.

Mr. BEVERIDGE. It may be. Those are matters of detail. What I am now arguing is the theory of the bill, the necessity of the commission; and if it is just the same to the Senator I would be pleased if he would point out those matters at some later time in the debate, in view of the fact that they do not go to the general idea of the commission, to which I am now confining myself. I will gladly accept any suggestion that will strengthen this bill or make it more reasonable.

Mr. NEWLANDS. I did not expect the Senator to make an answer to these questions now. I am trying to put them briefly, and the Senator may reply to them in the course of his argument. I have one other inquiry to make.

Mr. BEVERIDGE. I would not, of course, undertake to reply to questions which concern the detail of the bill during the course of this argument. If what the Senator is driving at, which is exactly the same thing that I wish to attain, is the best way, I should be very glad indeed to incorporate it in the bill. I will say this further thing right now and in that connection, that I am not, personally speaking, wedded to this bill or any particular bill. I am determined only on the idea of a commission to find out facts and make the classifications, and a plan of doing that must be made and made at once, because as I am demonstrating here Congress can not do it itself. I would be obliged to the Senator if he would withhold his suggestions while I am addressing the Senate on the details of the bill. I want now to speak on the theory of a commission.

Mr. NEWLANDS. Mr. President, I will defer any further questions.

WANT OF CLASSIFICATION EVEN MORE SERIOUS.

Mr. BEVERIDGE. But a more serious matter than all this is the matter of classifications. Most of the classifications of the present law are over a generation old. Any Senator will find that out by examining the language. Very few of them are modern and up to date. The reason of this is that when the committees come to revising the tariff in the great hurry I have shown has always existed and must exist, they were engrossed with the question of fixing duties, and so they took the language of the old classifications.

The result of this is that the importer very frequently does not know in what classification his import falls or what duty he pays. He must go first to the appraiser, who decides the question for him, and then, if dissatisfied, to the Board of Appraisers, and, if still dissatisfied, to the courts.

Mr. President, in the last ten years since this law was enacted there have been 300,000 such cases. I will send to the desk a clipping from this morning's Post which illustrates this, and I ask that it be read.

The VICE-PRESIDENT. The Secretary will read as requested.

The Secretary read as follows:

[Special to the Washington Post.]

NEW YORK, *February 4, 1908.*

A test case to determine the duty on certain valuable ores, imported by steel manufacturers, was under consideration to-day by the United States Board of General Appraisers. As it involves large sums, the case will go to the courts for a final decision.

The complaint is against the Midvale Steel Company, which, like other steel manufacturers, imports considerable quantities of ores known as ferrotungsten, ferrochrome, ferrovanadium, and ferromanganese, all of which contain a combination of the iron with another metal, and are desirable in producing special kinds of steel. This ore has been imported heretofore under a duty of $4 a ton. The Treasury Department contends that these should be dutiable at 20 per cent ad valorem.

Ferrovanadium in a pure form is valued at $10,000 a ton, and the duty at 20 per cent would be $2,000 instead of $4 a ton. Invoices show an importers' value of $5 a pound. Combined with iron, as common ferrovanadium ore, the value is $3,500 a ton. Ferrotungsten, on which this action is based, is valued at $1,000 a ton, and it is contended that it is dutiable at $200 a ton, not $4.

Mr. BEVERIDGE. Mr. President and Senators, this is one of the cases immediately at hand this day where there is no classification for a most important article. This is one example of the 300,000 cases that have occurred in ten years, and this is because neither the importer nor the authorities know under what classification an import falls.

APPRAISERS AND COURTS LEGISLATING.

I call the attention of Senators, and especially the veteran Senators in this body, to the fact that these boards of appraisers and the courts, by deciding a classification to which any import belongs, *are legislating every day,* just as much as Congress legislates when it fixes the duties.

And worse than this, these contests have literally cost the Government and the importers millions of dollars; worse than this, this fact has lost to the importing industries many more millions of dollars; and far worse than all this, the industries thus affected have been confused, disturbed, and uncertain; and far worse than all this, the whole cost must fall upon the entire body of the American people from whom the revenue is raised to pay the expenses of the Government.

MOST IMPORTS FOR USE OF AMERICAN MANUFACTURERS.

I should not myself care, if the imports were merely used by people who prefer foreign goods to American goods, how much they paid; but remember that *more than two-thirds of all of our imports are for the use of American manufacturers, who work those imports up into finished products and then sell them here or abroad.*

Mr. NEWLANDS. Mr. President——

The VICE-PRESIDENT. Does the Senator from Indiana yield to the Senator from Nevada?

Mr. BEVERIDGE. Yes.

Mr. NEWLANDS. I was struck by one statement made by the Senator from Indiana, that the customs authorities in dealing with such duties as those covered by the newspaper clipping he has just had read were legislating just as much as Congress itself legislates regarding the tariff.

Mr. BEVERIDGE. That is exactly true.

Mr. NEWLANDS. I am inclined to agree with him in that view, and I am also inclined to agree with him in the view that it is an impossible task for Congress to undertake to fix all the duties by original investigation and inquiry here. Now, right in this connection I would ask the Senator whether it would not improve this bill to provide a rule according to which the customs authorities may reduce certain excessive duties upon imports, duties which are admittedly excessive upon any theory, whether of a protective or a revenue tariff?

Mr. BEVERIDGE. No; I can answer the Senator without——

Mr. NEWLANDS. The Senator has not yet got my entire question.

Mr. BEVERIDGE. I think I have, but go ahead.

Mr. NEWLANDS. The Senator recognizes the fact that any radical change in the tariff would, of course, produce disturbances in the industries of the country, and that whatever is done in the future should be done gradually and progressively. Now, I ask the Senator whether it would not be possible in this bill, in addition to giving the commission power to make these inquiries and to make these reports, to give them the power to act (fixing the limitation of that power) as follows, for instance: To authorize the commission to reduce the duties at the rate of a certain percentage per annum for a certain number of years, such reduction to end when the total duty reached a minimum, we will say, of 40 per cent, or perhaps less, of the value of the imported products?

Mr. BEVERIDGE. Is the Senator through with his question?

Mr. NEWLANDS. I simply wish to suggest to the Senator that at present no one knows what is the average percentage of duty imposed by this act. There has been in the past a comparison——

Mr. BEVERIDGE. I can not yield for a speech, Mr. President. If the Senator wants to ask a question, there is no man on this floor more welcome to do so; but I want to conclude my remarks. If the Senator wants to make a speech, I can not yield for that purpose. I will try to answer any question he may ask.

Mr. NEWLANDS. It is not my intention to amplify. I supposed the Senator would extend to me the same courtesy that he required of me and which I readily yielded when I recently made a speech upon the development of our inland waterways.

Mr. BEVERIDGE. That is true. And if the Senator puts it on that ground, of courst I will yield. I was merely trying to explain to him that I was proceeding to develop a theory. I beg the Senator's pardon.

Mr. NEWLANDS. And I supposed the Senator would be as eager to receive suggestions as I was.

The VICE-PRESIDENT. Does the Senator from Indiana yield further to the Senator from Nevada?

Mr. BEVERIDGE. I yield.

Mr. NEWLANDS. I will not proceed further.

Mr. BEVERIDGE. I am sorry the Senator takes that view of it. The Senator was asking a very long question, involving two or three questions, which I am trying to remember and will try to reply to. Then the Senator started out to make some remarks. It was pretty difficult to keep the whole thing in my mind. I will say to the Senator—not only personally, but in every other way—that I am not only willing to answer questions, but I invite questions at any time. The Senator knows my custom in this body in that regard, especially with reference to himself.

Now, with reference to the question which the Senator suggests. No; I must say frankly that I do not think that suggestion would improve the bill. If it should be thought that it would improve the bill, very well. But I call the attention of the Senator to two or three facts. The Senator spoke about giving the commission power to reduce ad valorem duties. We have no fixed rate, neither specific nor ad valorem. So the Senator will see at once that his question would need to be reframed on a little bit further examination of the facts. I would not give the commission any power with reference to the tariff.

Further, I agree with the Senator that the tariff in any event should not be revised in any radical way. What I am trying to do is to get at the facts. The theory of the commission, according to this bill, is not to give the commission such power as that.

I will say to the Senator, too, that I think it is impossible to indicate a rule to the appraisers or the courts either or to any body of men by which they can determine more easily in which classification an article belongs that is not classified. That is a question of judgment. To do that would be a greater work than to classify. The only remedy for that thing is to accurately classify the articles, and that is something that we have not done and something that Congress can not do for the reasons I have given. I think the Senator will see, as I read some of the illustrations of this, that upon a further examination of the facts, with the curious mixed duties and everything else, he will have to reframe his question for want of this classification, which very few men I find understand or have paid any attention to. In fact I will stop right here now and ask a question which will test it in a very striking way.

Now, I will ask two questions. I will ask whether there is any Senator present—I will narrow it—whether there is any member of the Finance Committee present *who can now tell this body out of the thousands of duties* A SINGLE SCORE OF THEM, with the facts upon which they are based, and the reasons for it? Is there any Senator or even any member of the Finance Committee who can name twenty classifications? I will pause for a reply. Give it, if there is.

PROOF OF CLOUDED CLASSIFICATIONS.

I will follow up that question by the statement that the German expert commission can offhand answer that question concerning our own tariff.

Now, for want of this classification there have been the most amazing varieties of articles arbitrarily classified by board and courts which in doing it are legislating in the most astonishing way, under a single head. I will give the Senate a single illustration—I could read illustrations all the afternoon and all tomorrow. Section 193 of the Dingley law reads as follows:

> Articles or wares not especially provided for in this act, composed wholly or in part of iron, steel, lead, copper, nickel, pewter, zinc, gold, silver, platinum, aluminum, or other metal, and whether partly or wholly manufactured, 45 per cent ad valorem.

Under that paragraph our customs officers have subjected to the 45 per cent ad valorem the following articles: Stoves, implements, electrical apparatus, andirons, gold and silver boxes, tin or brass boxes, brass ball chains, brass buckles, brass tubes for bedsteads, brass wire, brass sheets, brick trowels, britannia metal ware, bronze crosses for churches, bullets, bull's-eye lanterns, buttons with metal shanks, cabs, carriages, carts, buggies, trucks, railway cars, automobiles, candelabra, cannon, metal capsules, iron castings, cast-steel tools, chafing dishes, chisels, church bells, coal scuttles, currycombs, compasses, nails, copper spikes, copper wire, cranks and shafts, curriers' knives, daguerreotype plates, drawing instruments, dress trimmings in which metal is the material of chief value, embossing dies, engravers' tools, enameled portraits, metal eyelets, pistols and other firearms, fluoroscopes, and metal foil.

These are only a few instances taken from an alphabetical arrangement of the tariff decisions, and I only got through letter F. It can be easily imagined to what extent these instances can be multiplied by going through the entire alphabet for the decisions under that paragraph alone.

BUTTONS AND STOVES CLASSED TOGETHER!

Will anyone contend that a simple article like nails or wire requires the same amount of protection as so complex a mechanism as a revolver or an electric dynamo?

Is there any logic in classing buttons and stoves together?

Should bullets and buggies, should automobiles and bull's-eye lanterns pay the same duty?

Are farm implements and gold boxes in the same class?

Is there any connection between carriages and dress trimmings?

Why classify railway cars and enameled portraits together?

Why should cannon for war and crosses for churches be put in the same class?

Yet all these are in the same classification and pay the same rates.

But more absurd than this is the fact that they are put in the same classification by the appraisers and the courts, passing on each article because Congress did not classify them at all.

And as outrageous as it is absurd is the fact that nobody knew what duties these articles would have to pay until the guess of the appraisers and the courts filled up the holes in the law.

THE GERMAN CLASSIFICATION.

Compared with the scientific, clear, accurate classification of the German schedules, for instance, our classifications are confused, uncertain, chaotic. The German tariff which I hold in my hand—any Senator can examine it—places each article exactly where it belongs, plainly specifies it and fixes the duty to be paid on it in a marginal column so that every nation who sells goods to German producers and every German producer that buys goods from other nations knows precisely the duty that must be paid on almost every article. Of course, cases arise in Germany where the classifications of some articles are open to dispute; but such cases are rare compared with like cases in our tariff. In short, the German classification reduces confusion and doubt to the minimum; our classification raises confusion and doubt to the maximum.

THE GERMAN COMMISSION.

How did Germany make her tariff classifications so much clearer, simpler, and more accurate than ours? By the commonsense plan of having an expert commission arrange these classifications. But that was only a part of the work of the German commission. Years ago Germany saw that only a body of experts could get the facts and arrange the schedules for her tariff; she saw that the only work which the Reichstag could do was the fixing of duties to the items which the expert commission found out and laid before the Reichstag. So Germany selected for this work thirty of the best fitted men to be found in the Empire.

This commission consulted more than 2,000 trade and industrial experts. It investigated every phase of every industry in the Empire which might bear upon the tariff. It considered all these industries both separately and in relation to the others. It carefully studied the tariffs of other countries. It gave due weight to Germany's export trade. In short, everything that goes into the making of a tariff was worked out to the smallest detail by this German expert commission. *It spent almost six years at this work*, although it would not be necessary for our commission to work so long. For the German commission framed the bill; the general government then sent it to each state forming the German Empire, those states took a year to consider it, and then it was returned and a copy of the revised bill sent to every productive industry in the empire. It may be said that the German commission worked perhaps two years and a half on the labor which I am proposing our Commission shall do. They laid the results of this work before the Reichstag, and upon that work Germany built her present tariff.

OUR EXPORTS COMPARED WITH GERMANY'S.

Japan, France, and other up-to-date countries follow the same plan. They came to see, as we are coming to see, that in no other way could a tariff be builded with knowledge and wisdom. By this plan and by maximum and minimum tariff the foreign trade of Germany has passed every other country, comparatively speaking.

The German Empire, with an area nineteen times smaller than the United States, and most of its land poor and unproductive, and with a population less than two-thirds as great as ours, nevertheless exports more than one and a half billion dollars' worth of German products, *more than two-thirds of which are manufactured articles*, whereas we export $1,717,953,000 worth of products, *most of which are raw material.*

Only $460,000,000, or 27 per cent, of our exports are manufactured articles, and $226,000,000, or 13 per cent, are semimanufactured articles, and *of these, nearly all are steel, copper, and petroleum, requiring so little skilled labor that they are nearly raw material.*

So we see that German exports of manufactured products are far greater than our own, and if our superior advantage in population and resources are considered their lead is astonishing, humiliating. It is her foreign markets that give Germany her industrial prosperity. Indeed, it is her foreign markets which enable Germany to live. The time is here when foreign markets for our manufactures are becoming almost as important to American industry as they are to German industry. This one fact alone commands us to take the same up-to-date, scientific steps with our tariff that Germany has taken with her tariff.

COMMISSION NECESSARY, REGARDLESS OF THEORY ON WHICH TARIFF REVISED.

I shall not go into the tariff question as such. Whether any man favors a purely revenue tariff, a straight protective tariff, or any other kind of a tariff, Congress can not do without this body of experts to help it with facts and classifications. Yet one brief word should be said at this moment about our tariff policy. We must have more foreign trade. We must open foreign markets to our live cattle, which are now kept out of those markets.

Our Government should get the same advantages for American manufacturers in foreign trade that the German Government gets for German manufacturers in foreign trade.

American producers demand that the doors of other nations which are open to their rivals shall no longer be closed to them.

We can not open these doors by a purely revenue tariff, because such a tariff gives other nations trade advantages with us without getting from those other nations any trade advantages in return.

A straight-out protective tariff gives other nations no trade advantages with us, but neither does it get any trade advantages from them.

MAXIMUM AND MINIMUM TARIFFS OUR TRUE POLICY.

We must have a system that gives us the same weapons that our rivals have, by which we can get for our producers the same favors that our rivals get for their producers. We must have a double tariff, the first to apply to such nations as will not give our producers special favors in their markets, and the last to apply to such nations as will give our producers special favors in their markets. By this plan German producers, comparatively speaking, are selling more German goods abroad than any other nation.

Every up-to-date nation, except Great Britain and ourselves, has now adopted the maximum and minimum tariff plan; and the agitation for this plan has begun in Great Britain. Canada has just enacted a triple tariff; by this she has gotten a practical monopoly for her live stock in the markets of France. Only Great Britain, Persia, Abyssinia, and China now have purely revenue tariffs; only the United States and a few South American countries now have straight-out protective tariffs.

Our rivals followed our plan of a single protective tariff and then logically developed that plan into a double protective plan. We must be as wise now as they were then; and just as they took the single protective plan from us, so now we must take the double protective plan from them. Our manufacturers, our cattlemen, our agriculturalists, our miners, our whole producing classes ask only the same advantages that their rivals have in the markets of the world. They demand no more than this; they will accept no less. Tariff for protection! Yes, but also tariff for trade; trade for prosperity; common-sense method for both—these must henceforth be the American watchwords in the world-wide contest for commerce.

Mr. CULBERSON. Mr. President, necessarily it is not my purpose to enter into a discussion of the tariff question at this time or to discuss the bill which has been introduced by the Senator from Indiana. The occasion seems appropriate, however, for me to say that the Senator from Indiana is to be congratulated that to some degree at least he has joined the army of tariff revisionists. It is true the Senator has expressed no opinion of any schedule of the tariff, but the very fact that he deems an inquiry into these schedules necessary is to my mind an indication at least that the Senator believes there ought to be a revision.

It is unfortunate, however, as it occurs to me, that the Senator and the Senate and the country, according to the newspapers of yesterday and to-day, have been advised by another authority on the other side of the Chamber that even an inquiry into the tariff system shall not be made now by a commission or otherwise. The rules of the Senate forbid any more specific reference to the veto upon this proposed legislation, which has been announced.

I do not agree with the Senator as to the necessity for a commission to make this inquiry, and I do not agree with several suggestions he has made. I want to advise him that there are four great facts already established with reference to the tariff, needing no further inquiry and upon which the Members of the Senate and of the House of Representatives are now competent to legislate.

The first is that the average ad valorem tariff tax is 45 per cent, as I understand it.

The second fact is that the average tariff which we have now is far greater than the difference between the cost of labor in foreign countries and in this country. So whatever a man may be, whether he be a protectionist, or a revenue reformer, like myself, the fact stares him in the face that we have schedules now which go far beyond the difference between the cost of labor in foreign countries and in the United States.

The third fact, which is indisputable, is that manufactured articles in the United States in a number of instances are sold in foreign countries under the present tariff at a lower rate than in America.

The fourth fact, which is already established and in the minds of the American people, is that a protective tariff fosters and encourages the creation of trusts.

Now, I want to have printed in the RECORD, following what I have said, an article on the question of the tariff, largely written by a member of the Industrial Commission, the creation of which has been extolled by the Senator from Indiana.

Mr. BEVERIDGE. May I ask the Senator in what book the article appears?

Mr. CULBERSON. It is a book which I am sure will appeal to the confidence of the Senator from Indiana, because it is the Democratic Campign Book——

Mr. BEVERIDGE. I thought it was.

Mr. CULBERSON. For the Congressional elections of 1902.

Mr. BEVERIDGE. I thought so.

Mr. CULBERSON. This article was written by Mr. Byron W. Holt, a member of the Industrial Commission of 1901, and it treats of tariff and trusts, and particularly of the selling prices in this country and in foreign countries in certain cases of protected articles.

Mr. President, I have thought proper to say this much in the interest of the general move which the Senator from Indiana has made for tariff revision, and I ask that the article may be printed in the CONGRESSIONAL RECORD following what I have said.

The VICE-PRESIDENT. Without objection, permission is granted.

The matter referred to is as follows:

THE TARIFF AND TRUSTS.[a]

A theoretical discussion of the tariff question is unnecessary at the present time in this book. It is unnecessary, because we have before us in concrete form the results of a high protective tariff, and no one who has eyes, ears, a conscience, and an average supply of gray matter, can, with these object lessons before him, longer doubt the bad effects of protective tariffs.

TRUST OBJECT LESSONS.

The trusts have made the tariff a very practical question to ordinary business men, farmers, and laborers. Protected from outside competition by high tariff walls, we have hundreds of trusts which charge as high prices for their products as the tariff will permit, and squeeze the last penny out of our home consumers, while selling hundreds of millions of dollars' worth of their products in foreign countries on the lower level of prices which prevails outside of our tariff walls. This outrage on our long-suffering consumers has been carried on so long that the trusts are now assuming that the people rather like to pay two prices for their goods, and are boasting of the prosperity that they say always accompanies high prices.

GOOD CROP AND NOT HIGH TARIFF PROSPERITY.

It can not be denied that after a succession of five or six good crops in our great grain-growing sections, and, with a like number of crop failures in many foreign countries, there is a considerable measure of prosperity in certain sections and with certain classes. But good crops are not the result of a high tariff. On the contrary, what prosperity we have is in spite of the tariff, and would be far greater and more general if we had no protective duties at all. Only the trusts, our hundreds of million and billion dollar "infants," would enjoy less prosperity and go into decline if "protection" were dumped in the world's rubbish heap of worn-out theories.

ERA OF TRUSTS AND HIGH PRICES.

The era of trusts really began shortly after the passage of the Dingley bill in 1897. Since then prices have advanced to the highest point ever recorded, and the cost of living is 40 per cent higher than in 1897, while wages are little or no higher, and, in fact, are lower in some industries. Of course, wage-earners, even when steadily employed, are finding it extremely difficult to live and support, or half

[a] Unless otherwise specified, the matter under the general head "Tariff and trusts" has been prepared by Mr. Byron W. Holt. Much of the matter on the window glass, tin plate, steel and wire, and borax trusts, and on the "Evils of protected trusts," is from Mr. Holt's testimony before the Industrial Commission, May 10, 1901.

support their families, and it is galling to them to be constantly told by Republicans of our "wonderful prosperity"—for trusts. Tens of thousands of workers are now on strike, and are asking that their share of their rapidly increasing output be not allowed to diminish so rapidly. The trusts turn a deaf ear to labor, and are bringing in, on their railroads and steamships, immigrants (labor being on the free list) to fill the strikers' places in the protected mines and mills.

The farmers in the Eastern and Middle States are reading about prosperity, but are not, as a rule, experiencing it. It costs them far more to live now than formerly, and as they do not and can not raise stock and grain for export in competition with the West, they do not share in the benefits of high prices for grains and meats. Hence it is not strange that, as reliable and well-informed real estate men tell us, the farms of the Eastern and Middle States, including Ohio and West Virginia, would not now sell for the amount of the mortgages on them.

BULLDOZING METHODS OF GREAT TRUSTS.

The ordinary business man, manufacturer, or trader is enjoying only a small measure of reflected prosperity, and often he is permitted to exist at all only at the option and mercy of the great trusts which bulldoze and coerce him, until he wonders if he lives in a free republic or in Russia. The autocratic, arbitrary, domineering, high-handed tactics of the great steel trust, the Standard Oil, tobacco, plate glass, and other trusts are but little known outside of the trade circles in each line of business. Thousands of manufacturers and dealers must buy of the trusts, and only of the trusts, or they can not get any trust goods at all, and may be driven out of business. They must ship over the railroads designated by the trusts; must finance their accounts in the banks designated, and often must give credits and sell their goods at prices, or in restricted territory, dictated by the meddlesome but all-powerful trusts. A large dealer in steel goods says:

"In our business, which, as you know, consists of a pool of the companies in this line of business, we are not allowed to buy a ton of material outside of the trust. The trust also dictates the prices at which our goods must be sold. We do business entirely at the mercy of the trust. We are not free men, and there are very few free men left in the iron and steel industry. Many of the employees of the steel trust tell me that they must either do as they are told or give up their positions. The policy of the company is to sandbag every industry with which it comes in contact. We do not dare to complain publicly or we would be driven out of business. If any of us would appear before an investigating committee, our business would vanish."

TARIFF TIES CONSUMERS' HANDS WHILE TRUSTS PICK HIS POCKETS.

While the tariff is only one of the special privileges which breed trusts, it is, or at least has been, in this country, the most important and the most conspicuous of these special privileges. It is not only responsible for the birth of many of our trusts, but it is responsible for most of the harm done by them during the last fifteen years. It ties the hands of the American consumer while the trusts pick his pockets. It is because of the excessively high protective duties that this country led the way in the formation of trusts and that it to-day has twice as many trusts as any other country. The only other countries which have trusts comparable to ours are the protected countries of continental Europe—notably Germany and Austria.

It is certainly easier, in most industries, to form a trust in one country than to form a world-wide trust. Tariff duties, such as this country levies, practically alienate us from the rest of the world, so far as concerns many industries, and make it easier for our producers in any one line to combine, formally or informally, and to put prices up to the import level of the duty-paid prices of foreign goods. This our protected trusts have done extensively. If they have not at any time collected from the American consumers all the tariff has permitted them to collect, it is either because they have not fully appreciated the situation and have not gotten together sufficiently to stop all internal competition, or because the full-limit price would greatly lessen consumption and would not yield as great a net profit as will lower prices.

These oversights and limitations are being rapidly considered and corrected by the formation of larger and larger trusts. Not only does the modern trust include all competitors in one industry, as in tin plate, wire, nails, steel hoops, tubes, pressed steel, etc., but it includes all the allied industries whose plants could be easily turned from the production of one to another of these products. Not only this, it includes some of the industries which produce different but competing products, such as coal, oil, gas, and electricity, for heating and lighting purposes.

TARIFF CONCENTRATES WEALTH AND THUS HASTENS GREAT TRUSTS.

But for our absurdly high tariff there would not have been, at least at present, that great accumulation of wealth in the hands of a few which makes easy the formation of great industrial and transportation combinations. It is the unjustly, though perhaps legally, acquired wealth of the protected interests, concentrated in the hands of a comparatively few, which is now being employed to buy up and control the natural sources of production and routes of transportation.

In many industries internal competition has become so great that the tariff can not be utilized unless it is accompanied by a monopoly of natural sources. Thus, not only was the tariff responsible for many of the earlier and smaller trusts, but it has hastened and has been instrumental in the formation of the gigantic trusts of to-day, buttressed by tariffs, patents, and natural monopolies. We are now in the stage of trust development where the tariff is being combined with other special privileges in order that trusts may do their worst in oppressing consumers. It is not yet too late to prevent, by abolishing protective tariff duties, the formation of many great trusts now in the chrysalis stage, or to prevent the exaction by existing trusts of the monopoly profits which the tariff now permits them to extort from our consumers.

Only a dozen or so of the trusts have been written up in detail in this book. These will serve simply as samples. The list of 287 corporate trusts in the appendix contains, as indicated, nearly 200 trusts more or less benefited by the tariff. Many of those not written up are just as bad and some, perhaps, worse than those chosen as samples.

A list of prices of trust commodities is printed in the appendix. Also Dun's "Index numbers," showing the comparative cost of living for fourteen years. Other information on this subject is contained in the article entitled "Wages and prices." An article on "Export prices" and extracts from Mr. Schwab's testimony before the Industrial Commission make interesting reading on a subject which both the trusts and the Republicans are loath to discuss.

EXPORT PRICES.

PROTECTED TRUSTS AND MANUFACTURERS GET ALL THE TARIFF WILL ALLOW IN OUR MARKETS AND SELL IN FOREIGN MARKETS AT KNOCK-DOWN PRICES—DIFFICULT TO OBTAIN EXACT EXPORT PRICES—ONLY A FEW SAMPLES ARE GIVEN IN THIS BOOK—EVIDENCE IS INCONTROVERTIBLE THAT PRACTICALLY ALL MANUFACTURED GOODS ARE SOLD FOR EXPORT MUCH BELOW HOME-MARKET PRICES—PHOTOGRAPHIC REPRODUCTIONS OF PARTS OF EXPORT JOURNALS AND OF "PRICES CURRENT DISCOUNT SHEET," WHICH HAS BEEN OBTAINED FROM A FOREIGN COUNTRY BY A REWARD OF $100.

In his speech of April 16, 1902, Congressman Malcolm R. Patterson, of Tennessee, discussed the evils of the protective tariff system and dwelt at length upon the evil of protection in permitting and encouraging manufacturers to form trusts and sustain prices at home while favoring foreigners with low prices, to which we, who have paid tariff taxes during the "coddling" stage, ought now to be fairly entitled. On this subject Congressman Patterson said:

"The third and most intolerable condition of all came when allied wealth, in the form of trusts, demanded and received still greater protection and then, holding the home consumer at their mercy, began to export and sell their manufactured products to foreigners at less cost than to Americans.

"This odious condition of affairs has been made possible by the system of misnamed protection, which fleeces the home consumer, who pays the tariff duties, and gives to the alien a benefit denied to our own people. A system so constructed as to demand and receive the highest price at home and the lowest price abroad for its manufactured products is one which can neither be approved in fair business dealings nor in sound morals.

"REFORM CLUB EXPOSÉ IN 1890.

"The first time that the attention of the public was called to the enormity of this evil was in 1890, when the tariff-reform committee of the Reform Club published a pamphlet entitled 'Protection's home market.' In this pamphlet we find quoted the domestic and export prices of numerous agricultural implements and tools, of kitchen utensils and household goods, carpenters' tools, hardware, etc. The domestic prices usually exceed the foreign prices from 10 to 25 per cent, but the difference reached 100 per cent in certain cases. A few of the articles and prices are found in the following table:

Articles.	Domestic price.	Foreign price.
Cultivators	$11.00	$8.40
Plows	14.00	12.60
Axes, per dozen	8.24	7.20
Kettles	1.40	.85
Wire nails, per 100 pounds	2.25	1.35
Table knives, per gross	15.00	12.00
Horse nails, per pound	.17	.14
Barbed wire, per 100 pounds	3.00	2.00
Rivets, per 100 pounds	10.00	5.55
Typewriters	100.00	60.00
Sewing machines:		
Fine	27.50	20.75
Medium	22.00	17.50
Cheap	18.00	12.00

"In some cases our sewing machines have been sold as low as $5 in the South American market."

ADMISSIONS FROM REPUBLICAN PAPERS.

There are many quotations available from Republican sources, admitting, explaining, or attempting to justify the custom of charging lower prices for export. Thus the New York Press of October 22, 1889, said:

"It is sometimes looked upon as wise to ship goods out of the country at cost, rather than break the regular price for which such articles sell in the country in which they are produced."

The American Machinist of September 26, 1889, said:

"Just why American manufacturers will sell machinery and other goods from 10 to 30 per cent cheaper in Europe than they will sell them to be used at home is rather puzzling; but anyone curious in the matter can easily enough find out that many of them do that. It may be necessary to cut prices in order to secure trade from abroad, but it is likely to strike the American purchaser as being a little rough on him."

The Engineering and Mining Journal of March 15, 1890, complained of the system, as follows:

"As soon as an industry has obtained a position where it can more than supply our home market and has to send its goods abroad, where they compete with those of foreign manufacturers, it is evident that they are either giving the foreigners the benefit of lower rates than they do our own people or that they are able to get along at home without any protection from foreign manufacturers. It is not fair that our own people should be made to pay more than foreigners for the products of our own land."

A LARGE MANUFACTURER'S FRANK STATEMENT.

A letter from Mr. A. B. Farquhar, the head of the great Pennsylvania Agricultural Works, to the Farmer's Call, of Quincy, Ill., may be quoted here. In answer to the Call's questions, Mr. Farquhar said:

"JULY 30, 1890.

"The fact is that our protective laws are a monstrous swindle upon the agricultural community. As a manufacturer, I was inclined to say nothing on the subject, for the reason that it was natural to suppose if anybody was benefited it was the manufacturing class, to which I belong. But, as I have explained, the farmer is being destroyed. We are killing the goose for the golden egg. And I honestly believe now that it is to the interest of the manufacturers themselves to eliminate the protective feature from our tariff laws.

"Certainly, as our manufactures are sold much lower abroad, we could only need protection to get better prices from our customers at home. We do manufacture and sell in Canada, South America, and Europe many agricultural implements and machines, and could we have free raw material and the commercial advantages which free trade would give us, America would become the great manufacturing emporium of the world, and the farmer, of course, would share the prosperity, since he would have less to pay for everything and get better prices for all he sold. Go on with your good work. When the farmer begins to think and rise up against this swindle it is doomed."

EXPORT PRICES ARE RETAIL PRICES.

In answer to a claim made by the Australasian and South American (an export journal) that the lower prices quoted foreigners were for the wholesale trade only, the New York World publishes the following letter from the Engineering and Mining Journal of New York:

ENGINEERING AND MINING JOURNAL,
New York, August 26, 1890.

DEAR SIR: I am obliged to you for the letter of August 25, respecting proceedings taken in the Senate regarding our "prices current."

Prices quoted by us are, as you will notice at the head of the first column, "for export only," and the prices therein given are the prices at which every foreign subscriber can buy in this market. It stands to reason that orders for farm implements are frequently given for one only. If to buy one machine is retail trade, then these foreign prices are retail prices.

Our domestic subscribers are debarred from the prices quoted in these columns. These special discounts are "for export only," and in more than one instance we have lost our advertiser through publishing these prices.

I inclose an invoice from S. Allen & Co., which you will see is for one of the machines quoted by us, and you will notice that it conforms exactly with our prices as reprinted by you in the World, and that the net price on the bill is exactly as stated by you in the World.

Your statement that the foreigner can buy at retail in this market cheaper than the domestic consumer is as indisputable as the daily revolution of the earth. We can enumerate any number of instances where houses have written us: "Prices furnished are for export only, and it would be most injurious to us if these figures were circulated in the home market."

In going through our letters this morning we counted no less than fifty-eight received during the month of July, thanking us for publishing the "prices current," as it enabled our subscribers to keep a check on the prices charged them on their indents.

Yours, very truly,

ENGINEERING AND MINING JOURNAL.

After examining the facts, Mr. J. Alex. Lindquist, the author of the tariff-reform pamphlet, concludes:

"That our manufacturers take advantage of our tariff to keep the price of their goods in our home market not merely much higher than they could do if there were no tariff, but much higher than they themselves would be able and willing to produce and sell the same goods for if they were not protected at all."

And asks the following pertinent question:

"Why should our manufacturers be aided by our laws to charge our citizens more for the same goods than they do foreigners?"

ADMISSIONS FROM GOVERNMENT PUBLICATIONS IN 1900.

We find in a Government publication—the Report of the Bureau of Statistics, Commerce, and Finance—for August, 1900, under undoubted Republican auspices, a large number of valuable statements and confessions. We are informed, for instance, that "the progress of work on shipbuilding in the United States has been retarded because makers of steel materials require a higher price from the American consumers than from the foreign consumers for substantially similar products." Also, in addition to this, that "American export plate makers are interested in preventing the establishment of plate manufacturing in their customer nations abroad, and to that end bid low enough in foreign markets to discourage foreign nations from entering the field for producing their own plate at home." The same authority contends that this policy is "short sighted," and shows how it has resulted in curtailing the home demand. Up to April, 1900, it "had resulted in a very positive shrinkage in domestic consumption. Farmers had ceased to purchase barbed wire for wire fences. Retail hardware dealers had complained for months of diminished business in nails and wires. Jobbers had gotten in the way of doing a hand-to-mouth business on prices that had advanced from $1.35 to $3.20 in the course of a year." The writer goes on to say:

"If steel rails, for example, sell at Pittsburg for $35 per ton for months in succession for home consumption, while the foreign consumer is purchasing them for $22 to $24 per ton, the domestic market is sure to order no more than it is obliged to have for the time being. In the long run such a policy is shortsighted, because it puts an embargo on the expansion of investments in enterprises requiring iron and steel. It arrests constructive projects at home, while it stimulates construction abroad."

SMALL MANUFACTURERS SQUEEZED AND KICKING.

Those of our manufacturing interests that are outside of the trusts desire most earnestly that this condition of affairs should not continue. A good illustration of the way in which they regard the matter is afforded by a recent letter to the editor of the Iron Age, of New York, from Mr. F. A. Wilmot, president of the Wilmot & Hobbs Manufacturing Company, of Bridgeport, Conn., a portion of which reads as follows:

"We would suggest that you give due prominence to the position which the manufacturing associations in the various cities, particularly along the Atlantic seaboard and Canadian border, and especially in New England, are taking as regards their present handicap in the cost of raw material—such as coal, coke, iron ore, pig iron, steel ingots, and billets—and their desire to have these commodities placed by Congress immediately on the free list. They believe that as these materials are produced cheaper in this country than in any other portion of the world and are sold abroad at lower prices than along the seaboard and Canadian border, the industries which produce them are no longer infant and do not need protection. They believe that protection, so called, is but another term for Government assistance to monopolies and trusts. This position the Government, as it now exists, can ill afford to assume, nor can it allow the people to feel that it is drifting into such a position where it is so working hand in hand with gigantic trusts, for when the people realize such to be the condition they will undoubtedly rise in their might and by their votes change the conditions and the Government which permits such conditions. * * * It is to be hoped that the Government of the United States will appreciate the position and make such changes in tariff regulations or duties from time to time as will result in putting upon the free list such commodities as do not further need protection on the score of their being infant industries."

This letter and other similar testimony does not indicate that the smaller manufacturers would be injured by a reduction of tariff duties.

EVERYTHING LOWER FOR EXPORT, SAYS CHARLES M. SCHWAB.

In May, 1901, less than a year ago, Mr. Charles M. Schwab, the president of the steel trust, testifying before the Industrial Commission startled the country by declaring that all kinds of American goods were usually sold much lower for export than in the home market. In fact, he said that the prices of everything for export were less than for domestic use and consumption, and that supplies and materials to be used in products for export were usually furnished to manufacturers at special prices, while goods to be exported were carried by the railroads at reduced rates. Here are some extracts from Mr. Schwab's testimony:

"It is quite true that export prices are made at a very much lower rate than those here. * * * I think you can safely say this, that where large export business is done—for example, in the line of iron and steel—nearly all the people from whom supplies are bought for that purpose give you a good price for the materials that go into export; railroads will, in most instances, carry them a little cheaper for you, and so on all down the line."

Q. "Is it a fact generally true of all exporters in this country that they do sell at lower prices in foreign markets than they do in the home market?"—A. "That is true, perfectly true."

STEEL RAILS FOR EXPORT.

The New York World of April 9, 1901, contains the following:

"Mr. Charles Thulin, a Pennsylvania contractor, recently secured a contract to supply rails for Russia's great Siberian railway. He asked the leading steel trust companies here for bids. They all asked him about $35 per ton, with freight to be added. Mr. Thulin went over to England, sublet his contract to an English firm, and one of the same companies that had asked him $35, plus freight here, sold the rails at $24 a ton delivered in England to the English subcontractor."
* * *

WIRE ROPE AT LESS THAN HALF PRICE TO FOREIGNERS.

The record in regard to the prices, foreign and domestic, of wire and wire rope is instructive and illustrative of the rapacity of the trust and the fraud practiced on the American consumer. The trust controlling these articles have put prices at home up to the tariff limit, while lowering prices to foreigners, so that our wire rope is exported to every foreign country, with the possible exception of England. As the duty on imported wire rope averages about 100 per cent, the trust charges domestic consumers about twice as much as it charges foreigners for its goods—often more than twice as much. For example, the domestic price of wire rope is about $5, $6, and $7.50 per 100 pounds, according to the different sizes, but the export prices for these sizes, respectively, are $2.34, $3.23, and $3.88. The prices of wire vary also according to the size. For the largest size the domestic price is about $4.25 per 100 pound, and the export price about $2.62, or about 65 per cent in favor of the foreigner.

OIL MACHINERY CHEAPER IN RUSSIA.

Our oil machinery manufactured in this country follows the same rule as our agricultural machinery. The farmers of Mexico, South America, and Canada can obtain our agricultural implements for half the money that our own farmers have to pay for them, and our oil machinery is sold at lower figure to the Russians than to our own oil producers in Texas.

HAWAIIANS AND PORTO RICANS PAYING FOR "OLD GLORY."

This favoritism to foreigners has been extended more or less to those nondescript peoples, half foreigners and half domestic, who inhabit our colonial possessions, such as Hawaii and Porto Rico. Some of our manufacturers treat these people as foreigners and sell them our goods at reduced rates, and some treat them as people of our own country, and charge them accordingly.

An instance is cited where goods had been sold in Honolulu at such low prices that great quantities of them were brought back to California and sold there at profit in competition with similar goods in the domestic market which have never been out of the country. One of the aggrieved manufacturers registered his complaint in a letter to the Iron Age of June 27, 1901, in which he said:

"It so happens that at present the price of our goods is about 25 per cent higher for domestic consumption than the export prices. We had an inquiry for export prices, which we quoted. The order now comes in to be shipped to Honolulu. Is it fair to consider the Hawaiian Islands entitled to export prices?

"Our own opinion is that they have become a part of the United States, and should be considered domestic territory as much as Alaska. Also, we understand our tariff applies to this territory, so that they are prohibited from buying outside, and we are thus enabled to get domestic prices."

This manufacturer's reasoning appears to be sound, but it does not appear to have had the desired effect on the other faction, which, judging from the following letter in the Iron Age of December 5, 1901, is still continuing its pernicious practice of treating Hawaiians as foreigners:

"Your journal has from time to time called attention to the demoralizing practice of many American manufacturers of still continuing 'export prices' in the Hawaiian Islands, notwithstanding the fact that these islands are now a part and parcel of the United States.

"There are no custom-house restrictions between the two countries to prevent goods sold at the export price being reentered in the United States, which has been and is being done, to the great detriment of many of your readers.

"It would be the proper thing if all manufacturers would take the same view of it as a leading manufacturer, who recently wrote a letter as follows:

"'We discontinued the use of export prices for the Hawaiian Islands some time ago, as we now consider that this united country is a part of the great Republic. We do not see any logical reason why its inhabitants, in consideration of the great privilege of flying the Stars and Stripes, should not pay the present high American values on the commodities they consume.'"

The Iron Age says that "this hits the nail on the head, and we hope the publication of this letter will enlighten some American manufacturers who do not seem to know that the Hawaiian Islands are no longer export, but domestic trade."

Under the title "Export Notes," the Iron Age of January 16, 1902, says:

"Business with Porto Rico has been better right along since the tariff was taken off, giving the merchants free trade with the United States. American gold is in circulation altogether, and the stable character of the currency has greatly improved the situation. While Porto Rico has ceased to be foreign, there is still some diversity in the range of prices made by American manufacturers, some of which make no difference in quotations, although not putting purchases for that country on an export basis. Others have made their prices uniform with those for the domestic trade."

REPUBLICANS NOT SINCERE.

When the Republican party and a Republican President announce their opposition to the trusts, as a proof of sincerity we ask for a recommendation from the Executive that all or some of the articles selling abroad cheaper than at home be forthwith put upon the free list, and that a bill be reported from the Ways and Means Committee to this effect. And when this Congress shall have adjourned, and not one of these articles shall have been put upon the free list, and not one tariff schedule reduced, then the American people will understand and rightly value these specious pretensions.

The wife of the American farmer is compelled to use a sewing machine in her home, produced by an American factory, which costs nearly twice as much as the same machine sold the housewife of Mexico or South America. The blue rim of the mountain from which the sleeping ore is extracted may shadow the very lintels of his door; the smoke of the foundry where the crude material is fashioned into shape may float over and rest upon the furrows in his field, yet he must pay more for the plow which came from the mountain and the factory than the Russian peasant on the banks of the Danube or the German burgher on the banks of the Rhine.

$100 REWARD FOR EXPORT PRICE LISTS.

A man in the employ of the Democratic Congressional committee spent many months trying to get hold of some of the special discount sheets of leading export houses. By having friendly manufacturers write to agents in foreign countries, and under various other pretexts, he succeeded in obtaining the export price lists of half a dozen of the 200 exporting houses in New York.

Being told by friends in exporting houses that the prices quoted in the export price lists were usually not bottom prices and that special discount sheets gave the lowest quotations, this employee of the Democratic committee made many vain attempts to obtain one of these sheets. He employed manufacturers and others well acquainted with exporters, to visit their offices and to obtain, if possible, one or more of these special discount sheets. Time and again he was told, "Oh, yes, I can get it for you; I have known those people for years. I'm certain they will let me have it." But, although he would concoct a plausible reason for asking for the sheet and would strain his friendship almost to the breaking point, yet in every instance this friend of the employee would have to admit defeat, though he might get a squint at the coveted sheet. He would be told, "Yes, we know you are all right and will not make improper use of the sheet, but it is a rule, rigidly enforced, not to let one of these sheets go out of our office, except to mail to certain trusted foreign agents. We wouldn't let it go out of this office for love or money. It might make endless trouble for us." Or he might be told, "I should be very glad to accommodate you, but those sheets are under lock and key and I have not the key."

Failing to obtain the sheet in ordinary ways, the committee's agent got permission to advertise offering a reward for it. But, to his astonishment, five of the leading papers of New York refused to print the advertisement. The managers admitted that it was a perfectly legitimate advertisement, but said they did not care to publish it. In one case the manager figured on the amount of advertising space used by the exporting houses and which might be lost should he "slap them in the face" by printing the advertisement.

Finally the publication of the following advertisement was secured in the New York World of July 11, 1902:

$100 REWARD!

"One hundred dollars will be paid for the special discount sheet (any month in 1902) to accompany Henry W. Peabody's export price list. Twenty-five dollars will be paid for similar sheet of other leading export houses. Foreign correspondence solicited; answers will be considered strictly confidential. The Democratic Congressional committee wishes these sheets to demonstrate the very great difference between the home market and export prices charged by our protected manufacturers. Address Literary Bureau, Democratic Congressional Committee, Bliss Building, Washington, D. C."

A month later the Democratic Congressional committee received from a foreign country a copy of the special discount sheet advertised for and also a copy of Peabody's Export Journal to match it. The following are photographic reproductions of this sheet and of small parts of the Export Journal, both dated May 17, 1902:

Production of mines.

[From Bureau of Statistics, Treasury Department.]

Years.	Production of—						
	Gold.	Silver.	Coal.	Petroleum.	Pig iron.	Steel.	Copper.
			Tons.	*Gallons.*	*Tons.*	*Tons.*	*Tons.*
1880	$36,000,000	$39,200,000	63,822,830	1,104,017,166	3,835,191	1,247,335	27,000
1881	34,700,000	43,000,000	76,835,357	1,161,771,993	4,144,254	1,588,314	32,000
1882	32,500,000	46,800,000	92,219,454	1,281,454,860	4,623,323	1,736,692	40,467
1883	30,000,000	46,200,000	102,837,959	984,884,583	4,595,510	1,673,535	51,574
1884	30,800,000	48,800,000	106,906,295	1,017,174,396	4,097,868	1,550,879	64,708
1885	31,800,000	51,600,000	99,069,216	918,038,970	4,044,526	1,711,920	74,052
1886	35,000,000	51,000,000	101,500,024	1,178,723,322	5,683,329	2,562,503	70,430
1887	33,000,000	53,350,000	116,651,974	1,187,906,283	6,417,148	3,339,071	81,017
1888	33,167,509	59,203,700	132,731,613	1,159,705,030	6,489,738	2,899,440	101,054
1889	32,967,000	64,768,730	126,097,839	1,476,837,566	7,603,642	3,385,732	101,239
1890	32,845,000	70,485,714	140,866,931	1,924,552,224	9,202,703	4,277,071	115,966
1891	33,175,000	75,416,565	150,505,954	2,280,291,510	8,279,870	3,904,240	126,839
1892	33,014,981	82,101,019	160,115,242	2,121,405,594	9,157,000	4,927,581	154,018
1893	35,955,000	77,575,757	162,814,977	2,034,104,772	7,124,502	4,019,995	147,033
1894	39,500,000	64,000,000	152,447,791	2,072,469,672	6,657,388	4,412,032	158,120
1895	46,610,000	72,051,000	172,426,366	2,221,475,592	6,446,308	6,114,834	169,917
1896	53,088,300	76,069,236	171,416,390	2,560,335,162	8,623,127	5,281,689	205,381
1897	57,363,000	69,637,172	178,769,344	2,539,971,672	9,652,680	7,156,957	220,571
1898	64,463,000	70,384,485	196,405,953	2,325,297,783	11,773,934	8,932,857	235,050
1899	71,053,400	70,806,626	226,553,564	2,396,975,700	13,620,703	10,639,857	253,870
1900	79,171,000	74,533,495	240,965,917	2,661,233,568	13,789,242	10,188,329	270,588
1901	----------	----------	285,850,209	----------	15,878,354	----------	266,716

American Price Current, revised and corrected to date for the Exporters and Importers' Journal from exchange quotations and ruling export cash prices supplied by manufacturers.

This Price Current of American and foreign products and manufactures is published in behalf of exporters, importers and manufacturers. By reference to its columns American manufacturers can compare their goods with those illustrated and priced and adapted to and sold in foreign countries. Importers will find it of great service in making up their indents for American merchandise. Its discount sheet is exclusively for the use of foreign buyers, and only accompanies the foreign edition of this journal. All others desiring discounts from list prices printed can secure same from exporters, importers, jobbers, or direct from the manufacturers.

[Prices quoted are for goods delivered at New York, unless otherwise specified. For discounts see discount sheet, in foreign edition only, dated May 17, 1902.]

VOL. XI. NEW YORK, BOSTON, AND CHICAGO, U. S. A., MAY 17, 1902. No. 2.

Wires.—Barb wire is unchanged, but plain galvanized and black fencing wires are lower than last. We quote:

Barb wire—12-gauge reels of 112 pounds net, per 100 pounds, $2.35; 12-gauge reels of 56 pounds net, per 100 pounds, $2.40; 14-gauge reels of 112 pounds net, per 100 pounds, $2.60; 14-gauge reels of 56 pounds net, per 100 pounds, $2.65.

Plain galvanized wire—6.9 gauge, catchweight coils, per 100 pounds, $1.70.

Black fencing wire—6.9 gauge catchweight coils, per 100 pounds, $1.37½.

An extra charge of 5 cents per 100 pounds is made for varnishing.

An extra charge of 2½ cents per 100 pounds is made for exact weights.

An extra charge of 2½ cents per 100 pounds is made for nesting.

All of the above prices are of 30,000 pounds or over, and are subject to a discount of 2 per cent. For smaller quantities an advance of 10 cents per 100 pounds is made over above figures.

PHOTOGRAPHIC REPRODUCTION OF EXPORT DISCOUNT SHEET.

This sheet was obtained from a foreign country in answer to the advertisement of the Democratic Congressional committee, offering $100 reward for it. It accompanied the Exporters and Importers' Journal of May 17, 1902.

Price Current discount sheet for Exporters and Importers' Journal, dated May 17, 1902, Volume XI, No. 2.

NOTE.—The discounts below printed apply to general orders as ordinarily given by the purchaser to the manufacturer, and are those ruling for such business on date of publication of this journal. For carload orders, or large regular orders for shipment to special markets, special extra discounts might in some instances be secured, and in such instances the purchaser should write for further information.

No.	Per cent.
1	30
2	50 and 7½
3	½
4	2
5	50
6	33⅓
7	net
8	25
9	2
10	20
11	50
12	on application
13	25 and 2
14	33⅓
15	20
16	1
17	1
18	50
19	1
20	1
21	1
22	25
23	1
24	1
25	1
26	1
27	1
28	20 and 5
29	1
30	10
31	10
32	20
33	2
34	20 and 2
35	50
36	20
37	on application
38	35
39	50 and 2
40	50
41	2
42	10, 5, and 2
43	50 and 25
44	20 and 1
45	40
46	2
47	20
48	15
49	10
50	on application
51	25
52	35, 10, and 5
53	25, 10, and 2
54	25
55	60 and 10
56	25
57	25, 10, and 10
58	40 and 5
59	1½
60	10
61	10
62	net
63	40 and 10

No.	Per cent.
64	5
65	33⅓ and 5
66	33⅓, 5, and 5
67	net
68	25 and 2
69	50 and 2
70	50
71	2
72	5
73	50, 5, and 2
74	10 and 5
75	40
76	45
77	52
78	20
79	net
80	60 and 5
81	20
82	50 and 2
84	10
85	net
86	40 and 10
87	65
88	2
89	65
90	40 and 2
91	50
92	net
93	10 and 2½
94	10
95	15
96	20 and 2
97	20
98	20
99	6
101	10
104	25 and 2
107	20
109	10
110	10 and 10
130	on application
131	60 and 20
132	20
133	net
134	50 and 5
135	5
137	70
138	70 and 10
140	60, 10, 10, and 5
141	1
142	20 and 1
143	60, 10, and 5
144	25 and 2
145	60, 10, and 5
147	$3.30 each net
149	2
150	$4.30 complete wheel
151	50 and 1
164	75
168	25
169	80 and 12½
170	80
177	35, 10, 5, and 1

No.	Per cent.
181	50 and 1
182	net
183	75 and 5
184	$4.00 per dozen net
188	60, 5 and 5
189	80 and 7½
190	$6.00 per dozen net
191	40
192	80 and 5
193	10 and 5
198	net
200	40
201	2
203	50 and 1
204	20 and 10
211	10
217	50
218	50
219	40
220	50 and 1
221	33⅓
222	20
223	10 and 2
225	10, 5, and 2
227	40, 10, and 2
228	60
229	40
233	1-3
234	10
236	20
237	7½ and 2
238	15
239	15
240	20
243	25, 10 and 10
244	25
245	50 and 5
246	20
250	50
253	net
255	40, 10, 5, 5,7½, and 3
256	75, 10, and 5
258	10, 2½, and 2
260	50 and 2
261	2
265	60
269	2
273	net
276	20
287	30, 10, and 1
289	net
295	60 and 5
301	75
307	50, 10, and 2
317	75
322	33⅓
328	50 and 2
331	20
337	50 and 1
338	50 and 1
339	10
346	25 and 2
360	40
361	70, 10, and 10
363	70 and 10
365	5 and 2
366	50 and 2
368	75, 10, and 5
375	75, 5, and 2
376	net
377	75 and 2
378	20 and 2
382	75, 10, and 2
386	75, 5, 10, and 2
387	50, 10, 10, and 2
396	20
397	45
398	40 and 5
399	20 and 5
400	20
401	25, 10, and 5
402	60, 10, and 5
403	60, 10, and 2
404	40, 5, and 2
407	30
409	50
412	2
413	25 and 2
415	40 and 2½
417	net
420	40
422	2
424	10 and 2
443	50 and 2
445	net
471	1
472	net
476	10 and 2
482	60 and 10
483	33⅓ and 10
484	33⅓, 10, and 10
485	25
486	60
502	50 and 10
503	50 and 20
505	60
506	60 and 5
507	60 and 10
513	60, 10, and 5
516	10
517	40
521	50 and 2

No.	Per cent.
522	42½, 10 and 2½
523	20
524	80
526	70 and 5
527	40
528	40 and 2
529	50 and 2½
530	50, 10, 2½
531	45 and 2½
532	40 and 2½
533	40, 5 and 2½
535	50 and 2½
537	net
538	25
540	40 and 2½
541	45 and 2½
542	40, 5 and 2½
543	40 and 2½
544	6 and 2
545	25
546	50, 5 and 2½
548	40, 5 and 2½
549	15 and 2½
550	50 and 10
551	50 and 5
552	60
558	50, 5 and 2
566	37½ and 2½
567	45, 10 and 2½
568	75 and 2
570	50
575	40, 5 and 2½
581	17 and 1
582	20 and 2½
585	2½
589	20
592	20
594	40
596	50 and 5
597	55
598	50
599	60 and 5
605	10
620	15
621	net
624	8
625	20 and 5
626	10 and 2½
628	20 and 10
629	30 and 2½
630	20, 5 and 2
639	15
646	25
647	15
648	33⅓
649	net
650	15
651	40
655	net
662	10
663	10, 5 and 2
669	17½
672	50, 10 and 10
673	25 and 2
675	50
676	20
677	33⅓ and 25
678	35 and 5
679	net
680	net
683	25
684	50 and 10
693	net
695	50
697	20
699	50
701	40 and 2
702	25 and 2
703	2
704	20 and 2
705	20
706	60
707	50
708	55 and 10
709	60
710	70
711	70 and 5
712	60 and 10
713	5
714	65 and 5
715	80 and 5
717	2
718	33⅓ and 2
720, f. o. b. Boston	5
725, f. o. b. Boston	net
730	65 and 10
732	$3.50 per doz. net
733	80
734	80, 10 and 5
736	$18 per gross net
737	33⅓
739	40 and 5
740	10
754	5
756	33⅓
757	50 and 5
758	25 and 5
760	10 and 5
761	45 and 5
763	20
768	50 and 10
769	$18 per gross net

No.	Per cent.
770	$6.50 net
771	net
772	20
773	net
774	net
775	15
776	net
782	40
783	50
788	33⅓ and 10
789	25 and 10
791	50, 10, and 2
792	40
793	60
795	65
796	25, 10, 10, and 2
797	40
798	25, 10, and 2
799	on application
800	net
801	25
802	33⅓
803	20
804	50 and 10
815	20
818	33⅓ and 10
819	33⅓
820	50 and 10
821	70
823	2
826	33⅓, 10, and 5
833	30
834	25
840	on application
841	25, 5, 20, and 5
842	50
857	60, 10, 10, and 5
858	$2.50 net
860	5 and 2
876	20
879	1
880	50
881	33⅓
882	30 and 10
883	40 and 5
885	30
890	25, 10, and 5
973	50, 10, and 2
981	50, 10, 10, 10, and 5
987	net
988	35
990	20
999	50 and 10
1002	40, 10, 10, 10, and 5
1003	40, 10, 10, and 10
1004	40, 10, 10, 10, and 2½
1010	40
1011	70 and 10
1012	80
1013	50
1014	75
1015	60
1018	10 and 2
1020	10 and 2
1025	70, 10, 5, and 2
1036	50, 10, 5, and 2
1037	60 and 2
1038	52 and 2
1039	57 and 2
1040	45 and 2
1057	on application
1060	70, 10, 10, and 2½
1061	70, 10, and 10
1062	60 and 10
1066	50
1067	5 and 2
1077	net
1103	33⅓ and 10
1104	50 and 5
1105	net
1106	10
1107	80
1108	85
1109	75
1110	50 and 2
1111	10
1112	60 and 10
1113	15
1114	60 and 5
1115	20 and 10
1116	25 and 10
1117	33⅓ and 10
1118	45 and 10
1119	60 and 15
1120	70 and 5
1121	47½
1126	5
1127	50, 10, and 1
1128	60 and 10
1129	net
1131	45
1152	33
1216	50 and 10
1217	50
1218	50 and 5
1219	20
1220	net
1221	30
1222	50 and 2
1223	50 and 20
1224	net
1225	30

No.	Per cent.
1226	Less 10c. each
1227	Less 20c. each
1228	55 and 2
1229	Less 30c. each
1230	25
1231	20
1232	$3.50 per 1,000
1233	5,000 lots, $4 per 1,000
1234	on application
1235	3,000 lots, 25c. per 1,000
1236	5,000 lots, 50c. per 10,000
1238	50, 10, and 2
1239	10,000 lots, 65c. per 1,000
1240	25,000 lots, 75c. per 1,000
1249	30
1255	40
1256	20
1431	12½, 2½, 2¾, and 1
1432	50, 10, 5, and 2
1433	40 and 2
1434	50, 10, and 2
1437	50, 10, 10, and 2
1440	55 and 2
1526	10
1549	65 and 10
1558	20
1631	40 and 2
1632	30
1633	35
1634	50
1655	60 and 2
1668	40
1669	20 and 2½
1670	45
1728	75, 10, and 2
1772	15 and 2
1773	25 and 2
1790	80, 10, and 5
1791	$6 per gross net
1792	$4.25 per gross net
1793	50
1794	66⅔
1795	$16.50 per gross net
1798	50 and 5
1813	60 and 10
1869	70 and 2
1870	50, 10, and 2
1872	80 and 10
1873	60
1876	20
1928	60
1930	15
2017	1 and 2
2018	3 and 2
2019	5 and 2
2020	80, 5, and 2½
2116	80, 10, 10, and 10
2146	85 and 10
2234	net
2290	50 and 10
2301	25
2307	50, 10, 10, and 10
2308	35 and 10
2309	35
2310	40, 10, and 10
2312	on application
2313	10 and 5
2355	25, 20, 10, and 2
2356	25, 20, and 2
2357	70 and 2
2358	45
2359	20, 10, and 5
2360	25
2361	50
2362	40
2367	net
2368	20
2369	20
2370	15
2371	42
2372	30 and 10
2373	50
2374	60
2376	75
2377	35
2382	25
2383	$50
2384	40
2385	33⅓
2386	10
2387	33⅓, 20, 20, and 5
2388	33⅓ and 20
2389	20 and 2
2390	5
2391	80 and 10
2404	net
2434	30
2493	5
2494	7½
2495	10
2510	60 and 10
2511	40 and 10
2513	33⅓
2538	25
2551	5 and 2
2603	40
2610	net
2620	50
2622	50 and 10
2623	40
2662	30, 5, and 2
2663	40, 10, and 2

No.	Per cent.
2681	50
2734	net
2741	10
2745	net
2752	30 and 10
2757	45 and 2
2770	33⅓ and 2
2771	15 and 2
2773	33⅓
2775	30
2778	40
2795	60 and 2
2800	55, 5, and 2
2822	60
2824	60
2829	50
2831	40
2832	60 and 10
2834	55
2835	45
2836	20
2838	25, 20, 10, 10, 10, and 2
2841	80, 10, and 10
2861	40, 10, and 2½
2862	45, 5, and 2½
2876	20
2877	30
2886	net
2899	50 and 2½
2933	40
2938	2
2939	25
2961	25 and 10
2962	25, 10, 10, 10, and 5
2970	
2983	10
2986	40
2997	20
2998	50
2999	60
3008	70
3011	75
3024	50
3026	5
3069	70
3083	2
3086	5
3182	50 and 2
4006	50 and 2
4012	35 and 2
4014	50 and 7½
4052	25
4065	70, 10, 5, 5, and 2
4067	75, 5, and 2
4068	72½, 5, and 2
4071	25
4073	25
4074	50
4075	net
4078	25
4080	net
4086	30 and 2
4093	15 and 2
4094	1
4116	40

No.	Per cent.
4131	50 and 10
4137	net
4140	60, 10, 10, and 2
4141	50, 10, and 2
4142	net
4146	10, 10, and 2
4152	60, 10, 2½
4153	60 and 10
4155	40
4166	60 and 10
4170	45 and 5
4171	45
4173	70 and 5
4185	40 and 7
4188	60, 10, and 10
4194	70, 10, and 10
4195	60
4207	50
4213	80 and 20
4214	80 and 5
4215	70 and 10
4216	70, 10, 10, and 10
4242	75 and 5
4261	70, 10, and 5
4262	75
4265	50
4274	30
4275	50
4277	20, 5, and 7½
4300	25
4316	25
4317	15
4359	50
4366	5
4371	50 and 10
5000	50, 10, and 5
5001	50
5002	70 and 10
5003	60, 10, and 5
5004	50
5006	40, 20, and 5
5008	40
5009	30
5029	20
5040	10 and 2
5041	60, 10, and 5
5045	60 and 10
5050	55, 5, 20, and 5
5051	65, 20, and 5
5052	62, 20, and 5
5053	60, 20, and 5
5055	50
5056	60
5057	50
5077	$15 net per gross
5078	50
5079	50 and 10
5080	50 and 5
5081	$4.50 net
5082	50, 10, and 10
5083	80, 10, and 10
5084	10 and 10
5085	75, 5, 5, and 2
5086	33⅓, 5, and 2
5087	60, 10, 5, 5, and 2

AMMUNITION.

All Peters's metallic cartridges are loaded with King's semismokeless powder.

Caliber.	Per 1,000.	Number in box.	Number in case, 1,000.	Primed shells. Per 1,000.
0.22 short	$5.00	50	10	$2.00
.22 long	6.00	50	10	2.50
.22 long, rifle	6.00	50	10	2.50
.22 extra long	9.00	50	10	3.00
.22 Winchester	9.00	50	5	3.00
.25 short, Stevens	10.00	50	4	3.50
.25 Stevens	14.00	50	2	5.00
.32 extra short	10.00	50	5	3.00
.32 short	10.00	50	5	3.60
.32 long	11.50	50	5	4.00
.38 short	16.00	50	3	5.00
.38 long	18.00	50	3	6.00

Discount No. 55.

Discount No. 55, central-fire pistol and rifle cartridges, loaded with King's semismokeless powder.

GUNPOWDER.

(Hazard Powder Company.)

CANISTER POWDER.

	Each.
Indian rifle powder, FFFg, FFg, Fg, in 1-pound oval canisters	$0.23
In half-pound oval canisters	.14
In quarter-pound oval canisters	.09½

A case contains 25 pounds in any size of canister.
(Discount No. 4093.)

Electric, Nos. 1 to 7 grain, in 1-pound square canisters	.75
Duck shooting, Nos. 1 to 6 grain, in 1-pound oval canisters	.45
Duck shooting, Nos. 1 to 6 grain, in half-pound oval canisters	.30
Kentucky rifle, FFFg, FFg, and "sea-shooting," Fg, in 1-pound oval canisters	.25
Kentucky rifle, FFFg, FFg, and "sea-shooting," Fg, in half-pound oval canisters	.15
Kentucky rifle, FFFg, FFg, and "sea-shooting," Fg, in quarter-pound oval canisters	.12

Twenty-five 1-pound, or 50 half-pound, or 100 quarter-pound canisters in case.
(Discount No. 4093.)

KEG POWDER.

	Each.
Duck shooting, Nos. 1, 2, 3, 4, 5, and 6 grain, 25-pound kegs	$8.00
Duck shooting, Nos. 1, 2, 3, 4, 5, and 6 grain, 12½-pound kegs	4.25
Duck shooting, Nos. 1, 2, 3, 4, 5, and 6 grain, 6¼-pound kegs	2.25
Kentucky rifle, FFFg, FFg, and "sea-shooting," FG, 25-pound kegs	4.00
Kentucky rifle, coarser grains, FG duck size and FG duck size No. 1, 25-pound kegs	4.00
Kentucky rifle, coarser grains, FG duck size and FG duck size No. 1, 12½-pound kegs	2.25
Kentucky rifle, coarser grains, FG duck size and FG duck size No. 1, 6¼-pound kegs	1.25
Indian rifle, FFFg, FFg, Fg, 25-pound kegs	3.50
Indian rifle, FFFg, FFg, Fg, 12½-pound kegs	2.00
Indian rifle, FFFg, FFg, Fg, 6¼-pound kegs	1.15
Trap powder, Nos. 1, 2, and 3, for "club shooting," 25-pound kegs	5.00
Trap powder, Nos. 1, 2, and 3, for "club shooting," 12½-pound kegs	2.75
Trap powder, Nos. 1, 2, and 3, for "club shooting, 6¼-pound kegs	1.50
Teal powder, 25-pound kegs	4.00
Cannon and musket powder, U. S. Gov't. strength, 25-pound kegs	4.00

(Discount No. 4093.)

Shipping powder, FFF, FF, F, C, CC, CCC, 25-pound kegs:

In quantities less than 100 kegs	1.90
In quantities 100 kegs and over	1.75

Mining and blasting powder, FFF, FF, F, C, CC, and CCC, 25-pound kegs:

In quantities less than 100 kegs	1.15
In quantities 100 kegs and over	1.00

(Discount No. 2745.)

HAZARD SMOKELESS POWDER.

For shotguns only. Equal in bulk to black powder.

Drums, each	$43.00
Kegs, each	22.00
Half kegs	11.25
Quarter kegs, each	5.75
Canisters, each	1.00

(Discount No. 2838.)

AXLE AND CARRIAGE GREASE.

FRAZER AXLE GREASE.

(Frazer Lubricator Company.)

Small wood boxes, 3, 4, and 6 dozen in case, per gross — $12.00

(Discount No. 758.)

Wood pails, 15, 25, and 32 pounds	per pound	.08
Tubs, 38 and 68 pounds	do	.06
Kegs, half barrels, and barrels	do	.06

(Discount No. 3024.)

DIAMOND X IN BULK.

28-pound kegs, 56-pound kegs, 112-pound kegs, 224-pound half barrels — per 112 pounds — $3.52

Packages, extra, as follows: 28-pound, 36 cents; 56-pound, 72 cents; 112-pound, 96 cents; 224-pound, $1.60.

(Discount No. 3024.)

Diamond X, small wood boxes, 3, 4, and 6 dozen in cases, per gross	$8.00
Diamond X, small tins, with balls, 2 and 3 dozen in cases, per gross	12.00

(Discount No. 758.)

HOES.

Handled planters', polished, heavy, per dozen.

(Withington & Cooley Manufacturing Company's.)

Blade.	Handle.	Solid shank.	Socket shank.
6 inches	4½ feet	$9.50	$11.00
6½ inches	5 feet	10.00	11.50
7 inches	5 feet	10.50	12.00
7½ inches	5½ feet	11.50	13.00
8 inches	5½ feet	12.00	13.50
8½ inches	5½ feet	12.50	14.00
9 inches	5½ feet	13.00	14.50

(Discount No. 4262.)

RIVETED HOES.

No. 8. Polished, riveted shank	per dozen	$5.75
No. 13. Polished, riveted socket	do	6.00

(Discount No. 361.)

GARDEN HOES.

(The Iowa Farming Tool Company's.)

KRETSINGER CUT-EASY HOES.

Kretsinger "cut easy," socket, 7½ inches	$16.75
Garden, socket, 6, 6½, 7, 7½, and 8 inches, assorted	14.75
Garden, shank, 6, 6½, 7, 7½, and 8 inches, assorted	13.25
Riveted garden, shank, 7 and 7½ inches, assorted	9.00
Riveted garden, socket, 7 and 7½ inches, assorted	9.50

Handles on these hoes are 4½ feet long.
(Discount No. 189.)

MORTAR HOES.

No. 50. Shank, 10-inch blade, 6 feet	$23.50
No. 60. Socket, 10-inch blade, 6 feet	20.00

(Discount No. 169.)

"DIXIE" HEAVY PLANTER HOES.

No. P. 6. Shank, 6-inch blade, 5 feet	$17.25
No. P. 6½. Shank, 6½-inch blade, 5 feet	17.25
No. P. 7. Shank, 7-inch blade, 5 feet	18.00
No. P. 7½. Shank, 7½-inch blade, 5½ feet	19.50

"DIXIE" HEAVY PLANTER HOES—continued.

No. P. 8. Shank, 8-inch blade, 5½ feet	$20.25
No. P. 8½. Shank, 8½-inch blade, 5½ feet	21.25
No. P. 9. Shank, 9-inch blade, 5½ feet	22.00

(Discount No. 4213.)

RAISIN AND GRAPE SEEDERS.

ENTERPRISE SEEDERS, TINNED.

(Enterprise Manufacturing Company's.)

No. 36, family size, per dozen (will seed a pound in five minutes)	$12.00
No. 38, hotel and baker's size, per dozen (will seed a pound in one minute)	30.00

(Discount No. 2778.)

MEAT AND FOOD CHOPPERS.

(Screw to table, tinned.)

No. 12, chops 2 pounds per minute	$1.06
No. 22, chops 3 pounds per minute	1.54
No. 32, chops 4 pounds per minute	2.31
No. 42, chops 5 pounds per minute	6.08
No. 43, with fly wheel	18.23
No. 33, bait chopper	2.31

(Discount No. 422.)

MEAT AND FOOD CHOPPERS.

(Clamp to table, tinned.)

No. 5, chops 1 pound per minute	$0.77
No. 10, chops 2 pounds per minute	1.16
No. 20, chops 3 pounds per minute	1.98

(Discount No. 422.)

NEW MEAT AND FOOD CHOPPERS, TINNED.

No. 2, chops 1 pound per minute	$0.67
No. 4, chops 1½ pounds per minute	.88
No. 6, chops 2 pounds per minute	1.25
No. 8, chops 3 pounds per minute	1.75

(Discount No. 422.)

SAUSAGE STUFFERS.

No. 5, 2-quart, rack, japanned	$3.75
No. 15, 2-quart, screw, japanned	4.50
No. 25, 4-quart, screw, japanned	5.50
No. 35, 8-quart, screw, japanned	7.00
No. 10, 2-quart, rack, tinned	4.25
No. 20, 2-quart, screw, tinned	5.00
No. 30, 4-quart, screw, tinned	6.50
No. 40, 8-quart, screw, tinned	8.00

(Discount No. 528.)

SNOWFLAKE AXLE GREASE.

Quart cans, 1 doz. in crate	per dozen	$2.00
Half-gallon cans, 1 doz. in crate	do	3.20
Gallon cans, ½ doz. in crate	do	6.00
Half barrels	per gallon	.40
Barrels	do	.35

(Discount No. 683.)

SNOWFLAKE COACH OIL.

Pints, 1 or 2 doz. in case	per dozen	$3.00
Quarts, 1 doz. in case	do	4.80
Gallons, ½ doz. in case	do	15.00
Five gallons, one only in case (swinging faucet cans)	do	66.00
Half barrels	per gallon	1.00
Barrels	do	.90

(Discount No. 677.)

EDISON GEM PHONOGRAPH.

Size 7¾ by 9⅝ inches, weight 10½ pounds, price, each, complete $10.00

Discount: On five machines, No. 5009; on ten machines, 5009; on twenty-five machines, 5009; on fifty machines, 5009; on one hundred machines, 5008.

EDISON STANDARD PHONOGRAPH.

Weight 17 pounds, size 9 by 12 by 9½ inches high, price, each, complete $20.00

(Discount No. 5008.)

POLISHING IRONS.

(Enterprise Manufacturing Company's.)

No. 82, nickeled, per dozen	$7.00
No. 87, polished, per dozen	6.75

(Discount No. 4277.)

COLD-HANDLE SAD IRONS.

	Per set.
No. E 50, nickeled, dbl. pointed	$0.72
No. E 55, polished, dbl. pointed	.69
No. E 60, nickeled, square back	.82
No. E 65, polished, square back	.79

(Discount No. 2886.)

The following reproductions are from other leading export journals for which the committee has no discount sheets. The prices quoted are lower than the home prices for these same goods, but are not the real export prices. According to statements made by editors of export journals and by those in the business, the quoted prices are seldom or never as low as are actual export prices.

[From El Mundo y Heraldo de la Exportacion, 23 de Enero de 1902. Published by Flint Eddy and American Trading Co., New York.]

ALAMBRE CON PUAS PARA CERCAS.

Galvanizado en rollos de 100 pounds.

En lotes de 30,000 libras ó carretadas	$2.35
Menos de carretada	2.45

Precios para Puerto Rico, 30c. más.

GRAMPAS PARA IDEM.

Galvanizadas, en lotes de 30,000 libras ó carretadas	$2.35
Menos de carretada	2.45

Precios para Puerto Rico, 30c. más.

TIRADOR DE ALAMBRES.

Little Giant	$3.75 doc	*Neto*
Little Giant, Jr	3.25 doc	*Neto*

The few days intervening between the receipt of the special discount sheet and the publication of this campaign book and the very great difficulty in obtaining the exact American wholesale prices on the identical articles to match the export prices makes it impossible to publish a long list of comparative export and domestic prices. The following list is based largely upon the prices quoted in these export journals and sheets and also partly upon other data, some of which is contained in this book:

Export and home prices.

Article and description.	Export price.	Home price.	Per cent of difference.
Acetylene gas generator—Colt, 10 light.each..	$40.00	$55.00	37
Ammunition caps:			
BB round.....1,000..	1.03	1.49	43
Central fire, 32 long, Colt's.....1,000..	6.48	9.00	40
Rim fire, 22 long.....1,000..	2.16	3.00	39
Primed shells, 22 short.....1,000..	.72	1.53	112
Axle grease—Snow Flake (gal. cans) .1 dozen..	4.50	5.40	20
Borax, city refined.....pound..	.02½	.07¾	210
Carbide, lump.....ton..	55.00	70.00	27
Chucks:			
Skinner's standard drill, No. 100.....	3.09	4.90	58
Skinner's ind. lathe, F, 12 in.....each..	15.88	24.00	51
Union Mfg. Co., ind., No. 18, 10 in..do....	10.20	16.60	63
Union Mfg. Co., face-plate jaws, No. 48, 8 in.....4 set..	23.52	39.00	66
Coffee and spice mills, Enterprise.....each..	40 & 2%	25 to 30%	20
Fruit dresses—Enterprise, No. 46.....do....	8.82	11.00	25
Harness snaps, Covert's:			
"Trojan" loop, 1½ in.....gross..	2.40	3.23	35
"Derby" loop, 1 in.....do....	1.68	2.24	33
"Yankee" roller, 1¼ in. XC breast strap.....gross..	1.00	1.37	37
Lead, pig.....100 pounds..	2.00-2.50	3.97½	58-98
Meat choppers:			
Enterprise, No. 5.....each..	.75	1.04	39
Enterprise, No. 10.....do....	1.14	1.56	37
Enterprise, No. 22.....do....	1.51	2.08	38
Enterprise, No. 32.....do....	2.25	3.12	38
Nails, cut, 20d. to 60d.....100 pounds..	1.80	2.05	13
Nails, wire, base price.....do....	1.30	2.05	58
Oil-well supplies. Cheaper in Russia than in United States.			
Piano:			
Bradbury.....each..	300.00	375.00	25
Bradbury.....do....	275.00	325.00	18
Playing cards, United States Playing Card Company, Bicycle.....gross..	12.35	25.65	108
Powder:			
Duck, in canister.....1 pound..	37½	45	20
Duck, in 25-pound kegs.....do....	24⅝	32	30
Indian rifle, in 25-pound kegs, FFFg, etc.....1 pound..	11⅝	16	37
Smokeless, in 25-pound kegs.....do....	37⅝	48	27
Rakes, malleable iron shanks:			
10-inch.....dozen..	1.18	1.50	27
12-inch.....do....	1.28	1.60	25
14-inch.....do....	1.39	1.75	26
16-inch.....do....	1.50	1.85	23
Sad irons, BB, in cases.....per pound..	2¾-3⅜	3⅛ to 4	25
Sausage stuffers—Enterprise.....	40 & 2%	25 to 25 & 7½	20
Saws, Disston & Sons:			
Band—			
2½ in. gauge 18.....foot..	.21	.34	62
10 in. gauge 18.....do....	1.25	1.54	23
Butchers' No. 7, 24 in.....dozen..	8.50	10.22	20
Hand—			
No. 12, 24 in.....do....	14.82	18.04	22
No. 16, 24 in.....do....	11.97	14.57	22
No. 107, 24 in.....do....	10.83	12.30	13
Seeders, raisin and grape, Enterprise.....	40 & 5%	25 to 30%	30
Sewing machines:			
Domestic, No. 1.....each..	13.25	20.00	59
Domestic, No. 4 or 9.....do....	17.48	25.00	43
Shovels:			
Barter, socket strap.....dozen..	5.83-6.52	7.50-8.40	29
Rowland, plain back.....do....	5.12-5.83	6.75-7.00	29
Thomas, cast-steel back straps.....do....	4.19-4.95	5.40-6.30	29
Tin plates, Bessemer.....100 pounds..	3.19	4.19	31
Typewriters, Remington and others..each..	55.00-65.00	100.00	54-82
Wire, barb:			
Galvanized.....100 pounds..	2.25	2.90	29
Painted or varnished.....do....	1.86	2.60	40
Wire, plain fencing.....do....	1.37½	2.00	45
Wire, plain galvanized:			
Gauge 4 to 9.....do....	1.54	2.70	75
Gauge 10 to 11.....do....	1.62	2.97	83
Gauge 12.....do....	1.76	3.10	76
Gauge 13 to 14.....do....	1.81	3.37	85
Gauge 15 to 16.....do....	2.08	3.78	81
Gauge 17.....do....	2.46	4.05	65
Gauge 18.....do....	2.63	4.32	64
Rubber insulated.....	(a)	.....	.....
Steel armor for cables.....pound..	3.75	4.15	11
Wire rope:			
Galvanized, 2¼ inches circumference, 100 feet.....	3.12	9.70	211
1 inch circumference.....100 feet..	.72	2.60	261

a 25 per cent off for export.

In explanation of a few items in the above table it may be said that some of the American prices are taken from the Iron Age of May 22, 1902. Not all of the prices quoted are for May, but all or nearly all are for the year 1902, and there is every reason for supposing that similar prices and differences existed in May.

The export prices on heavy steel goods like rails, billets, structural materials, etc., are not contained in the table, partly for the reason that exact prices are not known and partly for the reason that the present home demand in these lines is such that our manufacturers are not just now bidding for export business. They are, however, filling orders at prices from 20 to 40 per cent below home prices and are undoubtedly securing some new orders, especially in bridge material. It should be remembered that the pools and price agreements on rails, billets, sheets, plates, structural work, etc., are not in force on export goods and our manufacturers usually compete freely in foreign countries. The blessings of competition are still enjoyed by foreigners even when dealing with protected manufacturers.

Facts in regard to the export prices of lead were given in the Oil, Paint and Drug Reporter of December 30, 1901, and in the testimony of Mr. John M. Peters before the Ways and Means Committee on April 2, 1902.

On the same day Mr. A. G. Webster, president of the New England Shoe Association, testified that leather was sold for export 5 to 10 per cent below domestic prices.

Letters in the CONGRESSIONAL RECORD of June 23, 1902, page 7763, give the prices of steel armor wire.

The price of rubber insulated wire for export is from a letter from a Providence firm to a New York firm.

The prices of carbide were those prevailing last February. It is probable that the carbide trust (the Union Carbide Company) is exported at $43 a ton, the export price of the Canadian manufacturers, who are also charging $70 at home.

The prices on typewriting machines are obtained from a reliable man in New York City, who says the cost of manufacturing the Remington machine is only $14, although the office and selling expenses add about $25, making a total of $40 for all costs and leaving $60 as the profits on each machine sold to an American customer.

An employee in a big exporting house says that nearly all kinds of clocks are sold for export at one-half the price charged here. He specified certain of the Ansonia clocks.

The following from Arkell & Douglas's South African market report of February 1, 1902, is authority for some export prices:

BARB AND PLAIN WIRES.

" * * * Present price on barb wire, 12 gauge regular, is $2.30, with usual discount of 2 per cent. * * * The price for annealed varnished wire is $1.35 for 6 to 9 gauge, and galvanized $1.65 per 100 pounds, both exact weights, nested in carload lots."

SUGAR.

"The market is steady and we quote to-day cut loaf or crushed 5.10 cents, granulated 5.60 cents, cube 4.85 cents per pound. Prices are subject to a discount of 1 and 1 per cent, and also drawback of about 1½ cents per pound. The refiners are now taking off the drawback themselves and invoicing the sugar at a special price, which is more than equivalent to a reduction of 1½ cents. They appear to object to giving us the details as to how the special prices are made when placing orders, but it is lower than formerly."

NAILS.

"The price of nails is easier, and we quote to-day $1.80 per keg in carload lots of 300 kegs or more, this price being for the basis sizes of 20 to 60 pennyweight. Wire nails are now $1.40 per 100 pounds."

BORAX 7¾ CENTS IN AMERICA, 2½ IN ENGLAND; DUTY 5 CENTS.

The present price of American borax in England is obtained from Mr. Ernest L. Fleming, an importing manufacturer and exporter of borax, soda, etc., of Weaverham, Cheshire, England. Mr. Fleming was accused of attempting to defraud the Government by importing borax (duty 5 cents per pound) as "washing crystal" (duty 25 per cent or about one-quarter cent per pound). He came to this country to test the matter, and in July, 1902, was arrested, tried, and exonerated of the charge. He was greatly astonished to see the close connection here between the Government and the trusts. In fact, he could scarcely distinguish between the two. In his letter of August 15, 1902, to the Democratic Congressional committee, he says:

"The present price of borax (refined) in England is 2½ cents a pound. In America it is 7¾ cents per pound—just the difference of the tariff, 5 cents per pound. Hundreds of carloads in the United States are used every week, no less than sixty-six different trades being dependent, more or less, on this one article. The trust makes $1,250,000 profit per annum out of the people of the United States. * * * The trust controls millions of tons of borax and borate material in the United States, although the consumption in the United States is only 10,000 tons per annum, and if competition were allowed by the Government, the people could have the stuff at 2 cents per pound. In their frantic efforts to preserve the profit, the trust resorted to the arrest of myself. On Wednesday, the 16th of July, 1902, I was arrested at the Federal Building, New York, in the office of the United States assistant district attorney, Baldwin, immediately after a conference between Zabriskie & Anderson, representatives of the borax trust, with the assistant district attorney. I have a letter to my brother showing that the arrest was made in accordance with orders direct from Washington by the borax trust. The United States district attorney, Baldwin, said he was acting under instructions from Washington. At the examination of the case at the appraisers' stores on Thursday, the 10th of July, Doctor Jacobi and his assistant, borax trust's chemists, were present. During the three days' trial, Zabriskie, the borax trust representative, sat at the elbow of the United States assistant district attorney constantly prompting him and egging him on to do his best to convict."

EXPORT PRICES ON BARBED WIRE.

The export prices of barbed wire are contained in a letter printed in the Iron Age of June 12, 1902, signed "C.," and dated May 30, 1902, at Warrington, England. It is in part as follows:

"It is quite true that markets which were entirely possessed by us until the last few years have now been taken from us by your countrymen and by Germany. But there is no ignorance of the causes which, in the majority of instances, have brought this about. To give a concrete example, which is worth reams of explanation, the following market reports will tell their own tale:

"Melbourne, April 12th ult.—American quotations f. o. b. New York. Annealed drawn varnished fence wire £6 10s. 8d. per ton (clearly a long ton to suit that market).

"Pittsburg, April 11.—Shortage of steel still continues. Wire rods $36 per (short) ton. (This is equal to £8 7s. 3d. per long ton.)

"Your issue under notice reports the continued shortage of steel in the United States. Thus rods have advanced another $1 a ton since April 12, and all wire has advanced so that, e. g., barb fence galvanized is being sold in carloads at the high figure of $2.90 per 100 pounds, Pittsburg, and in smaller than car lots at $3.10 per 100 pounds. Translate the former into long tons and sterling, and it equals 13s. 6d. per hundredweight, or £13 10s. per long ton, which your home consumers are called upon to pay for galvanized barb wire.

"I have before me, however, a quotation from your great company, dated May 26, of £10 7s. 6d. for a parcel of 90 tons f. o. b. New York, to be shipped abroad. You will perceive that your citizens subscribe through your tariff to give the foreigner his fence wire at $9 per ton less than the price of the raw material, and his barb wire for 30 per cent less than they can buy it themselves, at the same time that they secure to the manufacturer his home profit on the transaction."

Although Mr. C. was mistaken in thinking that wire rods are quoted here in short tons, yet his quotations on barb wire are undoubtedly correct.

ALL KINDS OF EXPORT PRICES.

Of course, there is no reason for supposing that the export prices quoted in the above table are bottom export prices. As stated in the article on the steel and wire trust, there are all kinds of export prices. While Canadians get lower prices on our goods than our own countrymen, yet they do not get as low prices as are quoted to more remote foreigners. From statements in the export journals (see under Sewing Machines on cover of this book, for example) it appears that the Australian and South African markets get lower prices than the West Indies, and that consumers in Mexico and Canada are less favored than are the Australasians. In fact, some of our trusts have different prices to customers in different States. Thus window glass is sold cheaper to go to New England or to the Pacific coast than at the factories in Pittsburg for delivery on the next block. Salt and other articles are similarly sold.

In certain instances our manufacturers give an extra discount, over ordinary export prices, equal to the tariff duty in the country to which the exported goods are to go. This discount, however, does not appear to be general, and is usually limited to 25 per cent or less.

Wool production, imports, consumption, and manufacture in the United States; also price of wool and value of sheep on farms, 1880 to 1901.

[From the Statistical Abstract of the United States, 1901.]

Year ending June 30—*	Production.	Imports.	Per cent of consumption, foreign.	Value of imports of wool and manufactures of.		Price of fine washed clothing, Ohio fleece, per pound.†	Sheep on farms in the United States.‡	
				Wool, raw.	Manufactures of wool.		Number.	Value.
	Pounds.	Pounds.				Cents.		
1880	232,500,000	128,131,747	34.9	23,727,650	33,911,093	46	40,765,900	90,230,537
1881	240,000,000	55,964,236	17.3	9,703,968	31,156,426	43	43,569,899	104,070,759
1882	272,000,000	67,861,744	19.0	11,096,050	37,361,520	42	45,016,224	106,595,954
1883	290,000,000	70,575,478	18.7	10,949,331	44,274,952	39	49,237,291	124,366,335
1884	300,000,000	78,350,651	20.6	12,384,709	41,151,583	35	50,626,626	119,902,706
1885	308,000,000	70,596,170	18.0	8,879,923	35,776,559	33	50,360,243	107,960,650
1886	302,000,000	129,084,958	28.9	16,746,081	41,421,319	35	48,322,331	92,443,867
1887	285,000,000	114,038,030	27.4	16,424,479	44,902,718	32	44,759,314	89,872,839
1888	269,000,000	113,558,753	28.9	15,887,217	47,719,393	31	44,544,755	89,279,926
1889	265,000,000	126,487,729	31.8	17,974,515	52,564,942	33	42,599,079	90,640,369
1890	276,000,000	105,431,285	27.0	15,264,083	56,582,432	33	44,336,072	100,659,761
1891	285,000,000	129,303,648	30.8	18,231,372	41,060,080	31	43,421,136	108,397,447
1892	294,000,000	148,670,652	33.1	19,688,108	35,565,879	29	44,938,365	116,121,290
1893	303,153,000	172,433,838	35.7	21,064,180	38,048,515	23	47,273,553	125,909,264
1894§	298,057,384	55,152,585	14.2	6,107,438	19,439,372	19	45,048,017	89,186,110
1895§	309,748,000	206,033,906	40.0	25,556,421	38,539,890	18	42,294,064	66,685,767
1896§	272,474,708	230,911,473	45.9	32,451,242	53,494,400	18	38,298,783	65,167,735
1897§	259,153,251	350,852,026	57.8	53,243,191	49,162,992	27	36,818,643	67,020,042
1898	266,720,684	132,795,202	32.8	16,783,692	14,823,771	28½	37,656,960	92,721,133
1899	272,191,330	76,736,209	19.2	8,322,345	13,832,621	31	39,114,453	107,607,530
1900	288,636,621	155,928,455	34.4	20,260,930	16,161,446	......	41,883,065	102,665,913
1901	302,502,328	103,583,505	24.9	12,529,881	14,585,306	......	....	....

* Except in number and value of sheep on farms and prices of wool.
† On October 1 of each year.
‡ On January 1 of year named.
§ Democratic and low-tariff years.

GOODS FOR EXPORT DIVERTED TO THE HOME MARKET.

All kinds of attempts are made by Americans to obtain as low prices on our manufactured goods as are obtained habitually by foreigners. The Iron Age of January 9, 1902, contains a letter, signed "Manufacturer," which explains one of the devices for defrauding (?) our manufacturers. He says:

"There is a practice more or less prevalent among a certain class of exporters, to which I have seen no reference in your columns, but which, for the interests of your manufacturing subscribers, should be thoroughly exploited. I refer to the practice of purchasing goods for export, but actually intended for sale and consumption in the United States.

"There is a class of morally irresponsible exporters who take advantage of such a condition to purchase for export, and divert their purchases to the domestic market at cut prices, thus disturbing market conditions and inflicting injury upon the manufacturer. The methods adopted in securing the goods are many and devious, the latest of which, I have been informed, would do credit to the childlike innocence of the proverbial Chinaman.

"A street broker, with no standing in the trade, solicits and takes orders from jobbers at cut prices. These orders are turned over to an exporter of questionable standing, who in turn hands them to an exporter of fair standing, to be passed by him to the manufacturer. Of course, the form of adopting marks and names of port of destination is preserved between the exporters, and they appear on the orders and cases, these marks indicating a destination which will pass the scrutiny of the manufacturer when he receives the order.

"I am informed that additional precautions against discovery are taken when high-priced goods are desired, even to the extent of actually having them shipped to a European free port and returned duty free by an agent in the free port.

"I am also informed that in the event of a manufacturer tracing the irregularities, a cloak is used by his customer to hide his interest in the scheme, the claim being made that he simply financed the middle exporter in the transaction, having no knowledge of the irregularity.

"I should like to see a full discussion on this subject, believing the evil to be greater than commonly supposed."

As bearing further upon this point, the following is from a pamphlet, entitled "Some Export Trade Humbugs," published by the American Exporter, New York:

"It is by no means unusual for goods turned over to the publishers with the understanding that they are to be 'for export only,' and even after being delivered to steamship companies, to subsequently turn up in the domestic market, much to the annoyance and prejudice of the manufacturer. Sometimes the advertiser finds that these goods have been sold to his own consumers in competition with himself, and at greatly less than his regular prices."

As a rule, however, the Americans, or at least that part of them who do not prefer high prices, have not been successful in defeating the ends of the trusts and in obtaining goods at reduced or foreign prices. While a majority of our citizens believe in high prices, and keep a high tariff wall around us, all of us are at the mercy of our protected trusts and must pay, as gracefully as possible, whatever prices they may care to charge us.

The United States Steel Corporation.

BOTH A PRINCE AND A PAUPER—THE STEEL TRUST—ITS COLOSSAL PROPORTIONS—IT TERRORIZES FOREIGNERS WHILE CRYING FOR THE MILK OF PROTECTION AT HOME—OF ITS NET PROFITS OF $111,000,000 OVER $73,000,000 ARE TARIFF PROFITS—ITS PRODUCTS SOLD IN FOREIGN MARKETS AT TWO-THIRDS OF HOME-MARKET PRICES—WIRE ROPE SOLD FOR EXPORT AT LESS THAN HALF THE DOMESTIC PRICE—THE TARIFF ON STEEL GOODS A HANDICAP TO MANY STEEL-CONSUMING INDUSTRIES—ITS REMOVAL WOULD SQUEEZE THE WATER OUT OF THE TRUST'S CAPITAL AND LIFT A GREAT BURDEN FROM MANY SMALL MANUFACTURERS.

Andrew Carnegie has said that steel is either a prince or a pauper. He might well have said that the United States Steel Corporation is at one and the same time the greatest prince of industries and the greatest of paupers.

Unquestionably our billion-dollar steel trust is the prince of industries. Not only is its capitalization ($1,450,000,000) higher than is that of any other single industry, but it controls, through ownership of stock and "community of interest," many other important iron and steel industries, which add about $250,000,000 to the capital controlled. Through its pooling and price-fixing agreements with competing concerns manufacturing rails, structural steel, steel plates, steel sheets, steel billets, steel bars, wire rope, etc., perhaps $200,000,000 more capital is brought under control, making almost a $2,000,000,000 steel trust.

Disregarding its alliances and affiliations, the value of the trust's yearly product of steel is about $410,000,000, its first year's profits over $111,000,000, and its yearly wage roll about $113,000,000, or $712 each for its 158,263 employees. In many lines, such as wire, tin plate, and bridges, the trust is at present practically the only producer. According to the testimony of its president, it owns 80 per cent of the iron-ore mines of the Lake Superior region, nearly all of the 60,000 acres of Connellsville coking-coal mines, 1,000 miles of railroads, transports its ore on its own vessels, and produces about 75 per cent of our entire output of steel. Besides, it is by far the largest body of financial water in the world. The estimates on the amount of water vary from $500,000,000 to $1,100,000,000, it being difficult to distinguish between the water of the preferred and the fog of the common stock.

These facts, with its reputed million-dollar-a-year president, make it easily the prince of industries. That it is a dictatorial, domineering prince appears to be the opinion of those in charge of the thousands of manufacturing industries in which steel is a raw material, and which exist only at the mercy of the great trust, which dictates prices, terms, and conditions under which these industries may do business. In the language of one of the men in the industry, "The steel trust is 'it' in the steel world just at present."

Like most real princes, this steel trust disregards and defies laws that it does not see fit to make over. It was formed openly and by the concerted action of the shareholders of the selling companies with the intent, effect, power, and tendency to restrain and suppress competition and to create a monopoly. Hence it is clearly illegal under the Sherman antitrust law and under the laws of many of the States in which it does business. It is also, as Prof. H. L. Wilgus, of the University of Michigan, has clearly shown, a trust in the original sense of the word, because it holds, as a trustee, the shares of the various constituent companies and votes for directors of the constituent concerns. Such trusts have been declared illegal in the nation and in some States.

That this price of industries is also the greatest pauper on earth is an "easy proposition." Surely an industry that receives governmental aid to the extent of $70,000,000, or $80,000,000 a year has no equal as a pauper. This seems to be a fair estimate of the amount of tariff benefits which it is now obtaining from this country. For, as the Portland Oregonian says, "Abroad it is a colossus striking terror to the hearts of British, German, and Russian manufacturers; at home it is an infant industry crying for the milk of protection."

An idea of the extent of the benefit of the tariff to this great trust can be formed from a comparison of the domestic and export prices of its goods, as well as from importations of competing goods.

President Charles M. Schwab admitted to the Industrial Commission last May that steel rails were exported at an average price of about $23 a ton, when the domestic price was $26 and $28. If he had been able to recall exact figures on specific foreign sales, he would undoubtedly have realized, what others say confidentially, that the export price during the previous four years averaged $7 or $8 below the domestic price.

As the average difference between the domestic and export prices of steel rails is $7 to $8 per ton, it is evident that practically all of the duty of $7.84 per ton is utilized by the trust and affords it so much extra profit. The duty enables the steel-rail pool to hold up American railroads, and through them the whole American people who use the roads, and compel them to put about $18,000,000 a year into the trust's pockets. The United States Steel Corporation produced 1,675,628 tons of rails for the year ending March 31, 1902, and its share of the tariff "swag" at $7 per ton is $11,729,396. As the actual cost of producing steel rails is now estimated by experts to be about $14 per ton, the absurdity of any duty on steel rails, except to enable the trust to extort from us, is apparent.

About 600,000 tons of structural steel were produced last year, nearly all of which was sold at home at prices fixed by the beam pool. These prices averaged about $12 per ton above the prices at which considerable quantities of beams were exported. Thus the duty of $11.20 per ton on beams mulcts us about $6,000,000 a year. At $10 per ton $4,895,060 goes to the Steel Corporation.

The trust produced 9,066,000 boxes, or 404,746 tons, of tin plate last year. As the trust sells tin plate to exporting manufacturers at $1 below its domestic price of $4.19 per box at New York, it is clear that at least two-thirds of the duty of 1½ cents per pound yielded profits, and surplus tariff profits, to the trust. At $25 per ton the tariff gives $10,118,625 to our great 1-year-old infant.

The average domestic price of wire nails in 1901 was $2.41 per keg. About one-tenth of our output of 9,000,000 kegs was exported at an average price of about $1.45 per keg of 100 pounds. The duty of one-half cent per pound all goes to increase trust profits, which would be large even under free trade. As the steel trust makes about 400,000 tons of our wire nails, this foolish duty adds $4,000,000 a year to this trust's profits.

The average domestic price of barb wire was $3.04 and the export price about $2.20 per 100 pounds in 1901. The duty of 1¼ cents per pound is at least half "velvet" to the steel trust, which produces all of our 300,000 tons of barb wire. This tariff "velvet" amounts to $4,200,000 a year.

The trust produced 378,838 tons of other wire and wire products, which sold for at least $20 per ton more because of the duties of from 1½ to 2 cents per pound. Here are $7,576,760 more of gratis tariff profits to our giant steel pauper.

It is worthy of note that the great steel trust (as a part of the wire-rope pool) sells wire rope for export at considerably less than half what it charges home consumers. Although the duty on wire rope varies from $2.40 to $3.50 per 100 pounds, which amounts to about 100 per cent on the price of American rope in Europe, yet we import large quantities of English rope and sell it here at a profit, after paying duties, freight, and other charges.

The trust produced 693,655 tons of tubular goods. These sold for $5,549,240 more in our markets because of the duty of two-fifths of a cent per pound. This is only one-third of the net profits of the National Tube Company, which are said to have averaged over $1,000,000 a month.

The following table shows the estimates of the effective duties on the products of the trust:

Tariff profits of the United States Steel Corporation.

[Statistics of production are for the year ending March 31, 1902, as officially reported.]

Finished products.	Production.	Duty rate.	Tariff profit.
	Tons.		
Steel rails	1,675,628	$7.84	$11,729,396
Blooms, billets, and slabs	2,481,227	8.40 up	19,949,816
Plates	742,558	11.20 up	7,425,080
Merchant steel shapes, bars, and hoops	1,236,343	11.20 up	12,363,430
Sheets	415,229	15.68 up	4,982,748
Tin plate	404,746	33.60	10,118,625
Wire nails	400,000	11.20 up	4,000,000
Barbed wire	300,000	28.00	4,200,000
Other wire and products	378,838	33.60	7,576,760
Tubes and pipes	693,655	8.96	5,549,240
Axles and forgings	90,659	22.40 up	903,590
Angle bars and joints	127,582	7.84 up	893,074
Structural work (Bridge Co.)	489,596	11.20	4,895,060
Miscellaneous	50,877	11.20+	508,770
	9,486,798		95,098,589
Deduct as probably shipped to constituent companies	2,000,000	11.20	20,000,000
	7,486,798		75,098,589

That these estimates are conservative is evident from the fact that we were importing and exporting many kinds of iron and steel goods last year and that generally domestic prices were near the import point. The tariff, therefore, is responsible for about two-thirds of the first year's profits of our greatest trust. The tariff then burdens smaller industries with taxes amounting to over $70,000,000 a year, and turns the proceeds over to this giant monopoly. Not only this, but because this trust's products are sold cheaper to foreigners, this tariff tax puts all our steel-consuming industries at a disadvantage with foreign competitors. Hundreds of small industries, handicapped in this way, are having the life crushed out of them by this tariff juggernaut. They are dying hard, and are forming manufacturers' free-trade and reciprocity leagues, and are yelling desperately at Congress to take the duties off steel goods and to stop the progress of the tariff monster. Meantime the wise men at Washington are saying, "Statesmen, spare the tariff; touch not a single schedule."

Without this tariff profit the trust's earnings, even in good years, would not exceed $40,000,000. As the interest on the first bonds ($301,000,000) makes a fixed charge of $15,000,000 a year, there would be left but $25,000,000 for dividends on the stock, all of which is water. After the second bonds ($250,000,000) are issued, there would be left but $12,500,000 for dividends. In ordinary years there would be nothing for dividends, and in bad years the holders of the second issue of bonds would probably have to reorganize the trust. But for the patent and mining monopolies, which would still be left, Mr. Carnegie, as holder of the first bonds, might reasonably expect to find himself again a steel manufacturer.

That the tariff does nothing for the laborers is evident. The total wages paid was $112,829,198, or $713 per earner per year. The net profits were $111,067,195, or $702 per earner per year. Thus the earner produced $4 a day and got only $2. Had there been no tariff, prices would have been lower at home, more goods would have been sold, more labór would have been employed to make them, and, as demand for labor usually fixes wages, the average wages would have been higher. The only important effect of the removal of the tariff duties, then, would be in reduced dividends on the watered stock and perhaps in the more modest demeanor of some of our steel magnates in American and European gaming resorts.

If tariff duties remain unchanged, this trust will continue to plunder the people of millions of dollars every month, though it may be compelled to absorb several more companies to hold its monopoly. The great profits in most lines of steel manufacture are tempting outside capital to build competing plants wherever competition is possible. This is especially true of structural material and of tin plates. Expert tin-plate men say that by next fall there will be sufficient mills outside of the trust to produce half of the tin plates consumed in this country. Independent mills would now be producing considerable quantities of tin plate if they could obtain steel bars. They have sent a man to Europe to buy bars there. They expect to be able to obtain bars of outside concerns next summer; and as the trust has recently stopped subsidizing the makers of tin-plate mills, and has left them free to sell to outsiders, the tin-plate monopoly is not as strong as it has been. The Engineering News of March 27 thus sums up the situation as regards this great trust:

"Very likely the steel trust and its competitors will form pools to restrict production and maintain prices as long as possible, and further consolidations may take place. So long as these abnormal prices and profits continue, however, so long will there be found men ready to build works which can either be run so as to pay for themselves in a very few years, or else can be sold to the trust at a large advance on their cost. The trust can not indefinitely pursue the plan of buying out its competitors at an abnormal price and watering its securities to pay the bill. Some time the process of dilution must come to an end.

"Even if it were possible, moreover, for the United States Steel Corporation to maintain an absolute monopoly, it is not believable that the public would long endure such a condition. The public opposition to the huge consolidation has by no means been removed. It has only been temporarily disarmed, partly by the fact that the monopoly has not yet made use of its power to interfere with the natural course of prices, as determined by the law of supply and demand, and partly by the knowledge that outside competition has by no means been eliminated from the steel industry. If these conditions change, the public will certainly find means to protect itself."

Will the unprotected worm ever turn?

(For full details of concerns in and out of this trust; for testimony of Charles M. Schwab; for discussion on the illegality of the trust, by Prof. H. L. Wilgus, etc., see following pages.)

PRESIDENT SCHWAB'S TESTIMONY—VALUE OF ASSETS OF THE UNITED STATES STEEL CORPORATION.

[From affidavit of Charles M. Schwab, July 15, 1902, in suit in Newark, N. J., to prevent the proposed retirement of $200,000,000 of preferred stock and the issuance of bonds instead.]

The net earnings during the first three months of second year, viz, from April 1, 1902, were $37,691,700, or at the rate of $150,766,000 per year.

In my opinion, the net earnings of the second year of the steel corporation's business, ending April 1, 1903, will greatly exceed those of the first year, and will equal and will probably exceed $1,400,000,000.

During the second year the properties are earning at the rate of over 14 per cent upon the common stock, after deducting 7 per cent cumulative dividend upon its preferred stock.

The properties owned and represented by the United States Steel Corporation are of enormous value, and many of them are indispensable for the successful conduct of the business and could not be duplicated in the United States or elsewhere at any price.

The following items of value are, in my opinion, substantially below the actual value of the properties to the United States Steel Corporation:[a]

Iron and Bessemer ore properties	$700,000,000
Plants, mill fixtures, machinery equipment, tools, and real estate	300,000,000
Coal and coke fields (87,589 acres)	100,000,000
Transportation properties, including railroads (1,467 miles), terminals, docks, ships (112), equipment (23,185 cars and 428 locomotives), etc	80,000,000
Blast furnaces	48,000,000
Natural-gas fields	20,000,000
Limestone properties	4,000,000
Cash and cash assets, as of June 1, 1902	148,291,000
Total	1,400,291,000

The foregoing items of value do not include any allowance for the value of the good will and established business of the various plants and properties, nor do they include anything for the very valuable patents, trade-marks, and processes owned or controlled, or anything for the large amount of orders for manufactured goods which have been actually received and are in process of filling. These orders amount in the aggregate to about $150,000,000, and will keep the various producing mills and plants fully occupied until after the 1st of January, 1903, and now assure a net profit of over $60,000,000.

In explanation of the items of valuation, Mr. Schwab goes into details. He declares that it is his opinion that the iron and Bessemer ore properties are practically inexhaustible, and that the valuation of $700,000,000 is conservative and must increase very materially with the exhaustion of the known Bessemer ore deposits. As to the plants, etc., valued at $300,000,000, in Mr. Schwab's estimate, his affidavit goes on to say that the corporation includes 400 producing mills, many of them the most valuable in the world.

The coal and coke properties, valued by Mr. Schwab at $100,000,000, he says have that value, although not yet fully developed.

"These properties comprise 54,269 acres of coking coal and 33,320 acres of steam coal, making a total of 87,589 acres, situated in the best coal regions of the United States and within easy access by economical transportation facilities to the producing mills."

Mr. Schwab further declares that his valuation of the transportation properties is made after deducting the bonded indebtedness of $40,340,000 held against the various properties, and he avers that the properties could not be duplicated for less than $120,000,000.

[a] It would be interesting to learn on how much value the steel trust pays taxes. The little information at hand indicates that the assessed value of the coking-coal lands is less than $5,000,000, and probably less than $3,000,000. The assessed value of its iron-ore properties is probably less than one-seventh of Mr. Schwab's sworn value.

The blast furnaces, natural-gas fields, and limestone properties, Mr. Schwab declares, are estimated in his table at considerably less than the amount for which they could be duplicated. The cash assets, Mr. Schwab declares further, can not be duplicated at less than $200,000,000.

RELATION BETWEEN EXPORT AND DOMESTIC PRICES.

Extracts from the testimony of Mr. Charles M. Schwab, president of the United States Steel Corporation, before the Industrial Commission, May 11, 1901. (See XIII, pp. 448-487 of Reports.)

Q. Will you take up the question for a moment of the relation between export prices and the prices in this country? You have, perhaps, heard some of the discussion.—A. I heard some of the discussion of the gentleman who just preceded me. I do not quite agree with him, of course. It is quite true, as he says, that export prices are made at a very much lower rate than those here; but there is no one who has been a manufacturer for any length of time who will not tell you that the reason he sold, even at a loss, was to run his works full and steady. That has been the chief thing regarding all these companies in their export business.

I think you may safely say this, that where large export business is done, for example in the line of iron and steel, nearly all the people from whom supplies are bought for that purpose give you a good price for the materials that go into export. Railroads will in most instances carry them a little cheaper for you, and so on all down the line. But labor, within my knowledge, at least, has never been asked to work for a lower price for export material, so that labor benefits more by it than almost any other interest. As this book goes to press, the numerus lodges of the Amalgamated Iron and Steel Workers are voting on a proposition from the American Tin Plate Company (a part of the great steel trust, of which Mr. Schwab is president). This trust asks the workingmen to accept a reduction of 25 per cent in their wages when working on tin plate for export. It is stated that this reduction in wages will enable the trust to meet the prices of the Welsh tin-plate manufacturers (about $1.40 per box below the ordinary price of $4.19 charged by the trust), and to fill a big order for 1,500,000 boxes from the Standard Oil Company.

Q. Is it a fact generally true of all exporters in this country that they do sell at lower prices in foreign markets than they do in the home market?—A. That is true, perfectly true. I just want to interrupt you and say that American steel has been sold in the American market at as low prices in times of extreme depression as it has been in foreign markets, but it has been sold without profit. You know we do run for a space of time at a loss.

Q. Would you say that when business is in a normal condition the export prices are regularly somewhat lower than home prices?—A. Oh, yes; always.

Q. (By Mr. JENKS.) I should like to go back for a moment to the question of export prices. You said that during last year the export price was considerably lower than the price in the United States. Would you mind giving us definite figures?—A. I have not them at hand, but it would vary with each article.

Q. Suppose you take the case of steel rails. Could you give us about the difference between the export and domestic price?—A. I would have to make a guess; I do not know definitely. The export price was about $23 a ton.

Q. And the price here?—A. Was $26 and $28.

Q. At the same time?—A. At the same time.

Q. In making these export prices are the export prices at all uniform or do they vary?—A. They vary with the competition we may have.

PERCENTAGE OF STEEL INDUSTRY CONTROLLED BY THE UNITED STATES STEEL CORPORATION.

Q. You spoke of the per cent of the steel industry that the Carnegie Company controlled. Could you give the Commission about the per cent of the whole steel industry that the United States Steel Company controls?—A. Well, yes; I think it is between 65 and 75 per cent. It will vary with times. I think in very prosperous times the percentage will be smaller; in very dull times it will be very much larger.

Q. Would you consider that per cent sufficient to make what would be called a monopoly of the business?—A. No; I do not think so.

PROTECTIVE TARIFF DESIRABLE ON HIGHLY FINISHED STEEL PRODUCTS.

Q. Now, will you take up for a moment the relation of the tariff to the export price?—A. Yes, if you would like, if you will ask me the questions.

Q. You are exporting at the present time large quantities of steel?—A. Yes.

Q. Do you think that the protective tariff on steel is any longer desirable?—A. I do, especially in certain lines. You take the lines of steel manufacture in which labor forms the larger part of the cost, and you must have a protective tariff or reduce your labor. Now, on lines of steel in which labor does not form an important part, it is perhaps safe to say we have reached a point where we do not need the tariff. Let us take the question of billets, for example. The cost of billets over pig iron or over ore, whichever you choose, as far as labor is concerned, is very slight. But you take the question of rails or tin plate and the highly finished articles in which labor forms a very important element of cost and remove the tariff and you lose the trade or you reduce your labor. That is such a simple proposition to me. Now, what do we export? We are not exporting tin plate to-day. Why? Because we simply have not the advantages of manufacture. Our labor is too highly paid to enable us to do that. But we do export largely rails and billets, because labor does not form the important part there that it does in the higher forms of manufacture.

Q. (By Mr. LITCHMAN.) Your opinion is that a reduction of the tariff means a reduction in labor?—A. It does where labor forms the important part of the cost. It has been a singular thing that the lines in which we have exported have been the lines in which the least labor is expended.

Q. Does that statement apply to skilled or unskilled labor?—A. Oh, all classes, but especially skilled labor; but I could safely say all classes of labor. This is what has been rather remarkable. You have seen in most discussions of this question that Americans have been able to export largely by reason of their superior facilities for manufacturing; but if you will stop to think of it, the large export has been done chiefly in those lines in which labor has not played an important part, like rails, billets, and things of that sort. [Not only is Mr. Schwab clearly mistaken as to manufactured exports in general, but he is greatly mistaken as to his own industry.]

The following figures are from the Statistical Abstract of 1901:

Value of articles of domestic merchandise exported.

Article.	1899.	1900.	1901.	1902.
Billets, ingots, and blooms	$869,544	$441,605	$3,158,239	$78,355
Iron and steel rails	5,439,831	9,356,448	10,873,756	4,837,096
Wire	3,891,180	5,982,400	4,104,563	5,278,456
Builders' hardware	7,582,372	9,648,924	9,204,513	9,840,102
Firearms	681,440	1,403,915	958,324	----------
Machinery—electrical, sewing, locomotives, typewriters, etc	44,285,363	55,485,495	49,814,489	47,562,578
Pipe and fittings	5,875,748	7,024,888	5,139,895	5,153,080
Nails and spikes	1,863,076	3,050,948	1,815,298	1,524,466
Total manufactures, iron and steel	93,716,031	121,913,548	117,319,320	98,552,562

EFFECT OF THE REMOVAL OF THE TARIFF ON ORE.

Q. (By Mr. C. J. HARRIS.) Would it injure your business at all if iron ores were admitted free of duty here?—A. I think not.

Q. (By Mr. JENKS.) You have no objections to the removal of the duty on ore?—A. I think that is practically the case now. I think that is practically the case for this reason, that materials imported for finishing that are ultimately exported have the tariff rebated on them. Any manufacturer of steel will probably export enough finished steel to get his rebate on the imported ores, so there is practically that condition now.

PRESENT AND FORMER LABOR CONDITIONS AT THE CARNEGIE PLANT.

Q. Can you go somewhat into detail and contrast the present with the preceding conditions, in order to explain the significance of that statement?—A. Well, up to 1892 we had labor organizations. Since 1892 we have had none.

Q. Before 1892 about what proportion of your workingmen were union men?—A. Well, it varied each year; I should say along about 1899, 80 per cent. Oh, nearly all our work was under the control of organized labor, but just what percentage of the workingmen were not in the organization I am unable to say. It was not a very large percentage, probably not over 20 per cent of the total.

ORGANIZATION OF LABOR SOMETIMES A DETRIMENT TO INDUSTRY.

Q. Did you find that the rules of the organization limited the output of the individual men?—A. Yes.

Q. To a detrimental extent?—A. Yes. In speaking before the British Iron and Steel Institute a few years ago, I said that I thought one of the two chief reasons why England could not compete with America was because of the unreasonable rules followed by their organized labor, primarily. I remember a comparison at that time showed that the output of the same machines there was only about one-third of what it was in America.

Q. And that lesser output, you think, was due to the influence of organized labor?—A. Of course; the fact that the capital in your plant is producing one-third of what it could produce adds very much more to the cost of production, although not much to the wages of the men.

Q. You thought the lessening of the output was due to the rules of the union?—A. That was due to the rules of the union.

LABOR ORGANIZATIONS ARE DETRIMENTAL TO THE LABORERS.

Q. (By Mr. LITCHMAN.) Are you not likely to have an acquaintance with organized labor in the immediate future?—A. Quite probably. But still, I do not think I shall. I think that will fall to the lot of the presidents of the subsidiary concerns.—A. If I were a workingman, now, in one of these mills, especially if managed under the broad policy under which I hope the steel manufacture is administered, I would not want to belong to a labor organization. It puts all men, no matter what their ability, in the same class of work on exactly the same level. If I were a better workman—quicker, smarter—than the other men I would want to reap the benefit. I would not want to be put in the same class as the poorer man, which they must do. If we have 500 men employed at the same class of labor, the wages paid will be the same—must be the same paid to the same class. The level is that of the poorest man in that department. As a workingman I would not advance, and I would not be able to show superior ability over another if I were in an organization. That is my own personal view.

CAPITALIZATION—PROPORTION OF TANGIBLE ASSETS.

Q. (By Mr. JENKS.) I should like to go back to the question of capitalization for a moment. In the case of the United States Steel Corporation, about what proportion of the capitalization could be counted as tangible assets?—A. It is entirely a question of what you put in your raw materials at. If I were valuing the raw materials in this capitalization, it would not be big enough.

Q. Do you refer to the ore mines?—A. To ore, coking coals, and things like that. I claim that they are of much more value than people as a rule have ever given to them. This company, for example, has over 500,000,000 tons of ore in sight in the Northwest. Now, it does not take many dollars per ton on that ore alone to equal the capitalization of these concerns. We own something like 60,000 acres of Connellsville coal. There is no more Connellsville coal. You could not buy it for $60,000 an acre. Now, it depends altogether upon the value you put on that raw material as to what your capital ought to be.

THE PROBABLE DURATION OF THE CONNELLSVILLE COAL SUPPLY.

Q. (By Mr. PHILLIPS.) How long do you think, at the present rate, will be required to use up the Connellsville coal?—A. If manufacture increases in the future—if the consumption of steel increases in the future like it has in the past, I believe the Connellsville coal will be exhausted in thirty years. If the consumption of iron ore in the Northwest goes on as it has in the past, the ore now known will not last very long—some sixty years.

Q. (By Mr. C. J. HARRIS.) The amount of Connellsville coal you have in sight would probably be largely increased by future developments.—A. There is none to develop. Of course, there are other coals; but it is a well-known fact that the Connellsville coking coal is an ideal coking coal for manufacturing purposes. Now, the Connellsville coal field is very clearly defined and every acre of it is highly prized, and that is owned by all the companies in toto. Now, there must be developments of coal in other directions, but nothing like this coal. Hence, very much depends on the value you put on the raw materials.

PROPOSED REPEAL OF THE TARIFF ON CERTAIN STEEL PRODUCTS WOULD INJURE LABOR.

Q. Has your attention been called to the bill introduced in Congress by Mr. Babcock, of Wisconsin?—A. What was that? I do not recall it now.

Q. That was a bill to repeal all duties on steel goods produced by the trust, as commonly called.—A. Oh, yes; I know in a general way. I do not see that that would do anybody any good. It would not hurt anybody in those lines where we do not need a tariff, and the only persons it would hurt in those lines where we do are the working people.

Q. (By Mr. PHILLIPS.) Still there is not so much labor employed on steel rails or billets as on finer products?—A. No; and, therefore, the reason for a duty on the finer products is so apparent.

Q. (By Mr. CLARKE.) Do you know of any reason why the duties should be taken from the finished products of steel mills and not from the ore?—A. As I explained before, that is an impracticable problem, for the reason that the ores—speaking as a broad question—are not imported. They are all domestic. Hence, the taking of the duties off the ores cuts no extensive figure in the cost of making steel. It is not a practical question. Those who do bring in ore get the rebate on the finished product when shipped out, and it is practically free ore.

Q. Is it your opinion that there is anything in the conditions of business in this country at the present time which calls for an early revision of the tariff?—A. I do not think so. I should like to see it left alone. That is my personal opinion. I think it is unwise to disturb these things when there is no necessity for doing it. The tariff on rails and billets is not enough to hurt, if you are not bringing them in. It may be inconsistent, but that is a point of view I am not prepared to discuss.

CAPITALIZATION OF THE UNITED STATES STEEL CORPORATION.

Q. How do you account for the large difference between the capitalization of the United States Steel Corporation (as it now stands capitalized) and the capitalization of the constituent companies, exclusive of the bonds issued in payment?—A. There is not a very wide difference if you come to think it all over. All of these companies have added considerably to their assets since they were organized.

Then I undoubtedly think that the coming together of all these interests, the owning of these stocks by one corporation, will undoubtedly enhance the value of them all, for the reasons I have given in the line of economies, etc. I think, furthermore, that the values placed on raw materials in the shape of ores and coal have never been excessive, and the amount of capitalization depends entirely upon the value at which you put these ores.

VALUE OF THE ORE SUPPLY AS AN ELEMENT OF CAPITALIZATION.

Q. (By Mr. JENKS.) This added value that comes from the fact that the quantity of ore is limited is, of course, a sort of monopoly value—not using the word in an invidious sense?—A. You have seen, in your own experience, how this increased value of ore comes from the limited quantity. Individuals may own a mine and they may think it is worth ten times as much as it was ten years ago; and they are probably right, because they see a wonderful development in the industry in this country. It is a natural increase in value, just as real estate will increase in value because of its scarcity and the need for it.

Q. And this high capitalization you yourself justify on the ground that owing to the limited supply of ore its value must have been greatly increased?—A. I think so. I do not say that is the only reason for the capitalization, but you can fix the capitalization at a much larger figure, dependent on the value you place on the ore in the ground. After all, it is the greatest asset of all. Works can be duplicated, but this ore can not.

VALUE OF ORE IN THE GROUND AS AN ELEMENT OF CAPITALIZATION.

Q. You said, if I remember right, that the United States Steel Corporation has 500,000,000 tons of ore in sight in the Northwest?—A. Yes.

Q. Is it fair to suppose that the 500,000,000 tons of ore might fairly go in at some considerable price per ton in the capitalization of the combination? Of course, ore may, let us say, be worth $4 a ton; and, of course, at that rate it would be worth $2,000,000,000, obviously; but I suppose you ought to take, ought you not, the net profit that can be made in mining that ore in basing its value for capital stock?—A. Yes.

Q. Now, for a good many years, don't you suppose a fair estimate on profit of ore from Lake Superior mines would be 25 cents a ton?—A. I should not like to sell ore at 25 cents profit.

Q. How much higher?—A. I should say one ought to have a profit of $2 to $2.50 a ton for every ton of ore in the Lake Superior region.

Q. (By Mr. PHILLIPS.) Who should receive the benefit of that?—A. The owners of the ore.

Q. (By Mr. STIMSON.) There are a great many mines which have been running successfully for many years at much less profit?—A. Yes.

Q. As small as 25 cents?—A. Yes; and sometimes at a loss.

Q. Are you willing to make a guess on the average rate of profit on mining land?—A. No; because no one can do it—you can put the ore in at what you like.

CONTROL WHICH THE UNITED STATES STEEL CORPORATION HAS OVER LABOR.

Q. I understand, of course, you can not go into the future of the steel combination with labor, but I should like to know whether the result of the combination of all the furnaces is not to make it possible, if the United States Steel Corporation so wishes, to suppress and labor dispute at any one furnace or mill very much more easily than it could have been done before?—A. Now, that is a question pretty difficult to answer.

Q. But does not the corporation add very much to the power of an employer as a whole against any particular class of employees?—A. I think it does.

POOLS IN STEEL AND OTHER INDUSTRIES.

Q. (By Mr. JENKS.) You spoke in reply to one of the earlier questions to the effect that there were sometimes apparently agreements between the officers of the different competing companies, so that they sold at the same rates, Pittsburg and Chicago, to certain places. Will you speak briefly with reference to previous pools as they existed before the organization of this company?—A. The steel-rail pools, as so called, were simply agreements between the managers of the various works to sell steel rails at the same price at the same point.

Q. For manufacturers, before the organization of the United States Steel Corporation, were similar agreements existing?—A. Yes; in all lines of business; not only in steel, but in everything else. There were similar agreements, known as "joint agreements," to maintain prices. They have existed in all lines of business as long as I can remember.

Q. Without any distribution?—A. There were sometimes questions as to distribution of territory.

WATERED CAPITAL.

[From the testimony of Byron W. Holt before the Industrial Commission, May 10, 1901.]

The original capital of the United States Steel Corporation consisted of $304,000,000 of bonds, $425,000,000 common stock, and $425,000,000 preferred stock. This was issued to exchange for the stocks and bonds of the eight companies in the original combination and for $25,000,000 in cash. Since then $72,355,280 of common and $70,828,890 of preferred stock has been authorized and is in process of issue.

This makes a total of $1,297,184,170 of stocks and bonds to be exchanged for a total of $894,988,800 of stocks and bonds of the constituent companies. Thus the new capitalization exceeds the old by $402,195,370, or an increase of 45 per cent. A fair estimate of the value of the actual assets of the old companies, aside from their special privilege of monopoly powers, was that two-thirds of their capital was water. As the consolidation of these companies has added nothing except $25,000,000 cash and an increased monopoly power to the value of these consolidated companies, it is fair to say that the actual visible assets of the United States Steel Corporation are only about $300,000,000, or the amount of its bonds, and that all of both kinds of stock is what is commonly called water. That is, the visible assets constitute 25 per cent and the invisible assets 75 per cent of the value of this great corporation, according to its capitalization. That this estimate is not a wild one is probable from the statistics of the census for 1890, grossly inaccurate though they probably are. These show that the total capital then invested in the iron and steel industry was only $414,000,000. Supposing that the capital invested has since increased 46 per cent, it would now be about $600,000,000. (The actual figures since given for 1900 were $580,041,710.) The trust probably does not control more than 40 per cent of the capital invested, for there are many lines of goods which it does not touch. Add to its iron and steel holdings $60,000,000 for the actual value of its other holdings, and the sum will not much exceed $300,000,000. In this estimate no allowance is made for "good will."

GREEDY IRON AND STEEL TRUSTS REBUKED BY REPUBLICAN OFFICIAL REPORTS.

The iron and steel trusts had become so high handed by 1900 that the Republican Administration thought best (both to try to disconnect itself from the trusts in the minds of the people, and to begin the sandbagging process, later continued by Chairman Babcock, to obtain campaign funds) to read the riot act to these trusts, and to call upon them, under penalty of having their tariff support removed, to stop their vicious practices of selling goods at high prices in the home market while charging much lower prices for export. The following quotations are from a special article on iron and steel in the August, 1900, report of the Bureau of Statistics on commerce and finance:

"The progress of work on shipbuilding in the United States has likewise been retarded, because makers of steel materials required a higher price from the American consumers than they did from the foreign consumers for substantially similar products. Of course American exporters have to get foreign contracts in competition with foreign plate makers who are excluded from our domestic market. In addition to this, American export plate makers are interested in preventing the establishment of plate manufacturing in their customer nations abroad, and to that end bid low enough to discourage foreign nations from entering the field for producing their own plate at home. The progress of domestic manufactures of iron and steel goods may likewise be handicapped by the sale of iron and steel in their manufactured state at so much lower a price to foreigners than to domestic consumers as to keep the American competitor out of foreign markets generally. The natural limit to such a policy of maintaining a higher level of prices for these materials at home than abroad is found in the restriction of domestic consumption and the import duty. If restriction of consumption at home does not operate to prevent the shortsighted policy of discrimination against domestic development of manufacturing industries, the other contingency is more or less sure to rise, namely, the demand for the reduction of the tariff on unfinished iron and steel, in order to equalize the opportunity of makers of finished products in foreign markets. To this policy the domestic consumer is usually ready to lend himself, thus making a powerful combination of interests to set limits to the rise of domestic prices of iron and steel materials.

* * * * * * *

"Of the two policies open to iron and steel makers, the farsighted one of keeping the domestic and foreign markets as near as possible on a par in the price of these materials of manufacture seems by far the wiser one to follow, both in the interest of a steadier course of prices, which means steadier consumption, and on account of the competition of manufacturers of finished goods with foreign manufacturers in the neutral markets of the world.

"The other policy of maintaining prices to manufacturers at the highest level at home leaves little margin for experiment in seeking new markets, and restricts the application of iron and steel to additional uses at home. The depressing effects of an agitation for tariff revision to remedy this inequality are sure to cause a far greater business loss, not only to the country as a whole, but to the producers of iron and steel themselves, than is to be gained by selling at low prices abroad, which they can not help, and at high prices at home, which they can help. Nor can the home-market price be sustained beyond certain limits by export sales. Certain American manufacturers of steel materials tried this policy up to April, 1900. It resulted in a very positive shrinkage in domestic consumption at the then high rates. Farmers had ceased to purchase barbed wire for wire fences, retail hardware dealers had complained for months of diminished business in nails and wire. Jobbers had gotten in the way of doing a hand-to-mouth business on prices that had advanced from $1.35 to $3.20 in the course of a year. Hence the reduction of $1 in April, 1900, became a necessity in order to keep the mills in operation.

* * * * * * *

"When new markets are to be opened abroad, the governing factor which must be made the basis of prices to consumers is the capacity to undersell competitors, regardless of the level of prices at home. The policy of many governments has been to subsidize production or distribution in some way or other, so as to enable the producer to reach the consumer in distant lands without too great a loss or risk in the initial outlay. The capital outlay being large and the income low for the first few years, the risks of changing prices, of uncertain credit, and of the cost of marketing, give the whole policy of opening foreign markets a highly experimental character. The elements of commercial expense in distribution between producers and foreign consumers are not only higher, but they are harder to ascertain in advance than in the case of domestic distribution. Hence commercial expansion arising from the necessity of disposing of a national surplus abroad has always made it necessary for domestic producers to adjust their trade to two price standards—world-market level of prices, determined primarily by international competition, and the domestic standard of prices, determined mainly by the development of internal demand. The higher profit, presumably, to the producer is made in the home market.

"The policy of premiums, bounties, and subsidies to foreign trade tends to delay economies of production and of distribution in domestic markets, to increase the difference between prices to domestic and foreign consumers, and to restrain domestic consumption, as in the case of beet sugar in Europe.

"There is something economically impossible in the policy of trade syndicates to attempt to sell as dear as possible at home and as cheap as possible abroad, and yet expect to develop a home market as the bulwark of national prosperity. Yet this is exactly the position of Germany to-day. The completeness with which the iron and steel trades are committed to this course and the results already apparent in depressing these industries there should warn those who are responsible for the policy of these industries in the United States."

If steel rails, for example, sell at Pittsburg for $35 per ton for months in succession for home consumption, while the foreign consumer is purchasing them for $22 to $24 per ton, the domestic market is sure to order no more than it is obliged to have for the time being.

ILLEGALITY OF STEEL TRUST—EXTRACTS FROM "A STUDY OF THE UNITED STATES STEEL CORPORATION IN ITS INDUSTRIAL AND LEGAL ASPECTS."

[By Horace L. Wilgus, professor of the law of torts and private corporations, University of Michigan, 1901.]

In connection with the petition of the Anti-Trust League, the attention of the Attorney-General is called to the lectures of Professor Wilgus in the volume above named, and particularly to the following extracts from the same: First, as to the legality of the United States Steel Corporation; second, as to the lawful power of the States over the subject; third, as to the jurisdiction of the National Government over the subject; fourth, State antitrust laws; fifth, the national antitrust law; sixth, as to the repeal of tariff schedules which shelter trusts.

1. "Is it an illegal trust? This depends upon two things, (1) its substance and (2) its form.

"(1) As to substance. A recent definition of a trust is, 'any combination, whether of producers or vendors of a commodity, for the purpose of controlling prices and suppressing competition.' All contracts, agreements, and schemes whereby those who are competitors combine to regulate prices are 'trusts.' A somewhat fuller definition is the one given by Mr. S. C. T. Dodd, the attorney for the Standard Oil Company (and if anybody ought to know from experience, he should). He says it 'embraces every act, agreement, or combination of persons or capital believed to be done, made, or formed with the intent, effect, power, or tendency to monopolize business, restrain or interfere with competitive trade, or to fix, influence, or increase the price of commodities.' It will be noted that neither of these definitions says anything as to form. So far as the form is concerned, that is immaterial. It is the purpose and tendency that are emphasized. It is not necessary that prices be actually increased or that competition in fact is prevented. It is the purpose and the power that are the essential elements. 'The test is whether the contract or combination in its apparent purpose or natural consequences places such restrictions upon competition as tends to create a monopoly.' From the review we have taken of the industrial side of the United States Steel Corporation, and waiving all questions of form, it is reasonably certain that it is a combination made with the intent, effect, power, and tendency to restrain competition in the iron and steel business.

"(2) Does the form of organization—the corporate form—prevent it from being illegal? As we have just said, the form is not made part of the approved definitions, and by the decisions of many of the courts it is held that the forms will be looked through and the substance considered. And although the form is corporate and apparently legal, that this will not purge the illegality of the purpose. In Illinois, where corporations can be formed for any lawful purpose, it was held that a gas company, formed for manufacturing gas and acquiring the shares and property of other gas companies, was illegal when the shares were acquired for the purpose of controlling these other companies, in order to prevent competition and create a monopoly in the business; and this, too, when the express power to acquire such shares was contained in the articles of incorporation. Substantially the same view has been taken in several of the States, and by the Supreme Court of the United States, which says: 'It is not within the general powers of a corporation to purchase the stock of corporations for the purpose of controlling their management, unless express permission be given them so to do.'

"The United States Steel Corporation is expressly given the power to acquire and hold shares of stock in other corporations, and vote upon them, as any other owner is. It is, therefore, undoubtedly legal in all particulars in New Jersey, and would be so declared by the courts of that State, and of some of the other States having a like policy. But we must remember that 'every power which a corporation exercises in another State depends for its validity upon the laws of the sovereignty in which it is exercised,' and 'subject to the laws and Constitution of the United States, full power and control over its territories, its citizens, and its business belong to the State.'

"The holding of the court by the official syllabus in the Standard Oil Company case (State *v.* Standard Oil Company, 49 Ohio State Reports, p. 137) is that—

"'An agreement by which a majority of the stockholders in several companies transfer to trustees, who are required to hold the stock in trust for the transferers and to exercise the power of controlling the affairs of the companies which the legal ownership of the majority of the stock confers, in such a manner as will be most conducive of the interests of all parties to the agreement, tends to establish a virtual monopoly of the business for which the companies were organized, and is therefore contrary to public policy and void.'

"How did it happen that the Standard Oil trust was unlawful when every single step taken in its formation was legal? The reason was clear—that the purpose was to form a monopoly and suppress competition; that the trustees understood this, and that the shareholders did also, and that it was the same as any other contract for creating a monopoly—that is, unenforceable. But no statute then provided for punishing either the shareholders or the trustees. Can the courts come to any other conclusion as to the United States Steel Corporation? It understands why it was formed—for the purpose of preventing competition. Those who sold their shares to it understood this also; they knew it was for the same purpose. There are therefore no innocent parties here any more than in the other case, and if either party was trying to enforce this contract for the purchase of shares, the courts certainly would be bound to hold them unenforceable if the question was properly raised. How, then, does the case differ from the Standard Oil case? The answer is, that it is in the remedy. In the sugar and oil cases the companies, X, Y, and Z, had no express right to sell out their property and management to any person, or place it in the hands of trustees other than those selected in the ordinary way, and the court held that although each shareholder had the undoubted right to put his shares in trust or sell them outright, the concerted action of all the shareholders was just the same as if the corporation itself had abdicated its own powers of self-management, and that this is a corporate sin, for which the State could take the corporate life of X, Y, and Z companies, and could enjoin the further carrying out of the trust.

"But it will be said in the case of the United States Steel Corporation the corporate sin of abdicating the power of self-management by the constituent steel companies is not present, because all of them have express authority to dispose of all their shares at one time to any other corporation which wishes to become a real shareholder, and therefore such a sale and purchase is sinless, whatever the purpose may be. Such a claim can not be sustained. Even in the State that grants such power, if it is exercised for a purpose that is unlawful—i. e., to create a monopoly—its exercise will be, or ought to be, held unlawful.

"In the Standard Oil case the corporations were enjoined from carrying out the trust agreement within the State. This remedy is available in any State where the offending corporation may be doing business, and this remedy is available against anyone, trustee, shareholder, corporation, owner, or anyone else, that is a party to the offense; and furthermore no State can confer any power, by whatever form it legalizes it, upon any group of persons or any individual that will legally authorize it or him to do or continue doing in any State what the laws of that State forbid—and the forms will be swept away and the substance looked at. If these views are correct, it is not unlikely that in the States having a policy forbidding the creation of trusts and monopolies the courts will hold it to be an illegal trust within even the strict meaning of that term.

2. "It is within the lawful power of the State to prevent by any remedy it may provide the use, within its territory, by any person of any property in any way which it shall declare to be injurious to the public welfare.

3. "So far as the United States Steel Corporation buys and sells goods of any kind that are to cross the State lines, it is, so far as these transactions are concerned, beyond the jurisdiction of the States and within the exclusive jurisdiction of the National Government.

"The corporation proposes to engage in transportation also between States. This brings it within the jurisdiction of the National Government, at least so far as those persons are concerned who actually carry on this business for it.

4. "The States of New York, Ohio, Indiana, Michigan, Wisconsin, Minnesota, and the National Government have had antitrust acts.

MICHIGAN ACT.

"In Michigan the attorney-general is directed to bring quo warranto proceedings against any offending corporation organized in the State, for the forfeiture of its charter. He shall also bring proper proceedings, either quo warranto or injunction, against any offending foreign corporation 'exercising any of the powers, franchises, or functions of a corporation in this State.'

"Any violation of the law is declared to be a conspiracy against trade, and any person who may become engaged in any such conspiracy, or take part therein, or aid or advise in its commission, or shall, as principal, manager, director, agent, servant, or employee, or in any other capacity, knowingly carry out any of the stipulations, purposes, prices, or rates, shall be punished by a fine of not less than $50 nor more than $5,000, or be imprisoned not less than six months nor more than one year, or both.

THE NATIONAL ACT.

5. "The national act of 1890 created seven different crimes relating to interstate, foreign, or territorial trade or commerce, punishable by a penalty not exceeding $5,000 or one year's imprisonment, or both, by providing that every person who shall make (1) a contract in restraint of such trade, or (2) engage in a combination in form of a trust or otherwise, or (3) in a conspiracy in restraint of such trade, or (4) monopolize, or (5) attempt to monopolize, or (6) combine, or (7) conspire to monopolize such trade, shall be guilty of a misdemeanor, to be punished as stated. An injured party can sue for damages, and the combination can be enjoined at the suit of the United States district attorneys. The courts give the common-law meanings to the terms used, but the statute converts the things designated into crimes."

6. As to the tariff, Professor Wilgus says:

"Great monopolies have been built up without its help; others have been fostered and sustained by it. Since a protective tariff is justifiable only to promote the general welfare, it should be withheld or withdrawn whenever it can be used to subvert that end."

As to the remedy proposed by the Republicans in the Fifty-sixth Congress, May 21, 1900 (CONGRESSIONAL RECORD, p. 6262), in a joint resolution to amend the Constitution of the United States so as to empower Congress to pass laws regulating and controlling trusts and monopolies, Professor Wilgus says:

"If it is possible to avoid this, I think it should be avoided, for such an amendment would seriously disturb the balance of power between the nation and the States, and would be a tremendous untried and unknown power in the national hands. It should be resorted to only when all others fail."

(See elsewhere "Trusts—the Record of the Two Parties on the Subject.")

THE UNITED STATES STEEL CORPORATION—FINANCIAL STATISTICS.

Incorporated under the laws of New Jersey February 25, 1901, for the purpose of acquiring and holding the capital stocks of the leading corporations covering the steel industry of the United States, it is not itself an operating company. It has acquired over 99 per cent of the capital stocks of the following-named corporations:

Name of company.	Common.	Preferred.	Bonds.
American Bridge Co.	$30,527,800	$30,527,800	
American Sheet Steel Co.	24,500,000	24,500,000	
American Steel Hoop Co.	19,000,000	14,000,000	
American Steel and Wire Co.	50,000,000	40,000,000	
American Tin Plate Co.	28,000,000	18,325,000	
Carnegie Co.	156,800,000		$160,000,000
Federal Steel Co.	46,484,300	53,260,900	
Lake Superior Consol. Iron Mines	28,722,000		
National Steel Co.	32,000,000	27,000,000	
National Tube Co.	40,000,000	40,000,000	
Total	456,034,100	247,613,700	160,000,000

The properties controlled embrace 149 steel works, with an annual capacity of about 9,000,000 tons of finished material; 78 blast furnaces, with an annual capacity of over 6,500,000 tons of pig iron; over 18,000 coke ovens; 71,000 acres of coal lands; over 70 per cent of the ore mines of the Lake Superior region, which produced in 1900, 12,725,000 tons of ore; over 30,000 acres of surface lands in the coke regions; 125 lake vessels, and other property.

In addition to the properties embraced in above statement, interests allied with the United States Steel Corporation have acquired a majority of the capital stock of the Shelby Steel Tube Company, which had previously been the only formidable competitor of the National Tube Company. It is stated that other steel properties may be acquired in the near future.

Net earnings of all companies from operations for nine months, ending December 31, 1901, viz:

April	$7,356,744
May	9,612,349
June	9,394,747
July	9,580,151
August	9,810,880
September	9,272,812
October	12,205,774
November	9,795,841
December (estimated)	7,758,298
Total	84,787,596

Net earnings for the first six months of 1902:

January, 1902		8,901,016
February, 1902		7,678,583
March, 1902		10,135,858
April, 1902		12,320,766
May, 1902		13,120,930
June, 1902 (estimated)		12,250,000
Total net earnings after deducting each month the expenditures for ordinary repairs, renewals, and maintenance of plants, also interest on bonds and fixed charges of the subsidiary companies		64,407,153
Deduct amounts set aside for the following purposes, viz:		
Sinking funds on bonds of subsidiary companies	$240,428	
Depreciation and reserve funds	6,556,028	
		6,796,456
Balance of profits for six months applicable for United States Steel Corporation securities		57,610,697
Deduct:		
Interest on United States Steel Corporation bonds for six months	$7,600,000	
Sinking fund on United States Steel Corporation bonds for six months	1,520,000	
		9,120,000
Balance		48,490,697
Dividends for six months on stocks of United States Steel Corporation, viz:		
Preferred, 3½ per cent	$17,860,335	
Common, 2 per cent	10,166,633	
Dividends on outstanding stocks of subsidiary companies	106	
		28,027,074
Undivided profits for the six months applicable to increase "Depreciation and reserve fund" accounts, new construction, or surplus		20,027,074

United States Steel Corporation—Financial statistics.

[Prepared by John Moody.]

Title of security.	Amount authorized.	Amount outstanding.
Common stock	$550,000,000	$508,363,800
Preferred stock	550,000,000	510,196,400
Collateral trust and bonds	304,000,000	301,000,000
	1,404,000,000	1,319,560,200
Outstanding securities on underlying or controlled properties:		
American Steamship Co. first mortgage 5 per cents	5,630,000	5,530,000
Carnegie Company 5 per cent bonds	3,000,000	3,000,000
H. C. Frick Coke Co. bonds	1,800,000	1,800,000
Duluth and Iron Range R. R. first mortgage	6,732,000	6,732,000
Duluth and Iron Range R. R. second mortgage	5,000,000	1,000,000
Duluth, Mesaba and Nor. R. R. first mortgage	1,174,000	1,174,000
Duluth, Mesaba and Nor. R. R. first consolidated	3,500,000	1,933,000
Duluth, Mesaba and Nor. R. R. second mortgage	5,000,000	4,658,000
Elgin, Joliet, and Eastern R. R. first mortgage	10,000,000	7,852,000
Illinois Steel Co. debenture bonds	2,922,000	2,922,000
Illinois Steel Co. A. and B. debenture bonds	6,900,000	6,900,000

United States Steel Corporation—Financial statistics—Continued.

Title of security.	Amount authorized.	Amount outstanding.
Johnson Co. first mortgage bonds	$1,300,000	$1,300,000
Ohio Steel Co. first mortgage	1,000,000	1,000,000
Shenango Valley Steel Co. first mortgage	230,000	230,000
Kings, Gilbert & Warner Co., first mortgage	100,000	100,000
Ætna Standard Iron & Steel Co., first mortgage	600,000	600,000
Bellaire Steel Co. first mortgage	301,000	301,000
Buhl Steel Co., Sharon, Pa., first mortgage	200,000	200,000
Rosena Furnace Co., first mortgage	250,000	250,000
Pittsburg, Bessemer and Lake Erie R. R.:		
Common stock	10,000,000	4,500,000
Preferred stock	2,000,000	2,000,000
Pittsburg, Shenango and Lake Erie:		
First mortgage	3,000,000	3,000,000
Consolidated mortgage	4,800,000	800,000
Pittsburg, Bessemer and Lake Erie:		
Consolidated mortgage	10,000,000	6,200,000
Debenture bonds	2,000,000	1,500,000
Pittsburg and Bessemer Equipment Trust	375,000	375,000
Bessemer Equipment Trust	2,125,000	2,125,000
Meadville, Connect. Lakes and —— R. R. first mortgage	200,000	200,000
Miscellaneous mortgages	296,656	296,656
	90,435,656	68,478,656
Outstanding securities of companies controlled in the interest of the United States Steel Corporation:		
Allis Chalmers Co. common stock	20,000,000	20,000,000
Allis Chalmers Co. preferred stock	16,250,000	16,250,000
American Can Co. common stock	44,000,000	40,000,000
American Can Co. preferred stock	44,000,000	40,000,000
American Steel Foundries Co	15,000,000	15,000,000
	139,250,000	131,250,000
Outstanding securities of companies working in harmony with the United States Steel Corporation:		
Cambria Steel Co. stock	50,000,000	45,000,000
Cambria Iron Co. guaranteed stock	8,468,000	8,468,000
Cambria Iron Co. bonds	218,200	218,200
Pennsylvania Steel Co. common stock	25,000,000	10,000,000
Pennsylvania Steel Co. preferred stock	25,000,000	16,500,000
Pennsylvania Steel Co. first mortgage (old)	1,000,000	1,000,000
Pennsylvania Steel Co. first mortgage (new)	7,000,000	3,475,000
Maryland Steel Co. mortgage	2,000,000	2,000,000
	118,686,200	86,661,000
Summary.		
U. S. Steel Corporation proper	1,404,000,000	1,319,560,000
Underlying securities of controlled properties	90,435,656	68,478,656
Securities of companies controlled in the interests of the U. S. Steel Corporation	139,250,000	131,250,000
Securities of companies operated in harmony with U. S. Steel Corporation	118,686,200	86,661,000
Grand total	1,752,371,856	1,605,949,656

Steel and iron companies outside the United States Steel Corporation.

FINANCIAL STATISTICS.

[Prepared by John Moody.]

	Authorized.	Issued.
American Iron and Steel Manufacturing Co., Lebanon, Pa.:		
Common stock	$17,000,000	$17,000,000
Preferred stock	3,000,000	3,000,000
Alabama Consolidated Coal and Iron Co.:		
Common stock	2,500,000	2,500,000
Preferred stock	2,500,000	2,500,000
Carbon Steel Co. stock	5,000,000	5,000,000
Carpenter Steel Co. stock	2,000,000	2,000,000
Central Foundry Co. common stock	7,000,000	7,000,000
Central Foundry Co. preferred stock	7,000,000	7,000,000
Central Foundry Co., first mortgage	4,000,000	4,000,000
Colonial Steel Co	1,000,000	1,000,000
Colorado Fuel and Iron Co.:		
Common stock	38,000,000	23,000,000
Preferred stock	2,000,000	2,000,000
Convertible debenture bonds	15,000,000	13,000,000
Colorado Coal and Iron Co. first mortgage	2,765,000	2,765,000
Colorado Fuel Co. general mortgage	880,000	880,000
Colorado Fuel and Iron Co. general mortgage	2,674,000	2,674,000
Grand River Coal and Coke Co. mortgage	949,000	949,000
Colorado Coal and Iron Co. first mortgage	700,000	700,000
Rocky Mountain Coal and Iron Co. first mortgage	750,000	750,000
Crucible Steel Co. common stock	25,000,000	25,000,000
Crucible Steel Co. preferred stock	25,000,000	25,000,000
St. Clair Furnace Co. first mortgage	3,000,000	3,000,000
St. Clair Steel Co. first mortgage	2,250,000	2,250,000
Diamond State Steel Co.:		
Common stock	2,000,000	2,000,000
Preferred stock	2,250,000	2,250,000
First mortgage	1,750,000	1,000,000
Empire Steel and Iron Co.:		
Common stock	5,000,000	2,841,400
Preferred stock	5,000,000	2,361,100
Firth Sterling Steel Co. stock	800,000	600,000
Jones & Laughlin's Steel Co	30,000,000	30,000,000
Lackawanna Iron and Steel Co. stock	25,000,000	20,000,000
Lackawanna Iron and Steel Co. first mortgage	1,800,000	1,800,000
Longdale Iron Co. stock	6,000,000	750,000
Phoenix Iron Co. common stock	700,000	700,000

Steel and iron companies outside the United States Steel Corporation—Continued.

FINANCIAL STATISTICS—continued.

	Authorized.	Issued.
Phoenix Iron Co. preferred stock	$800,000	$800,000
Phoenix Iron Co. first mortgage	1,200,000	1,200,000
Republic Iron and Steel Co.:		
Common stock	30,000,000	27,191,000
Preferred stock	25,000,000	20,306,900
Sharon Steel Co. stock	4,000,000	4,000,000
Sharon Steel Co. first mortgage	1,000,000	1,000,000
Shelby Iron Co. stock	1,000,000	1,000,000
Sloss-Sheffield Steel and Iron Co.:		
Common stock	10,000,000	7,500,000
Preferred stock	10,000,000	6,700,000
Sloss Iron and Steel Co. first mortgage	2,000,000	2,000,000
Sloss Iron and Steel Co. general mortgage	2,000,000	2,000,000
Standard Chain Co. common stock	1,500,000	1,267,200
Standard Chain Co. preferred stock	1,500,000	1,001,400
Standard Chain Co. first mortgage	700,000	568,000
Susquehanna Iron and Steel Co. stock	1,500,000	1,500,000
Temple Iron Co. stock	2,500,000	2,500,000
Tennessee Coal and Iron and R. R. Co. first 4s	3,080,000	3,080,000
Common	22,305,600	22,305,600
Preferred	248,000	248,000
Alabama Steel and Shipbuilding Co.:		
Guaranteed preferred stock	440,000	440,000
First mortgage	1,100,000	1,100,000
Cahaba first mortgage	1,100,000	950,000
Pratt Coal and Iron Co. first mortgage	612,000	612,000
Tennessee Coal and Iron Co. general mortgage	15,000,000	3,000,000
Tennessee Div. bonds	1,251,000	1,251,000
Birmingham Div. bonds	3,399,000	3,399,000
De Bardeleben Coal Co. bonds	2,741,000	2,741,000
Thomas Iron Co. stock	2,500,000	2,500,000
Tidewater Steel Co. stock	1,500,000	1,500,000
Union Steel Co. stock	1,000,000	1,000,000
Union Steel and Chain Co. stock	1,500,000	335,000
Union Steel and Chain Co. preferred stock	1,000,000	766,800
U. S. Cast-Iron Pipe and Foundry Co. stock	15,000,000	12,500,000
U. S. Cast-Iron Pipe and Foundry Co. preferred stock	15,000,000	12,500,000
Warwick Iron and Steel Co. stock	1,500,000	1,500,000
Washburn Wire Co. common	1,250,000	1,250,000
Washburn Wire Co. preferred	2,500,000	2,500,000
Witherbee, Sherman & Co. stock	3,000,000	3,000,000
Youngstown Iron and Steel Co. stock	2,000,000	2,000,000
Grand total	452,164,600	385,740,100

The foregoing are the larger competitors of the Steel Corporation. There are, of course, others in the field, but they are either not as large as the above or have not yet completed their plants. At present many of the large companies in the above list are working in harmony with the Steel Corporation as to prices, etc. Thus, according to capitalization (outstanding), about 77 per cent of the iron and steel industry of the United States is owned or controlled by the great Steel Corporation.

THE TIN PLATE TRUST.

Partly because the protectionists consider the tin-plate industry in this country as the product of protection, and because it is a model and well-developed tariff trust, I will begin with this branch of the great Steel Corporation. Certainly, if the protectionists have a case anywhere it is in the tin-plate industry.

TIN-PLATE INDUSTRY HAS COST US $100,000,000.

In the first place, it is instructive to inquire how much American consumers have paid in the last ten years in order that this industry should be established.

The duty on imported tin plate was 1 cent per pound previous to July 1, 1891; then 2.2 cents until October 1, 1894; then 1.2 cents until July 24, 1897; since then, 1.5 cents per pound.

I have a table here showing the total pounds of tin plate used, imported and domestic produced, the price per pound of foreign plates in bond, the New York prices of American tin plate, and a column showing the difference between these two prices.

Table showing consumption and prices of tin plate.

Year.	Total pounds used.	Price per pound (cents).			Cost of industry.
		In bond.	New York.	Difference.	
1891	1,036,489,074	3.6	5.1	1.5	$15,547,336.00
1892	435,822,921	3.0	5.2	2.2	9,583,104.00
1893	728,245,104	2.9	5.1	2.2	16,021,392.00
1894	593,381,293	2.7	4.9	2.2	13,054,453.00
1895	701,840,011	2.5	3.9	1.4	9,825,760.00
1896	692,367,604	2.4	3.5	1.1	7,616,044.00
1897	677,055,746	2.4	3.2	.8	5,416,446.00
1898	853,336,373	2.3	3.0	.7	5,973,355.00
1899	899,856,314	2.4	3.4	.9	8,998,563.00
1900	[a]897,963,804	3.3	4.7	1.4	12,571,493.00
1901		3.3	4.2	.9	
Total					104,612,946.00

[a] Domestic production estimated at 750,000,000 pounds.

The price of imported plates in bond at New York is obtained by adding one-tenth cent per pound to the foreign or invoice price, as given in the "Statistical Abstract." This amount covers transportation charges. The New York price is the actual price at which Bessemer coke 14 by 20 tin plate sold in New York in each year. The difference column shows how much more the wholesale buyer paid for tin plates in New York than he would have paid had there been no duty.

Rebates on reexported tin plates in manufactured forms (the exact figures are not attainable) reduce this total to between $90,000,000 and

$95,000,000 as the direct cost in the last ten years of "creating" the industry. This is the extra amount paid by wholesale dealers and metal workers; but by the time they were repaid by the American people, who ultimately bought the goods and footed the bills, the addition of legitimate profits swelled the amount to over $100,000,000.

Our people paid this for a competitive industry which promised to put prices down. They got for their money a monopoly which arbitrarily marks them up.

TRUST FORMED—FOUR-FIFTHS WATER.

In 1898 the industry was well on its feet and capable of existing without tariff support. In November of that year the price at the mills in Pittsburg had fallen to $2.65 per box, which was within 5 cents of the price of foreign plates in New York, without duty.

During 1898 negotiations were begun to form a company that should control all the plates of the country. These negotiations were finally successful, and in December the trust was launched under the laws of New Jersey, as the "American Tin Plate Company."

It was capitalized at $50,000,000—$20,000,000 preferred and $30,000,000 common stock. It contained about 40 plants and 280 mills. The total cost of duplicating these mills in 1898 (about $20,000 per mill) was not more than $6,000,000. The value of the real estate purchased and the cash with which the trust began business probably made the actual value of the assets of the company at its foundation between $10,000,000 and $12,000,000. The price paid for these plants is said to have been $18,000,000 of common and $18,000,000 of preferred stock.

While this company may not be legally a trust, in the original sense of the word, its executive committee is cleverly constructed to perform the work of actual trustees. The members can not be removed by the board of directors and have almost absolute control. Stockholders can not examine the books of the company.

TARIFF MONOPOLY PROFITS PROMISED.

This trust now owns practically every mill in the country making tin plates for the general trade.

To maintain its monopoly it has five-year agreements with the six or eight manufacturers of tin-plate machinery which prevent them from making mills for outsiders. It is therefore nearly impossible for outsiders to obtain the necessary equipment for tin-plate plants. Furthermore, the trust, even before the formation of the United States Steel Corporation, was so interlocked with the other trusts which produced tin-plate bars that it is doubtful if any real competitor could have obtained bars and other raw materials. Thus the National Steel Company (capital $59,000,000) was organized in the interests of the American Tin Plate Company and for the purpose of controlling the production of tin-plate bars.

When the trust was being formed, in November, 1898, what were said to be conservative and carefully prepared estimates of sales, earnings, and profits for 1898 were made public. These estimates were as follows:

The gross output of mills was stated to be 7,633,556 boxes. On the basis of the then operating expenses a profit of 35 cents a box, or $2,671,754, was made by the mills when prices of tin plates were lowest. Under the new arrangement the operating expenses were to be reduced by $1,000,000, making a total estimated profit of $3,671,754. After deducting $1,260,000 for dividends on the preferred stock, $2,441,754 would be left for dividends on the common stock.

TRUST PUT UP PRICES FROM $2.80 TO $4.84.

When these estimates were published tin plate was selling at $2.65 at the mills, or $2.80 in New York, for 100-pound boxes.

Table showing average prices of 14 by 20 (100) coke tin plate at New York in 1898–1901.

	Domestic price.	Foreign price.	Difference.
1898.			
June	$2.85	$2.50	$0.35
July	2.80	2.50	.30
August	2.80	2.50	.30
September	2.80	2.55	.25
October	2.80	2.50	.30
November	2.80	2.60	.20
December	2.90	2.60	.30
1899.			
January	3.20	2.60	.60
February	3.55	2.65	.90
March	4.00	2.70	1.30
April	4.07½	2.80	1.27½
May	4.07½	2.90	1.17½
June	4.07½	3.10	.97½
July	4.35	3.60	.95
August	4.60	3.70	.90
September	4.85	3.65	1.20
October	4.82½	3.65	1.17½
November	4.82½	3.70	1.12½
December	4.83½	3.62	1.21½
1900.			
January	4.84	3.70	1.14
February	4.84	3.84	1.00
March	4.84	3.81	1.03
April	4.84	3.81	1.03
May	4.84	3.72	1.12
June	4.84	3.60	1.24
July	4.84	3.57	1.27
August	4.84	3.49	1.35
September	4.62	3.43	1.19
October	4.19	3.37	.82
November	4.19	3.28	.91
December	4.19	3.14	1.05
1901.			
January	4.19	3.02	1.17
February	4.19	3.17	1.02
March	4.19	2.95	1.24
April	4.19	2.95	1.24
May	4.19	3.15	1.04
July (1902)	4.19	3.26	.93

Not only did the trust advance prices immediately, but in March, four months after the trust was formed, it had them within one-fifth of a cent a pound of the importing point, the duty being 1½ cents. The trust raised prices at the mills on July 14 to $4.37½, and again on August 26 to $4.65. Although this then made the price at New York 30 cents under the importing price for 100-pound plates, it was so near the importing price for 80-pound plates that the trust feared to mark prices up again at that time.

ADVANCE WAS ARBITRARY AND NOT JUSTIFIABLE.

To what extent were the advances in price justified by the increased cost of raw materials? In the first place, it is not true, as often asserted in pro-trust papers, that the advances were caused by the increased cost of raw materials. On the contrary, the advances in price of tin plates preceded the advance in billets and tin. Thus, from November 15 to January 6, 1899, tin plate advanced 35 cents a box, while the rise in raw materials was only equal to about 14 cents. From November 15 to February 17 tin plates were marked up 85 cents, while the advance in raw materials was only 30 cents a box. From November 15 to March 8 plates were marked up $1.22½, less than half of which was explained by the prices of materials. From November 15 to October 6 tin-plate prices advanced just $2, although the advance in prices of raw materials justified a raise of only $1.55 or of $1.75 if, as the trust apologists claim, labor had advanced 20 cents a box. Thus it is clear that the trust advanced prices arbitrarily, and with more regard to the price at which foreign plates could be imported under a protective tariff than to the increased cost of Bessemer bars, themselves the product of another tariff trust, which also arbitrarily advanced prices.

TARIFF PROFITS OVER $4,000,000.

From careful estimates based on the stated profits of 1898, the profits of this trust in 1899 were not less than $4,650,000, even if the trust did not, as anticipated, save $1,000,000 by the trust method of production. The statement for 1900 shows total profits of $5,857,417, from which $1,500,000 was deducted for depreciation. While I do not believe that $4,357,417 is the full amount of profits that should be fairly credited to this trust, I shall accept these figures.

The tariff was most certainly responsible for all of this profit. In fact, the tariff on tin plate is probably responsible for much of the profits made by the National Steel Company and several of the companies which produce the raw material of this industry. As the trust, at least for part of the year, was supplying plates for export at about $1 a box below the quoted prices, it certainly did not need more than a duty of one-half cent per pound to protect it from foreign competition. That it utilized about all of the duty is evident from its prices, compared with the in-bond prices of English plates. That it did not show greater profits in 1900 is probably because of juggled bookkeeping or of some other kind of juggling which I do not pretend to understand. I will suppose that the tariff profits of this trust were $4,000,000.

$1 PER BOX TO FOREIGNERS.

Since May, 1901, the price of domestic tin plate has remained unchanged. The price of foreign plates has changed but slightly. The total imports in 1901 were 117,880,312 pounds and the trust's output about 750,000,000 pounds—the output in 1900 being only 677,969,600, instead of 750,000,000, as was estimated. It thus appears that the consumption of tinplate is declining in this rapidly growing country blessed with the greatest harvest ever known, and during what the Republicans tell us are times of unprecedented prosperity for all. High trust prices is the only explanation for this decrease.

Considerable quantities of tin plate are now being sold to cotton-oil and other companies manufacturing goods for export. The prices obtained for these plates are in some cases at least $1 below the regular domestic price. The Standard Oil Company now uses about two-thirds of all imported plates. It pays a duty of $1.50 per box, but gets back $1.48½ when the plates are exported as packages. The cost of getting the drawback duty is only 8 or 10 cents per box. If, then, the oil trust could obtain plates of the tin-plate trust at $1.40 per box below the American price, or, rather, at 10 cents above the in-bond price of foreign plates, it would use American plates. This is what the oil trust has offered to do. It has agreed to take 1,500,000 boxes of American plates at the price of Welsh plates plus about 20 cents for freight and other costs.

The tin-plate trust has accepted this large order, providing the tin-plate workers would accept a reduction of 25 per cent in their wages when working on this order. The workers in various States voted on this proposition in July and August, 1902, and refused to accept the cut.

SHUTTING DOWN MILLS TO COERCE WORKERS.

The following editorial from the New York Journal of Commerce and Commercial Bulletin of August 11, 1902, describes the tactics of this $100,000,000 "infant" to beat down wages for the benefit of foreigners:

"Shutting down 129 of the 274 mills controlled by the Tin-Plate Trust looks like an attempt to coerce the men to accept a reduction of 25 per cent in their wages on the million and a half boxes it was proposed to make for the Standard Oil's foreign business, which now uses imported plates on which a drawback is allowed. The shutting down is stated to be due to a lack of trade, but it is hard to credit this. The men were assured that if they would accept a reduction of wages on this additional order there would be no reduction of wages on business for domestic consumption, and there would simply be just so much additional work for the mills. Many of the unions of tin workers voted for the reduction, but on the whole it was beaten, for the reason, it is alleged, that most of the tin workers are Welshmen and they have still some regard for their friends who did not come over, very many of whom would be thrown out of work if the Standard Oil bought those million and a half boxes in America. Probably some of the men were afraid to start a reduction of wages even on a special job. Immediately after the tin workers rejected the proposition, the shutdown of fifteen plants out of twenty-eight was ordered. Of course, the domestic demand may really be light, and the Standard Oil order may have been needed to keep all the plants open, but we have been getting very different sort of news from all branches of the iron and steel industry, and the makers are said to be offering tin plates for export at 25 per cent less than the domestic price."

If the trust had, during the last two years, been selling tin plates to Americans at the same price charged foreigners, the consumption of tin plates would probably have exceeded 1,000,000,000 pounds and the trust would have had work for all of its mills. It has held prices so very high that the profits have been about 100 per cent and have tempted capital into the business, so that by September, 1902, there will be enough mills outside of the trust to supply half of our consumption. These mills were unable to procure steel bars until this summer, and in fact had difficulty in finding men to construct mills. The monopoly of the trust is now broken until a new deal can be made taking in the outside concerns at fancy prices. Before this occurs we are likely to see much lower prices. After it occurs we will see higher prices again, unless in the meantime, the people recover their senses and abolish the tariff on tin plates.

THE AMERICAN STEEL AND WIRE COMPANY.

THIS TRUST RAISED PRICES OVER 100 PER CENT IN 1899—WIRE NAILS FOUR TIMES AS HIGH AS IN 1895—TRUST'S MONOPOLY ALMOST ABSOLUTE—ITS EXPORTS AT HALF THE AMERICAN PRICE—HELD PRICES SO HIGH HERE THAT FARMERS CEASED TO CONSUME AND PRICES WERE REDUCED 1 CENT PER POUND IN APRIL, 1900—JOHN W. GATES'S MILLIONS MOSTLY TARIFF PROFITS.

The American Steel and Wire Company is another of the companies that are now a part of the United States Steel Corporation. That it is leaning heavily on its tariff crutches in this country, and uses them as clubs to beat down its rivals in all other countries, is evident from facts, some of which were stated to this Commission by Mr. John W. Gates.

POOLING AGREEMENTS IN 1895.

Going no farther back than 1895 we find the Consolidated Steel and Wire Company, an Illinois corporation of 1892, with $4,000,000 capital, as the barbed wire trust, with Mr. John W. Gates as manager. Various pooling agreements were formed in 1894, 1895, and 1896 between all of the barbed wire manufacturers, but they were only temporarily successful in producing higher prices.

The Export Barbed Wire Association, composed of four principal exporters, was in force several years previous to 1895, and did much to steady prices. It was partially revived in 1896.

In September, October, and November, 1895, "prices were fixed by agreement," as the Iron Age stated, and were $2.85 per 100 pounds for barbed wire. The previous April the price was $1.90. The average prices for previous years were: 1894, $2.18; 1893, $2.55; 1892, $2.29; 1891, $2.72; 1890, $2.97. In December, 1895, the combination broke and prices fell to $2.

Early in 1895 wire nails were selling at a "base" price of 75 to 80 cents a keg in Pittsburg. In May two associations, one for cut and one for wire nails, got together and put this price up to $1.20. These associations pooled, and the wire-nail people "contributed financially to enable the Cut Nail Association to keep control of the market, especially in the payment of subsidies to keep idle the large number of cut-nail machines," as the Iron Age of December 3, 1896, tells us. The associations regulated the amount of nails offered for sale each month and the price at which they should be sold. Understandings were had with Canadian manufacturers. Nail-machine makers were subsidized not to sell to those outside the associations. Jobbers who did not cut prices were given rebates.

Prices advanced almost steadily for one year. By May, 1896, wire nails were selling at $2.70 per keg in Chicago and $2.55 in Pittsburg. The pool held together until December, 1896, when prices broke more than 1 cent per pound.

On December 3, 1896, the Iron Age said that high prices of cut and wire nails had reduced consumption from over 9,000,000 kegs in 1891 and 1892 to less than 8,000,000 in 1895, and in 1896 to probably far less than in 1895, notwithstanding the fact that a large amount of nails had been exported into foreign countries at less than half the price that the American public paid for their nails.

EXPORT PRICE $1.30, HOME PRICE $2.70 FOR WIRE NAILS.

It is often difficult to ascertain the exact export prices. In November, 1896, however, it is a fact that the price to foreigners was $1.30, while the price to Americans was $2.70. At least one dealer bought a large quantity of nails at export prices, and, after shipping them to Amsterdam and back and paying freight and other charges both ways, made a handsome profit while underselling the trust in its own market. He, however, was boycotted by the trust, and was thereafter unable to buy nails at any price either as an American or as a foreigner. The exports for the fiscal year 1896 were 28,762,187 pounds.

TRUST, MONOPOLY, AND WATER.

Agreements were broken and patched up in 1897 and 1898. In April, 1898, the American Steel and Wire Company of Illinois was formed, with $24,000,000 capital. It contained fourteen mills, seven of which constituted the Consolidated Steel Wire Company, formed in 1892 with $4,000,000 capital. This trust was not large enough to fully regulate production and prices. It was swallowed up by the new American Steel and Wire Company, a New Jersey corporation, formed on January 13, 1899, with $90,000,000 capital, $40,000,000 of which is 7 per cent cumulative preferred stock. This trust includes practically all of the wire, wire rod and wire nail mills of the country. The value of the twenty-six plants and other property absorbed is about $20,000,000, which, even admitting the $18,000,000 other capital claimed, would leave over $50,000,000 of water. It owns its own sources of supply. Its monopoly conditions and advantages were thus set forth in March, 1899, by its president, Mr. John Lambert:

"It will not be necessary to make any further purchases, for the reason that we have all the producing capacity that we need. It has been our policy to so fortify ourselves that we are practically independent, or, if you please, to put ourselves in a position to take the ore from our mines, transport it in our vessels, convert it into pig iron in our own furnaces, roll it into steel billets in our own steel mills, roll it into iron rods in our own rod mills, and finish it in our mills into plain and barbed wire and all the different kinds of wire used, not only in the United States, but all other countries where wire is used. In this way we have succeeded, as we own one of the best ore mines in the Mesaba range. We have our own coke mines and coke furnaces, so that you will see that we start at the bottom and have all the profits that there are, from ore to finished material. Our business is entirely satisfactory and the company is doing very well."

The trust has a monopoly of the drawn and barbed wire business, but has considerable competition in woven fence wire. It also does a large business in copper wire and electrical goods and in fencing, poultry netting, baling wire, and bale tires.

The actual output in 1898 of all the plants now in the trust was:

Wire rods	net tons	826, 840
Drawn wire	do	1, 130, 124
Barbed wire	do	275, 918
Wire nails	kegs	6, 551, 737
Woven-wire fencing	miles	10, 000

EFFECT UPON PRICES OF THE FORMATION OF THE TRUST.

The effect of this trust upon prices has been almost marvelous. The following tables of average monthly prices are from the Iron Age of January 4, 1901:

Tables showing Chicago (and New York) "base" prices of wire nails and barbed wire.

WIRE NAILS PER KEG.

Month.	1901.	1900.	1899.	1898.	1897.	1896.	1895.	1894.	1893.
January	$2.35	$3.53	$1.59	$1.35	$1.50	$2.42	$0.95	$1.17	$1.57
February	2.45	3.53	1.73	1.57	1.45	2.42	.95	1.20	1.55
March	2.45	3.53	2.09	1.55	1.50	2.57	1.00	1.15	1.65
April	2.45	3.28	2.25	1.47	1.45	2.55	.95	1.00	1.65
May	2.45	2.53	2.35	1.45	1.42	2.70	1.10	1.07	1.60
June	2.45	2.48	2.60	1.43	1.42	2.70	1.50	1.20	1.50
July	2.45	2.43	2.70	1.36	1.35	2.70	1.20	1.20	1.47
August	2.45	2.43	2.80	1.36	1.37	2.70	2.20	1.15	1.47
September	2.45	2.35	3.10	1.45	1.50	2.70	2.40	1.10	1.47
October	2.42	2.35	3.20	1.47	1.52	2.70	2.40	1.05	1.40
November	2.35	2.35	3.28	1.40	1.50	2.70	2.42	1.05	1.30
December	2.35	2.35	3.53	1.37	1.50	1.60	2.42	1.00	1.27
Average for year	2.41	2.76	2.60	1.45	1.46	2.54	1.68	1.11	1.50

BARBED WIRE PER HUNDRED POUNDS.

Month.	1901.	1900.	1899.	1898.	1897.	1896.	1895.	1894.	1893.
January	$2.95	$4.13	$2.05	$1.90	$1.90	$2.02	$1.90	$2.25	$2.65
February	3.05	4.13	2.25	1.90	1.85	1.97	1.90	2.25	2.60
March	3.05	4.13	2.62	1.90	1.90	1.95	1.95	2.30	2.60
April	3.05	3.88	2.80	1.87	1.80	2.00	1.90	2.20	2.60
May	3.05	3.13	2.95	1.80	1.80	2.15	1.95	2.15	2.60
June	3.05	3.13	3.20	1.80	1.75	2.00	2.10	2.20	2.55
July	3.05	3.10	3.30	1.80	1.75	2.00	2.15	2.25	2.52
August	3.05	3.10	3.40	1.80	1.65	1.90	2.55	2.25	2.50
September	3.05	3.00	3.67	1.80	1.80	1.85	2.85	2.20	2.45
October	3.05	3.00	3.77	1.82	1.80	1.85	2.85	2.15	2.40
November	3.05	3.00	3.88	1.82	1.80	1.85	2.85	2.00	2.40
December	3.00	3.00	4.13	1.82	1.80	1.95	2.00	1.90	2.35
Average for year	3.04	3.39	3.17	1.85	1.80	1.96	2.25	2.18	2.55

It should be noticed that these are the base prices of wire nails in carload lots. Because of "extras," due to sizes, the average price per keg is fully 60 cents more than those quoted above. Of course, the prices of small lots are still higher, and the retail prices, especially in remote districts, very much higher than for carload lots. The base price is fixed at Pittsburg and freights are added to all points of delivery. The Pittsburg price is now 33 cents lower than Chicago and New York prices, which are 5 cents below St. Louis prices. Wire nails have almost entirely replaced cut nails, which now sell for about 70 cents per keg less than wire nails.

PRICES TOO HIGH FOR FARMERS.

It may be noted that when this trust was first formed we heard a great deal from the trust theorists about the economic advantages and savings of great combinations. Thus Mr. Garrit H. Ten Broek, of St. Louis, as counsel for the company, announced that "the only effect on the market that I can see will be a possible slight lowering of prices because of this economy, and also a steadiness of prices for the future." There are still numerous pro-trust theorists prating about the blessings of trusts as if nearly all of the trusts had not, in practice, actually demonstrated that they are, under present conditions, all-around curses. The blessings so far are enjoyed only by those who got into the trusts on the "ground floor."

If the wire trust lowers prices it will do so only because of the removal or threatened removal of tariff duties, or because prices are too high to yield maximum profits. The Iron Age of November 30, 1899, contains six columns of interviews with hardware men in twenty-five States on "the effect of high prices on the demand for goods." Many dealers say that they expect to sell 25 or 30 per cent less goods in 1900 because of advanced prices. Many farmers are refusing to build fences with wire at high prices. A Maryland farmer said: "The price of wire is prohibitive. I shall go home and put the hands to work and make rail fence." The farmers are deferring the building of houses because of the increased prices of lumber, nails, glass, etc. They are buying nails by the pound instead of by the keg.

Finding from experience that prices were out of reach of the farmers, the trust in April reduced prices off all goods 1 cent per pound. Another 1 or 2 cents off would make prices reasonable.

MOST FAVORED FOREIGNERS ARE THOSE FARTHEST AWAY.

The duty on wire nails from 1890 to 1894 was from 2 to 4 cents per pound; from 1894 to 1897, 25 per cent; since 1897, one-half to 1 cent per pound.

The duty on barbed wire from 1890 to 1894 was six-tenths of a cent per pound; from 1894 to 1897, four-tenths of a cent per pound; since 1897, one and nine-twentieths of a cent per pound on galvanized wire.

The duties on other products of this trust are generally higher than those on wire nails.

Table showing exports of wire nails and wire.

Fiscal year.	Wire nails.	Wire.
	Pounds.	*Pounds.*
1893	2,300,501	42,798,043
1894	3,233,776	44,778,268
1895	4,367,267	61,093,717
1896	8,031,927	70,928,766
1897	9,941,714	107,729,155
1898	22,894,069	137,054,694
1899	51,233,212	215,194,475
1900	84,635,468	236,772,806
1902	46,416,697	223,195,550
1901	44,612,619	164,883,419

Mr. Gates told your Commission that goods were sold lower to foreigners, but he failed to state the difference between the home and export prices. Late in 1899, when wire nails were being sold at from $3.10 to $3.53 per keg to Americans, large quantities were being exported at from $2.14 to $2.20. At the same time, when barbed wire was being sold to Americans at $3.67 to $4.13 per hundred pounds, it was sold to Canadians for $3.25 and to more remote foreigners at $2.20 per hundred.

On December 2, 1899, Canadian Hardware, a Montreal publication, said:

"Retail dealers in the United States pay $3.70 f. o. b. Cleveland for car lots for barbed wire and $3.80 for less than car lots, while the figures quoted to the retail trade in Canada is $3.25 f. o. b. Cleveland for car lots and $3.35 for less quantities. * * *

"Plain wire is quoted to the Canadian dealer $11 per ton lower than to the home dealer.

"The explanation of these differences in prices is that in the home market, on account of the high customs tariff, the United States manufacturer has a monopoly, while in catering for the Canadian trade he has to bring his prices down to a point that will keep out the product of British and German manufacturers."

PROFITS OF THE STEEL AND WIRE TRUST IN 1899 AND 1900.

The balance sheet of the steel and wire trust for 1899 shows net profits of $12,162,530. What part of this amount is due to the tariff it is impossible to say. Only a rough estimate is possible. About 700,000,000 pounds of wire nails were sold in 1899 in our home market. Perhaps at no time was the export price within 50 cents per hundred pounds of the American price. The average differences probably considerably exceeded one-half cent per pound, the minimum duty on wire nails. All of the duty, therefore, is utilized by the trust, and we paid $3,500,000 more for our wire nails in 1899 than we would have paid had there been no duty. Perhaps 400,000 tons of barbed wire were sold in 1899 at an advance over the export price of one-half of a cent per pound. The tariff on barbed wire then put $4,500,000 net profits into the pockets of Mr. John W. Gates and his business partners. On 400,000 net tons of drawn wire in various forms sold to Americans the duty of from 1½ to 2 cents per pound was probably one-fourth utilized. Thus our bill for this wire was about $3,000,000 greater because of the tariff. Putting these items together, we get a total of about $11,000,000 as the cost to us and the profits to the trust of this needless protection.

CHUNKS OF WISDOM FROM STATESMAN GATES.

These profits in steel and wire now make up a part of the $140,000,000 a year profits of the great steel trust. It was these profits that are responsible for the rise and development of that dazzling financier and statesman, Mr. John W. Gates, whose career is evidently just begun. When this tariff-nurtured statesman was before the Industrial Commission on November 14, 1899, he stated without a blush:

That prices of wire nails, etc., had been doubled;
That he deprecated the necessity for such high prices;
That they were due to the high price of raw materials;
That his company exported 700 tons of wire a day;
That it furnished England with 60 per cent of her supply;
That goods were sold lower to foreigners;
That such prices were necessary "to hold outside trade;"
That not infrequently new plants were shut up and dismantled;
That this was done for "various reasons;"
That five plants had been closed;
That his company had a monopoly of the barbed-wire business;
That, therefore, higher prices were charged for these products;
That his company was making big profits;
That his company did not recognize labor unions as such;
That subsidies should be paid to steamship lines and to corporations with $5,000,000 or more capital;
That the Government should supervise all such corporations;
That he went to Europe to form a world trust;
That he proposed to increase prices $10 a ton if such a trust were formed;
That the Germans contemplated a $20 increase;
That the Germans wanted too big a share of business;
That Germany's bounty system was excellent;
That if it were applied here we should soon be doing 90 per cent of the iron and steel business of the world;
That the protective tariff had had much to do with building up the industry; and
That the continuance of the policy was necessary to the future prosperity of the industry.

Surely no patriotic American will think of abolishing a protective tariff that has fostered such a genius. Is it not clear that he is a product of our American system, and that the Government now owes him a living, and not a scrimpy one either?

THE WIRE ROPE TRUST.

SELLS GOODS ALL OVER THE REST OF THE WORLD FOR ONE-HALF OR ONE-THIRD THE PRICES CHARGED HERE—THIS TRUST PAID THE REPUBLICANS $100,000 IN 1896—FIXED THE DINGLEY TARIFF BILL TO SUIT IT—HAS BEEN ROBBING THE PEOPLE AND ENJOYING GREAT PROSPERITY EVER SINCE—BULLDOZES COMPETITORS AND CUSTOMERS—ITS ORDERS ARE OBEYED BY THE TREASURY DEPARTMENT—COPIES OF STEEL TRUST LETTERS SHOWING PRICES OF STEEL WIRE IN ENGLAND.

The almost criminal folly of the protective tariffs of to-day, and especially of the inexcusable tariff on iron and steel goods, is well illustrated by the wire rope trust.

The manufacturers of wire rope have for years had a "gentlemen's agreement" on prices, an agreement similar to that of the manufacturers of steel rails or of structural steel or of sheets or of most of the other products of the steel mills. The principal parties to this agreement, pool, or trust are John A. Roebling's Sons Company, Trenton, N. J.; Hazard Manufacturing Company, Wilkes-Barre, Pa.; Washburn & Moen Manufacturing Company, St. Louis, Mo.; Roderick & Bascom Rope Company, St. Louis, and the Williamsport Wire Company, Williamsport, Pa.

Realizing that the prices which can be got for wire rope depend largely upon the duty on wire rope, the members of this trust began in 1896 to sow seed for the big harvest of profits which they have been reaping since 1897. According to the statements of some of the members, they contributed $100,000 to the Republican campaign fund in 1896. At least if all contributed their pro rata shares, as did some of the members, the Republican Administration of 1897 was indebted to this trust in the sum of $100,000.

As the better grades of wire rope have always been and still are made largely from imported rods or wire (larger than No. 6), the trust wanted no increase on the duty on wire rods. None was made in the Dingley bill. The duty on wire rope, however, was increased by the amount of the increased duty on coated or galvanized wire. The trust was also permitted to continue to benefit by the unreasonable tariff which compelled importers of wire rope to pay the same rate of duty per pound on the central core of the rope as upon the wire of which the rope is composed. This central core usually consists of tarred jute or hemp, and is used only as a "former" around which to twist the ends. It has little or no value, but adds 5 to 10 per cent to the weight on which duty is assessed.

Having fixed up the Dingley bill to suit their tastes, they proceeded to reap their profits by putting prices at home up to the tariff limit, while lowering prices to foreigners, so that our rope is exported to every important foreign country, with the possible exception of England. As the duty on imported wire rope will average nearly 100 per cent, the trust charges domestic consumers more than twice what is charged foreigners for its goods.

The following table gives the prices in England of American wire and wire rope and the price of English wire and wire rope, and the American duty on it:

Prices and duties on wire and wire rope.

[English money.]

Gauge of wire.	Price per ton at Liverpool, American Steel & Wire Co., for galvanized wire.	Present price per ton at Liverpool for galvanized wire (English wire).	American tariff rates. On bright wire.		Extra for galvanizing.		Total on galvanized wire.	Extra for rope.		Total on galvanized wire rope.	Price per ton in England for American wire rope.
No.	Per ton.	Per ton.	Per lb.	Per ton.	Per lb.	Per ton.	Per ton.	Per lb.	Per ton.	Per ton.	Per ton.
	£ s.	£ s.		£ s. d.		£ s.	£ s. d.		£ s. d.	£ s.	£ s.
0 to 8	8 5	9 10	1¼c.	5 16 8	2c.	18 8	6 15 4	1c.	4 13 4	11 88	12 0
14	9 15	12 10	1¼c.	7 0 0	2c.	18 8	7 18 8	1c.	4 13 4	12 180	16 0
17	12 10	16 0	2c	9 6 8	2c.	18 8	10 5 4	1c.	4 13 4	14 188	19 0
[Per 100 pounds in United States money.]											
0 to 8	$1.79	$2.06		$1.25		$0.20	$1.40		$1.00	$2.40	$2.59
14	2.11	2.70		1.50		.20	1.70		1.00	2.70	3.48
17	2.71	3.48		2.00		.20	2.20		1.00	3.20	4.13

Thus the price of American wire rope c. i. f. at Liverpool is but little more than the duty on English wire rope which is brought into America. As the products of English and American mills compete in England, at least potentially, and are quoted at practically the same prices, we see that the duty on the imported wire rope averages about 85 per cent. To get the cost of English wire rope in America we must add to the foreign cost the amount of the duty on the wire in the rope and add 10 per cent to the duty because of the weight of the central core. Adding 35 cents per hundred for freight, insurance, and other charges, and 10 per cent for profits, we have:

The cost per 100 pounds of English wire rope in the United States.

Gauge of wire.	Cost price Liverpool.	Duty on wire.	Duty on core.	Freight, etc.	Total and 10 per cent.
0 to 8	$2.59	$2.40	$0.24	$0.35	$6.14
14	3.48	2.70	.27	.35	7.48
17	4.13	3.20	.32	.35	8.80

As English wire rope competes freely in this country with American rope, the price of the American rope at the mills can not be less than the above cost of the English rope. Deducting 25 cents per 100 pounds from the price in England of American wire, as the cost for charges, insurance, and freight, we find the price for export of American rope, at the mills, to be $2.34, $3.23, and $3.88 per 100 pounds for the rope made of the above-mentioned sizes of wire. Putting these export prices alongside of the domestic price, we have:

Prices per 100 pounds American wire rope.

Gauge.	Export.	Domestic.	Difference.
0 to 8	$2.34	$6.14	$3.80
14	3.23	7.48	4.25
17	3.88	8.80	4.92

These figures make it certain that the trust can, by virtue of the protective tariff, charge its American customers considerably more than twice what it charges its foreign customers.

We shall now see that for reasons only partly accounted for by the tariff duties, the actual selling prices of American wire rope average two or three times as much to the home or domestic consumer as to the foreigner.

From the price list of John A. Roebling's Sons Company, we get the following prices for "transmission" or haulage rope, composed of six strands and a hemp center, seven wires to the strand. The prices are for Siemens-Martin steel rope. Ten per cent is added to these prices to get the prices of galvanized wire; 60 per cent is then deducted to get the lowest wholesale cash price to domestic consumers; although 45 and 12½ per cent is the recently reduced price to agents.

Roebling trade numbers.	Approximate circumference.	Weight per foot.	Roebling list per foot.	Less 60 per cent.
	Inches.	*Pounds.*	*Cents.*	*Cents.*
12	4½	3.00	43	18.92
13	4	2.45	36	15.84
14	3½	2.00	29	12.76
15	2¾	1.56	23	10.12
16	2¼	1.20	17½	7.30
17	2	.99	14	6.16
19	1¾	.62	10	4.40
20	1½	.50	08	3.52
21	1¼	.39	06½	2.86
22	1	.30	05½	2.42
24	....	.15	03¾	1.65

Compare these prices with those quoted on April 10, 1902, by a leading British manufacturer to a big dealer in the United States. The prices are for galvanized BB wire rope, six strands each seven wires, and are f. o. b. in England, and are reduced from pounds to feet and from English to United States money.

Approximate circumference.	Weight per foot.	Price per cwt. (112).	United States money.	Per 100 pounds.	Per foot.	Less 5 per cent for cash.
	Pounds.				*Cents.*	
4½	3.00	12s	$2.92	$2.61	7.83	7.44
4	2.45	12-6	3.04	2.71	6.64	6.31
3½	2	13	3.16	2.82	5.64	5.36
3	1.58	14-6	3.52	3.14	4.96	4.71
2¾	1.20	14-6	3.52	3.14	3.77	3.53
2¼	.89	16	3.89	3.47	3.11	2.96
2	.62	17	4.13	3.69	2.29	2.18
1¾	.50	18	4.37	3.90	1.95	1.85
1½	.39	19	4.62	4.12	1.61	1.53
1¼	.30	20	4.86	4.34	1.30	1.23
1	.15	22	5.35	4.78	.72	.68

Bringing the English and American prices together in the following table, we can compare net cash prices in America and England. The American prices are obtained by deducting 60 per cent from the price list of John A. Roebling's Sons Company for galvanized transmission or haulage rope composed of six strands and a hemp center, seven wires to the strand. The ordinary discount to agents for this class of rope is only 40 and 12½ per cent. But as some agents get special discounts on some kinds of goods, which amount to 60 per cent net, I have taken this lowest possible price. The English prices are those quoted in a letter written April 10, 1902, by a leading English manufacturer to a New York dealer. They are for galvanized BB wire rope, six strands, each seven wires, and are f. o. b. Liverpool:

Prices of galvanized steel wire rope.

[Cents per foot.]

Approximate circumference.	England.	America.	Difference.	Higher in America.	American times English price.
				Per cent.	
4½	7.44	18.92	11.48	154	2½
4	6.31	15.84	9.53	151	2½
3½	5.36	12.76	7.40	138	2⅜
3	4.71	10.12	5.61	119	2⅛
2¾	3.53	7.30	3.77	107	2
2¼	2.96	6.16	3.20	108	2
2	2.18	4.40	2.22	102	2
1¾	1.85	3.52	1.67	90	1 9/10
1½	1.53	2.86	1.33	87	1⅞
1¼	1.23	2.42	1.19	97	2
1	.68	1.65	.97	143	2⅜

Here we see that even after the reductions made last spring the prices of ordinary galvanized steel wire rope are from 1.9 to 2½ times as high in America as in England, and yet American and English rope compete in both countries. If we deduct from the English price 25 cents per 100 pounds at the cost of getting American rope to foreign markets, we find that the actual export price of American rope must average only about one-third of the price charged our own consumers.

How much of the difference is accounted for by the tariff?

The duty on rope 4½ inches in circumference is not less than 2.4 cents per pound. As a foot of this rope weighs 3 pounds, the duty per foot is at least 7.2 cents. Adding this to the foreign price (7.44 cents) and allowing one-fourth of a cent per pound for freight, insurance, etc., we get the cost of 1 foot of this English rope in our American market as 15.39 cents. But the actual price of American rope of this kind and size is 18.92 cents, or 30 per cent more than the cost of laying down English rope in our markets, even after paying an import duty of over 90 per cent on the English price. In a similar way the cost, duty paid, of English rope 2¼ inches in circumference in our markets is 5.58 cents, while the trust actually sells this rope at 6.16 per foot. The cost of English rope 2¼ inches in circumference in our markets is 2.88, while the trust price here is 2.86 per foot.

Thus, apparently, our importers of English rope are, at present prices, making profits of from 10 to 30 per cent on the rope handled. Why do they not sell for somewhat smaller profits and soon either get the most of the orders or compel the trust to reduce its prices? There are numerous answers to this question, some of which can be fully appreciated only by our manufacturers and dealers in iron and steel goods.

CUSTOMS OFFICIALS TOOLS OF THE TRUST.

In the first place something must be deducted from the apparent profits, because the importers did not contribute $100,000 to elect the present Administration and are persona non grata to our customs officials.

According to the statements of importers of wire rope, the customs officials invariably advance the foreign cost price of goods imported, on which ad valorem duties are assessed, although the prices entered are actual purchase prices. Moreover, the United States Government sent a detective to England to learn the price paid by American importers. Although this detective had free access to the books of at least one English manufacturer, and found nothing that did not verify the invoice prices, yet the customs officials here continue to advance the invoice prices on goods imported by Americans.

In some cases the importers say that they make their invoice prices out higher than the actual prices paid, so that they will not be penalized, as they would be should the customs officials add more than 10 per cent to their invoice prices. Probably one-fourth of the importers' apparent profits are wiped out by the overzealousness of the customs department in serving the wire-rope trust.

In this unfair way the present Administration is increasing the protection of the wire-rope trust and rendering, for the second time, a quid pro quo for the campaign fund of the trust. The wire-rope trust appears to be getting a great deal for its money. It made a good investment of its $100,000 in 1896.

BULLDOZING TACTICS OF STEEL TRUST.

In the next place, it is not easy for the importers to find customers. Wire rope is usually only one of the materials or products, and a minor one, required in some construction job of work. It is important that the contractors obtain, when desired, all of the other and more important products. These they can be certain of obtaining only of very large dealers in all kinds of iron and steel goods, and at present practically only of the steel trust. The extent to which the steel trust is now putting the screws on manufacturers, merchants, and contractors who consume steel goods is not realized by the general public. If a manufacturer is dependent upon the steel trust for any one important material he can not obtain it unless he buys all of his materials of the trust, at least all that the trust can supply. Not only this, but in many instances the trust will prescribe the maximum prices at which, and the territory in which, this dependent manufacturer can sell his finished product, and the railroads over which his materials must be shipped; also, if he does not pay cash the trust will inform him through what bank he must finance his accounts, and give him other similar details of procedure to remind him of the new order of things and of his loss of independence.

Similar treatment is accorded to merchants and contractors. Practically, if not exactly, the steel trust says to its consumers: "Buy of us and only of us if you wish to continue to do business in this country." As the trust is practically the only producer of many important products, like wire, tin plate, etc., nearly all manufacturers, dealers, and contractors are at the mercy of the trust. Even if a contractor could get all of his materials for any one job outside of the trust, he does not dare offend it, for he has other contracts which require steel-trust products. The result is that he reluctantly submits to the trust's dictation. As a matter of fact, many manufacturers, dealers, and big contractors now look only to the trust for materials, and have ceased to obtain quotations from outsiders and foreigners. Thousands of such manufacturers and dealers are cursing the trust in an undertone, while openly submitting to its terms and exactions.

It is this state of affairs, due to the bulldozing tactics of the steel trust in the business world, that makes it possible for wire rope to sell in this country for two or three times the price in England, and for nearly twice the cost, duty paid, of English wire rope in this country. The wire-rope pool, it should be remembered, is now a part of the great steel trust, and gets the benefit of the power of the trust to dictate terms and hold up most of the steel-consuming industries. Its power comes largely from the tariff, not on any one article, but on all. If all other steel goods were on the free list the duty on wire rope would undoubtedly limit the power of the wire-rope combine to extort from the consumer. But all steel goods being protected by high tariff duties, the wire-rope trust can exact from its victims much more than the amount of the duty on wire rope—which illustrates the beauties of high tariffs on goods which we are exporting to all parts of the world.

WHY FOREIGNERS SHOULD BUILD OUR CABLES.

These differences in prices, for the home market and for export, charged by our highly protected wire-rope trust, furnish one of the best arguments in favor of a privately constructed as against a Government-built cable under the Pacific Ocean. The pretended patriots and friends of the Government, but who are actually the representatives of the trust, tell us that they "want an American cable, built by American capital, in American shops, by American wage-earners, laid by American ships, under the American flag." If these representatives of the trusts would say exactly what they mean, they would tell us that they "want our protected trusts to have no possible competitors in building the Pacific cable, in order that they can charge two or three prices for the cable, the same as they now charge ordinary Americans."

It is obvious that if our Government is to lay cables and to have them built in American mills, they will cost several times what would have to be paid for them in England by an ordinary company.

TRUST LETTERS GIVING EXPORT PRICES ON WIRE.

To show the extra cost of making wire rope in America from American wire, the following quotations are made from recent letters of the American Steel and Wire Company. These letters were written from the trust's London office and to an English manufacturer of wire rope:

"We have much pleasure in quoting you the following prices on lots of say 40 or 50 tons, our ordinary quality of galvanized plain wire and plain annealed core wire. We give you a full range of extras up to 36 gauge.

"Plain annealed coil wire, in catchweight coils, no wrapping, c. i. f. Liverpool, No. 0 to 8 gauge, £7 5 0, with the following extras over base for thinner sizes:

Gauge.	Extra.	Gauge.	Extra.	Gauge.	Extra.	Gauge.	Extra.
	£ s. d.		£ s. d.		£ s. d.		£ s. d.
9	5 0 0	16	2 2 6	23	6 5 0	30	12 15 0
10	7 6 0	17	2 10 0	24	7 0 0	31	14 5 0
11	10 0 0	18	3 0 0	25	7 15 0	32	15 10 0
12	12 6 0	19	3 10 0	26	8 15 0	33	17 10 0
13	17 6 0	20	4 0 0	27	9 15 0	34	20 0 0
14	22 6 0	21	4 15 0	28	10 15 0	35	22 5 0
15	32 6 0	22	5 10 0	29	11 15 0	36	27 0 0

"On our ordinary quality of plain galvanized wire, we quote you a base price of from 5 to 8 gauge of £8 5 0, catchweight, coils, no wrapping, c. i. f. Liverpool with the following extras for thinner gauges:

Gauge.	Extra.	Gauge.	Extra.	Gauge.	Extra.	Gauge.	Extra.
	£ s. d.		£ s. d.		£ s. d.		£ s. d.
9	5 0 0	16	3 0 0	23	13 10 0	30	25 5 0
10	7 5 0	17	4 5 0	24	15 10 0	31	27 10 0
11	12 6 0	18	5 0 0	25	17 0 0	32	28 15 0
12	20 0 0	19	6 0 0	26	18 15 0	33	30 15 0
13	25 0 0	20	7 10 0	27	20 0 0	34	33 7 6
14	30 0 0	21	9 0 0	28	22 10 0	35	38 10 0
15	50 0 0	22	10 5 0	29	24 0 0	36	45 0 0

"Of course, on any sizes thinner than, say, 16-gauge, we would recommend some to be packed in paper and canvas, our extra charge for same being 14s. per ton, or if wrapped only in paper, our extra charge is 5s. per ton.

"We are in the habit of supplying both these qualities of wire to the decimal of an inch, and we have quite a reputation for supplying this material true to gauge.

"Our prices are on standard wire gauges—¼-gauges to take the price of the next thinner gauge.

"Terms: Two and one-half per cent discount, 30 days sight draft, with documents attached, on a London bank.

"We make you these quotations for prompt shipment and subject to your prompt reply, and hope to be favored with your valued order.

"For heavy galvanized wire we should require an extra of £1 1 10 per ton; therefore, this would make our base price, 5 to 8 gauge, £5 5 0 per ton, and the extras for finer gauges would be the same as quoted you on the 1st instant.

"Yours, faithfully,

"American Steel and Wire Company,
"Thos. J. Farrall, *Manager*."

Reducing these prices to American money, we get the following prices:

Price American Wire c. i. f. Liverpool.

PLAIN ANNEALED CORE WIRE.

Gauge.	Price 100 lbs.	Gauge.	Price 100 lbs.	Gauge.	Price 100 lbs.	Gauge.	Price 100 lbs.
0-8	$1.58	15	$1.88	23	$2.93	30	$4.35
9	1.63	16	2.04	24	3.10	31	4.68
10	1.66	17	2.12	25	3.26	32	4.94
11	1.69	19	2.33	26	3.48	33	5.33
12	1.71	20	2.45	27	3.70	34	5.92
13	1.76	21	2.53	28	3.91	35	6.41
14	1.81	22	2.77	29	4.13	36	7.45

PLAIN ANNEALED WIRE—ORDINARY QUALITY.

Gauge.	Price 100 lbs.	Gauge.	Price 100 lbs.	Gauge.	Price 100 lbs.	Gauge.	Price 100 lbs.
5-8	$1.79	16	$2.45	24	$5.15	32	$8.04
9	1.85	17	2.71	25	5.44	33	8.48
10	1.87	18	2.88	26	5.87	34	7.06
11	1.93	19	3.09	27	6.14	35	10.16
12	2.01	20	3.42	28	6.88	36	11.59
13	2.06	21	3.75	29	7.01		
14	2.11	22	4.02	30	6.27		
15	2.33	23	4.72	31	7.77		

These prices do not include the discount of $2\frac{1}{2}$ per cent for cash. Deducting 25 cents per 100 pounds from the Liverpool price as the cost of delivering the goods in Liverpool, and taking the prices to domestic consumers on these same goods at the same date, we have the following prices on plain galvanized wire:

Gauge.	Export.	Domestic.	Difference.	Per cent.
4 to 9	$1.54	$2.70	$1.16	75
10 to 11	1.62	2.97	1.35	83
12	1.76	3.10	1.34	76
13 to 14	1.87	3.37	1.56	85
15 to 16	2.08	3.78	1.70	81
17	2.46	4.05	1.59	65
18	2.65	4.32	1.69	64

Thus the domestic prices exceed the export price by from 64 to 86 per cent. This is the handicap placed upon the American manufac- It is also the handicap placed by our tariff-protected trusts upon our consumers of wire and wire rope as against foreign consumers of these same goods.

THE WINDOW GLASS TRUST.

ONLY BAD RESULTS FROM THE TAX ON SUNLIGHT.

The history of our glass industries for the last twenty years has been a succession of combinations, pools, lockouts, price-list committees, and agreements fixing prices and wages and limiting production. Wages and prices change often and radically, and nearly all of these tariff-nursed industries are always in an unsettled, unstable, and unhealthy condition.

The result is that we usually pay double price for our glass; and the industry is in a backward state of development.

Instead of making the best and cheapest glass and of dominating the world's markets, as our unrivaled opportunities for production would warrant—cheapest and best silica, coal, gas, and lumber—we are, thanks to our tariff system, only partially supplying our own market, and even that with inferior goods which sell at double the price of better goods in Europe.

The glass trusts, with their tariff clubs, hold up the American consumer, and make him pay $2 for one dollar's worth of glass.

The evils of such methods are not only apparent throughout the glass industry and in the glass-consuming industries, but they extend into State and national politics, and form a part of the "boss" system of government.

Under such conditions and circumstances it is a national sin to continue this tax on sunlight. Some of the leading manufacturers do not hesitate to say that if there had never been any tariff on glass, our glass industry would now be twice as large as it is, and would be employing twice as many men and using twice as much coal, gas, lumber, etc.

EARLY TRUSTS.

As in most other branches of the glass industry, trusts in some form have existed in window glass for twenty years.

The American Window Glass Manufacturers' Association, with its "price-list committee," its "board of control," its "district" and "national wage" committees, and its "tariff committee," was running full blast from about 1880 to 1888, and was deciding how many and what works should be closed and what wages should be paid and prices charged. It worked hard to prevent the passage of the Mills bill in 1888. In 1884, when there was a shortage of glass caused by a lockout and a long fight over wage scales, the manufacturers themselves became importers to supply the trade.

There have been since 1880 periods of comparative competition and low prices, but during such periods the "trust" people have been playing for a new deal and a new grip on the industry. Since 1890 the United Glass Company, a corporation owning 17 of the 108 plants then in existence, has formed the backbone of the window glass trust. From 1893 to 1895 the trust was not in good working order, and prices were comparatively low.

THE PRESENT TRUST.

In 1895 the American Glass Company, selling pool for 85 per cent of the factories, was formed. This pool soon had prices up to the importing point, where it held them firmly until succeeded by the American Window Glass Company, a corporation with $17,000,000 capital, formed in October, 1899. This owns factories with a capacity of about 1,900 pots out of a total capacity of about 2,600 pots. It has not lowered prices, which are about double what they were four years ago.

The estimated value of the 48 or 50 plants absorbed is said to have been put at $6,190,000 by one of the organizers.

VERY HIGH PRICES AND GREAT PROFITS.

There are so many sizes and grades of window glass, the schedules of prices and discounts are so complex, and the prices change so often and differ so much in different districts that it is difficult to compare prices. In general, prices for the last three years have been nearly double what they were for the previous three years; and, the duty averaging nearly 100 per cent, prices are about double what they are in Belgium or England. The following summary of prices is from the Commoner and Glassworker of October 21, 1899:

"From an average price of about $1.50 per box for single and $2 per box for double strength in 1893, the value of glass has quite, if not more than, doubled. * * * The low price of glass was due to a low tariff, combined with the low cost of unwrought material, and reduction in cost of labor, with a poor consumptive demand. * * *

"Since the existence of the American Glass Company, the greatest advance in price has taken place. This company has managed its affairs without change practically since its formation, and has done it so well as to not only control the product, but to fix the price at the highest possible notch.

"The profits during the last three years have been enormous. The pool is said to have made $700,000 in 1896, $1,750,000 in 1897, $2,100,000 in 1898, and still larger profits are anticipated for 1900."

PRICES CAREFULLY ADJUSTED TO TARIFF.

In no other industry, perhaps, are prices adjusted to the cost of imported goods with such precision. The cost of laying down imported glass at interior points being greater than at seaboard, on account of freight, the prices at interior points are held enough higher to cover this difference. Thus customers at Pittsburg, in the shadow of the factories, must pay 14 cents per box more for ordinary window glass than the customer at Boston and 20 cents more than the Pacific coast consumer. The country is divided into six districts and the prices for each are determined by the cost of imported glass in each district after the duty is paid. Prices for the Pacific coast are lowest of all, because the cost of transportation from Belgium is the lowest in comparison with the cost of transportation on domestic plates.

Since 1861 the duty on window glass has changed but slightly, except that it was reduced about 30 per cent under the Wilson bill. The duty now, as under the McKinley and previous bills, varies from about $1\frac{3}{8}$ to 3 cents per pound, and averages about 2 cents. This is generally equivalent to between 80 and 100 per cent, and often exceeds 100 per cent. From 1860 to 1890 prices in this country declined an average of 8 per cent, although foreign prices declined 54 per cent from 1867 to 1890. Our prices are now higher than in 1890 or in 1860 for ordinary sizes. This one fact, taken in connection with free natural gas and unrivaled opportunities for production and in view of the great progress made in most other industries, ought to be sufficient to condemn the whole protection theory. No other industry has enjoyed so much protection for so long a period, and no other important manufacturing industry has made so much progress backward. From 1880 to 1890 we imported each year about 30 per cent of our total consumption of window glass. Since 1890 the percentage of imported glass has been somewhat less. It is now about 12 per cent, our consumption amounting to about 5,000,000 boxes.

This trust, like many others, does not possess a complete monopoly. It is said to "hold the umbrella" under which new factories outside the trust have been built and made great profits. It is really the tariff which holds the umbrella. The trust and the outsiders are both secure in their excessive profits under it for a considerable time, until the number of outsiders gets too large. All that time the consumer will be forced to pay high prices, and competition will not lower them because the trust is able to restrict production to only part of the year. Up to a certain point it is profitable for the trust to pursue this policy, and even when that point is reached the margin of profit afforded by the tariff is so great that the trust can make new terms with the outsiders, many of whom, according to the Commoner and Glassworker, have been attracted to the business by the prospect of such a sale of their plants to the trust.

The bulletin of the Department of Labor for March, 1902, published the wholesale prices of American window glass in New York on the first of each month per 50 square feet of single, firsts, 6 by 8 to 10 by 15 inches. Here are some of these prices:

Window glass prices.

	1890.	1891.	1892.	1893.	1894.	1895.
January	$1.99	$2.25	$2.14	$2.14	$2.14	$1.85
April	2.25	2.14	2.14	2.14	2.14	1.59
July	2.25	2.25	1.51	2.14	2.00	1.40
October	2.25	2.25	2.14	2.14	1.85	1.62
	1896.	**1897.**	**1898.**	**1899.**	**1900.**	**1901.**
January	$1.62	$2.66	$2.89	$2.80	$2.10	$3.06
April	1.62	1.75	2.36	2.23	2.36	4.80
July	1.67	1.99	2.62	2.80	2.99	4.56
October	1.89	2.39	2.80	2.80	3.27	4.56

Thus, glass that sold for $1.40 per box in July, 1895, sold for $4.80 in April, 1901—the latter price being nearly 3½ times the former, or a raise of 243 per cent. The "economies of production" in trust management are certainly not conspicuous in the prices of window glass.

COMPETITION OF INDEPENDENT COMPANIES.

Of course, such extremely high prices, yielding profits of about 200 per cent on every dollar's worth of glass sold, has tempted independent manufacturers into the field. The independents now have a capacity of about 400 pots out of a total of 3,800. But as there are window glass blowers for only about 2,200 pots, and the labor union makes it next to impossible to obtain more blowers, it is certain that about 1,600 pots must remain idle. As the labor union controls the situation from its standpoint, the so-called "independents" and federation concerns are mostly owned and operated by the skilled glass workers themselves. They usually have agreements with the trust on prices and output, but there is nearly always friction because the "independents" want to work more months than the trust, and to gobble more than their share of the great profits. The trust plants usually operate but six or eight months a year, and in this way limit production and maintain prices. The following from the National Glass Budget of August 9, 1902, discusses the combinations between the trust, the independents, and the jobbers, and sheds light on the internal troubles:

THE WINDOW GLASS SITUATION—IMPORTANT MEETING OF JOBBERS AT ATLANTIC CITY ON FRIDAY OF NEXT WEEK.

"Present indications are that the strained relations which have existed between manufacturers of window glass since the beginning of 1902 will be patched up and that the trade will be controlled during the fire of 1902–3 by three combinations—the American Window Glass Company, the Independent Glass Company, and the Federation Window Glass Company—all working in harmony. In the light of information now in our hands, we feel safe in predicting that not enough new glass will be made before October 15 to disturb market conditions, and at the present rate of consumption stocks now in manufacturers' hands will be pretty well cleaned up by that time. During July the demand for window glass exceeded that of July, 1901, fully 35 per cent, and prices were well maintained. Stocks in jobbers' hands have been reduced to the lowest point ever known at this season of the year, and as soon as jobbers are convinced that the bottom will not be knocked out of prices by a September start, they will be in the market for a large quantity of glass to replenish their empty stock rooms.

"The jobbers are taking an active interest in the movement to prevent the starting of factories before October 15, and if the Independent Glass Company persists in continuing the policy which it has pursued during the past seven months, it will lose the trade of those who last year purchased most of the glass made by this company. In fact, the attitude of those in charge of the sales department of the Independent Company in trying to inflict loss on jobbers who bought their glass, has caused many of the leading distributors of window glass to state that in order for the Independent Glass Company to put itself in line for further business a reorganization of the sales department and the adoption of a new policy will be necessary. It is hoped that a change in this department will be made at the annual meeting to be held in Atlantic City on Tuesday of next week, August 12. * * *

"A meeting of the executive committee of the National Window Glass Jobbers' Association was held in this city on Tuesday last. The meeting was also attended by officers of the American Window Glass Company and the Federation Window Glass Company. Trade conditions generally were discussed, and at the close of the meeting President Gray issued a call for a general meeting of the Jobbers' Association, to be held at the Marlboro Hotel, Atlantic City, on Friday, August 15.

"The jobbers are certain that there is too much glass on hand to make a start in the factories September 1 advisable. Certain cooperative firms, whose bonus benefactors stipulated that they must operate ten months in the year for a given term, and the officers of the Independent Glass Company wish to start up because they have no glass, having sold more than they could make last fire. The American Window Glass Company, backed up by the jobbers, do not wish to start before October 15, because they realize that there is enough glass on hand to fully satisfy all demands till that time, and they know that any start before that time will have a tendency to create an overproduction and tell disastrously on prices. * * *

"The interests of manufactures and jobbers are identical. There is just so much window glass to manufacture and distribute, and the money accuring therefrom belongs, in equity to all the workmen, manufacturers, and jobbers legitimately engaged in its manufacture and distribution. * * *

HORRIBLE TO CONTEMPLATE.

"If the Independent Glass Company has a right to start September 1, all others have the same right. What would happen if all manufacturers were to start their factories on that date will be seen by the following statement:

"There will not be more than 2,200 pots put into actual operation next fire, though there are now about 3,800 pots in existence. There will not be enough skilled workmen to operate more. The product of 2,200 pots during a run of ten months will be 7,920,000 boxes, to which must be added the imports of at least 700,000 boxes, or, in other words, an available supply of 8,620,000 boxes, against which enormous supply there can be placed only a consumptive demand of 5,400,000 boxes, leaving stocks in manufacturers' and jobbers' hands, September 1, 1903, of 3,220,000 boxes, or enough glass to supply this country, exclusive of imports, until March 1, 1904.

"The question is, Is it good sense; is it either fair or honorable in any combination or organization to persist in a policy which will bring about such deplorable conditions as are indicated above?"

PRICES FURTHER ADVANCED IN 1902.

As indicating the great rise in prices which must have occurred this year (1902), the National Glass Budget mentions a suit brought by the Muscatine Sash and Door Company against the Independent Glass Company for $9,542.99. The Independent Company had agreed on March 15, 1902, to deliver 10,000 boxes of assorted glass in May and June, 1902, for $28,898.71. It failed to keep its contract, and the cost of duplicating the order on June 30, 1902, was $39,441. The Muscatine Company sued to recover the difference.

These exorbitant prices could not be charged in this country where the import duty is only 100 per cent were it not that Belgium, the window glass country of Europe, has recently experienced one of the longest strikes on record, and her production of glass is only just catching up with the foreign demand. When European prices fall, ours must also fall, unless the foreigners agree for certain considerations to stay out of our markets. Such a contract is said to have been made recently, and, in fact, is necessary, to account for our present extreme prices.

Possibly the introduction of glass-blowing machines by the trust will, in a few years, bring about sufficient competition to lower prices somewhat. The removal of the duty which fosters and protects this cormorant would give the consumers relief at once, and make it possible for common people again to buy new glass and putty up their stuffed-up windows.

SOME ELOQUENT FLASHES OF REPUBLICAN SILENCE.

[The New York American and Journal, August 5, 1902.]

The Republican campaign text-book designed to supply orators and editors with argument has just been issued. It has nothing to say on the subject of Cuban reciprocity.

Naturally. The Republican record on reciprocity with Cuba is the record of a crime. The denial by Congress of justice to the people of the island we freed from Spain can not be defended or excused. That sacrifice of the national honor was made at the behest of the beet-sugar lobby and the sugar trust. Every American who cares more for the good name of the Republic than he does for the trust-breeding and trust-shielding protective tariff feels his cheeks grow red with shame whenever he thinks of the treatment the new-born Republic of Cuba has received at the hands of the Republican party. No wonder the campaign text-book prefers to discourse of other things.

Another subject on which the Republican official guide to orators and editors is silent is tariff revision. That is not to be discussed if the managers can help it. The "protected interests" want the tariff let alone. Therefore any editor or orator who imitates the action of the Iowa Republicans and calls for such changes in the tariff as would deprive monopoly of its shelter will be guilty of party treason.

But the campaign text-book has much to say about the trusts. In effect its deliverances are these:

First, there is no danger in the trusts.

Second, the Republican party points with pride to its "efforts to execute the antitrust law."

"On June 27 last the Democratic members of the House of Representatives met and adopted a set of resolutions, among them this one:

"The Republican majority in Congress is dominated and controlled by the trusts and monopolies which have the great industries of our country in their grasp. * * * They refuse and fail to bring in any measure to suppress the trusts or to favorably report any of the numerous antitrust bills introduced by Democratic members during this session.

"We favor the immediate passage of a measure to amend the present antitrust law, so as more fully to protect trade and commerce against unlawful restraints and monopolies, and also a measure to reduce the duties on all articles and commodities manufactured and controlled or produced in the United States by a trust or trusts, so as to destroy such illegal combinations, and to reduce the rate of duty on any article or commodity manufactured in the United States and sold in a foreign country more cheaply than in the United States.

"We oppose the adjournment of Congress until the measures mentioned above have been enacted into law."

What was the response of the Republican majority, in possession of the lawmaking power of Congress, to that challenge?

Did the Republicans amend the present tariff antitrust law?

No.

Did the Republicans pass a bill reducing the duties on foreign goods coming into competition with monopolizing trusts?

No.

Did the Republicans pass a bill to discourage high prices at home and low prices abroad for trust-made articles?

No.

The Republican Congress ignored the Democratic challenge to legislate against the trusts as completely as the Republican campaign text-book ignores the dishonoring of the nation in the case of Cuba out of deference to the wishes of the beet-sugar lobby and the sugar trust.

Republican orators may rise to the most impassioned rhetoric, and editors of Republican organs may write with dutiful industry ten hours a day from now until the Congressional elections, but no platform eloquence, no industry with the pen, can alter the record of what has been done and what has not been done.

The record shows that the Republican party sets the greed of monopoly above the nation's honor, and dares not pass laws to curb the trusts in the interest of the American people.

The trusts own the Republican party.

THE BORAX TRUST.

A WORLD TRUST, BUT STILL A TARIFF TRUST—IT SELLS BORAX AT 8 CENTS IN NEW YORK AND 2½ IN LONDON—A BRIEF HISTORY OF THE BORAX INDUSTRY—ALWAYS CONTROLLED BY COMBINATIONS—SECURED INCREASED DUTIES BY MISREPRESENTING FACTS.

The borax trust is one of the best examples of the evils of tariff "protection." Unearned and undeserved profits, enhanced prices, restricted production, limited consumption, employment of foreign labor at low wages, lower prices to foreigners than to Americans, false and hypocritical plea that free borax would destroy the borax industry—these are some of the results of the unnecessary and unjust duties on borax and boracic acid.

AN ARTICLE OF GENERAL USE.

While the borax industry is not one of our great industries—the total product selling for only about $1,500,000 or $2,000,000—it is yet of considerable importance, because borax is an almost essential article in every household and is a most useful article in many industries. It is used largely in the packing of pork and other meats, butter, etc., and is most useful in the arts, manufactures, and mines. It is a flux for all metals, enabling them to melt at a lower temperature. It is used largely in the manufacture of soap and leather. It is a bleach, an emollient, an antiseptic, a cleanser and purifier, and a medicine. The extent of its use in many industries depends largely upon its price.

The principal borax mines or deposits of the world are in California and Nevada, in Asia Minor, Peru, and Chile. Mines or deposits exist in Italy, Turkey, and other countries; but the cost of producing in them is too great to make them of commercial importance.

The largest, most easily worked, and most productive mines of the world are those in California. These were discovered in 1856, but were not much worked until about 1873.

TARIFF DUTIES.

Previous to 1883 there was no duty on borate of lime and crude borate. The tariff of 1883 made the duty on refined borax and on pure boracic acid 5 cents per pound, on commercial boracic acid 4 cents, and on borate of lime and crude borax 3 cents. The tariff of 1890 made the duty on all boracic acid 5 cents. The tariff of 1894 reduced the duty on all borax to 2 cents per pound, on boracic acid to 3 cents and on borate of lime to 1½ cents. The tariff of 1897 made the duty on borax and boracic acid 5 cents, and the duty on borates containing more than 36 per cent of anhydrous boracic acid 4 cents, and less than 36 per cent of acid 3 cents. The object lesson resulting from these changes of duties is most interesting, not only to our own citizens, but to the people of the entire world.

CONTROLLED BY TRUSTS.

Because of the limited area in which the mines are found and the difficulty of reaching and of operating them, it seems but natural that these mines or deposits should fall into few hands and that the few owners should combine to prevent competition and to bring about high prices. As early as 1878 an agreement was entered into between the California producers by which production was to be curtailed. A more formal combination was formed in 1879.

In 1885 the "borax board" was organized. It included about all of the producers upon the Pacific slope. A more perfect combination was formed in 1888, and in November, 1890, the Pacific Coast Borax Company absorbed nearly all of the producers. It has always been the policy of Mr. M. F. Smith, the head of this company, to gobble up all of the new deposits which might prove of commercial value. He has usually worked but one or two of the ten or twelve mines which his company owns, and to-day is working only the Colemanite mine, at Daggett, Cal., and is holding idle such important deposits as those in Death Valley and San Bernardino, Cal., and those in Nevada. One or two small deposits, such as those in Columbus, Nev., may be worked on shares, but the product of these small properties all passes through the hands of the Pacific Coast Borax Company, and no crude borax is obtainable except through this company.

A WORLD TRUST.

Prior to the latter part of 1894 the foreign market was in the hands of a European syndicate, which had a virtual monopoly. This foreign syndicate had an understanding with the Pacific Coast company through which the latter was left to the enjoyment of the American market. Soon after the reduction of duties in 1894 and the low price at which our trust was compelled to sell, our producers began an aggressive warfare on the foreign monopoly. In June, 1896, the Pacific Borax and Redwood's Chemical Works (Limited) was incorporated in England with a capital of $2,550,000 and $500,000 of bonds. It took over the business and properties of the Pacific Coast Borax Company and of Redwood & Sons, chemical manufacturers in England. Mr. M. F. Smith became the managing director in the United States. This new English-American combination carried on such an aggressive and expensive warfare in Europe that in January, 1899, the foreign manufacturers capitulated, and sold their interests to a new combination, dictated by the California producers. This new combination is the Borax Consolidated Works (Limited) with a capital of $7,000,000. It is an amalgamation of the twelve principal borax producers and refiners of the world, namely:

The Pacific Borax and Redwood's Chemical Works (Limited); Mear & Green (Limited), Kidsgrove, Staffordshire, England; Borax Company (Limited), London; Societe Lyonnaise des Mines et Usines de Borax, of Lyon, France; Empresa de Ascotan Company, Chile; Sociedad Boratera de Carcote, near Asoctan, Chile; Boratera de Cosapilla, near Tacua, Chile; Boratera de Chilicolpa, near Tacua, Chile; Compania Boratera de Arequipa, Peru, including the deposits formerly owned by Señors Pena and Caballero; Compania Boratera de Ubinas, Arequipa, Peru; that part of the Pintados deposit formerly the property of the Products Distribution Company (Limited), Iquique, Chile, and 7,142 out of the 110,000 shares of the San Bernardino Borax Mining Company of California.

These are not all the mines and sources of production in the world; but, according to the Oil, Paint and Drug Reporter of January 13, 1899, nearly the whole supply of the world has been obtained from them.

TARIFF PRICES AND PROFITS.

Four days after the McKinley bill became effective, in October, 1890, the California trust raised the price of borax (which had been 8½ to 8¾ cents in August and September of 1890) to 9¼ to 9¾ cents per pound. The following table gives the date of some of the more important changes in prices:

Prices refined borax in New York.

[Wholesale prices per pound.]

Oct. 26, 1891	8¾	Nov. 9, 1896	5
Oct. 26, 1892	8½	Feb. 22, 1897	5¼
Jan. 6, 1893	8½	Aug. 9, 1897	5¼
Oct. 26, 1893	8¼	Oct. 18, 1897	6
Jan. 6, 1894	8¼	Nov. 29, 1897	6½
Aug. 27, 1894	8	Dec. 27, 1897	6¾
Sept. 3, 1894	7	Jan. 3, 1898	6¾
Oct. 29, 1894	6¾	Feb. 7, 1898	7
Jan. 6, 1895	5¼	Jan. 23, 1899	7½
Mar. 4, 1895	6	Nov. 20, 1899	7½
June 17, 1895	5½	Jan., 1900	7¾
Aug. 1, 1895	5¼	July, 1900	8
Jan. 6, 1896	6	July, 1901	7¾
Feb. 10, 1896	5¾	July, 1902	7¾
Oct. 19, 1896	5½		

The Wilson bill took effect on August 28, 1894. The following comment is from the Oil, Paint and Drug Reporter of December 31, 1894:

"The sweeping cut in the price of borax, which we announce in another column, to take effect January 1, 1895, will be a great surprise to the trade, as the impression has become current that no further reduction would be necessary to enable the Americans to keep out the foreign and retain complete control of the home markets. * * * The net decline in the price since the new tariff came into operation is 2¾ cents per pound on crystals and powdered, and 2½ cents per pound on refined in bags."

It closed with the following suggestive statement:

"It has been generally understood that an agreement exists between the American producers and the European syndicate, under which the former were to be left in possession of the home market, provided they agreed to keep out of the foreign markets. Outside competition abroad, however, made it possible for goods to be imported. Under the circumstances, what is to prevent the American producers exporting goods, and thus enlarging their markets and general sphere of usefulness, from a material standpoint?"

On February 4, 1895, the same journal said:

"The Pacific Coast Borax Company, finding the results of its efforts to place borax within the reach of all at reduced figures to have been so satisfactory, has issued another circular, announcing still lower prices for the current month, and which are lower than borax can be imported for or produced here, except under the most favorable conditions."

On October 1, 1895, the same authority said:

"In the years that have passed large profits were made; and it may be necessary to cut into them, if the competition now in progress is of long duration. At the same time there is reason for believing that the California producers are making money under existing conditions." * * * "There is no danger of any further competition with the foreign article. * * * The manufacturers in England have not renewed the syndicate agreement, and there does not appear to be any likelihood of their doing so."

DINGLEY BILL PRICES.

The articles on borax in the Oil, Paint and Drug Reporter tell a different story under the Dingley law, which took effect July 24, 1897.

On August 30, 1897, the Reporter said:

"The new tariff has materially altered the situation in borax in this country. * * * There is now no possibility of any competition being feared from Europe, with the duty on refined 5 cents per pound as against 2 cents under the act of 1894, and the domestic market is left entirely to the home refiners. * * *

"Under the low prices which were made necessary by the 2-cent duty in the act of 1894, the demand has been largely increased; and it is possible that any material advance would check the consumption. * * * Refiners may be trusted not to make a move that will restrict their production."

On June 17, 1898, this journal said:

"The advance in the rate of duty on borax in the act of 1897, from 2 cents per pound to 5 cents, has caused a rise in the price here from 5¼ cents in carloads, which was the market quotation when the tariff became operative, to 6¾ cents. * * *

"It is evidently the determination of refiners to raise the price by slow and easy stages until they shall reap the full increase of benefit which the new act gives them. It would not have been good policy to advance the price 3 cents per pound as soon as the tariff bill became a law, as it might have aroused the ire of consumers of borax."

BORAX EXPORTED TO EUROPE.

That no duty is necessary to preserve our borax industry is evident from the fact that our output increased greatly during the Wilson bill period, and that we have always exported borax and sold it in England, except when an agreement, offensive and defensive, between our own and foreign producers kept our product at home. A few more quotations will throw light on this subject. On November 25, 1895, after discussing the heavy imports of borate of lime (4,165,765 pounds) in 1894–95, at an import price of 2⅜ cents per pound, the Oil, Paint, and Drug Reporter said:

"Another feature of the situation is the exports of American borate of lime to England lately. Since October 14, 11,558 bags have been shipped, at a valuation of $22,939. The average price per pound was 2 cents."

July 13, 1896, the Reporter said:

"A foreign outlet for California crude was sought, and large quantities were exported to Liverpool last autumn. They were sold at a profit of about 2 cents per pound. The sales of the American company for the seven months ending March 21 last were at the rate of 11,000,000 pounds per annum, over 1,000,000 pounds having been exported to England. The actual exports to July 1, 1896, from last autumn amounts to 20,420 bags, valued at $40,018. Notwithstanding the fact that California borate of lime was sold in England at 2 cents per pound, there were imported into New York for the fiscal year ending June 30, 1896, 4,227,947 pounds of foreign borate, valued at $102,732, as against 4,165,765 pounds the previous year, valued at $95,734. * * *

"From a glance at the condition of affairs in the borax industry, it appears that the California producers hold the key to the situation. They have succeeded in underselling the South American and Asiatic borate of lime in the English market and have thus affected the profits of the Borax Company (Limited), the concern which owns the Asiatic deposits. The annual report of this company stated that, had it not been for the French works (protected) of the company, no profit would have been made, owing to the competition with the California borate."

On August 30, 1897, the Oil, Paint, and Drug Reporter unintentionally illustrated the difference between trusts in protected and unprotected countries:

"The Borax Union of Great Britain collapsed some two months ago, due, possibly, to competition with borax from American borate. The price is now £14 per ton, or about 3 cents per pound, the lowest price on record. * * *

"The Societe Lyonnaise, which controls its own deposits of crude in Asia Minor and is protected on its refined in France, is also doing well; but a careful analysis of the situation can not but reveal the commanding position occupied by the California producers in the markets of the world under the new conditions, which have been partially created by the new tariff and in great measure by the development of the Pacific slope."

In September, 1897, the British and Colonial Druggist of England explained the ability of the American producers to compete in the markets of the world by saying that the "natural advantages in the matter of deposits of pure borax" was added an extremely heavy duty on borax, which "practically bars foreign product from an entry into the States." It said:

"We can put this advantage in a startling way by saying that, if American manufacturers obtained for their borax sold at home the present price of the article in this country plus the duty in America, they would be in a position to give away one and one-half times as much borax as they sold at home, and yet receive a return per pound on the whole higher than the present English price per pound."

This condition should prove more "startling" to Americans than to foreigners, however. In 1898, 46,118 bags (about 2,000 tons) of borax was exported to England out of a total production in America of about 12,000 tons.

If this was exported to England at a profit, then our protective tariff simply helped the trust to outrageous profits on the borax sold here. If it was not sold at a profit, then the tariff made Americans pay the trust two profits on the borax they consumed, while Englishmen paid no profit.

American warfare from behind protective tariff walls made the borax industry unprofitable in unprotected countries, depreciated the value of foreign plants and mines, and made it easy for our Government-supported trust to buy up its foreign competitors and to form a world trust. This it has done. Our borax tariff is, therefore, the real mother of this great world trust.

TRUST PRICES HERE AND IN ENGLAND.

But observe now the difference between trust prices in protected America and in unprotected England. On October 28, 1899, the Chemist and Druggist of England quoted refined borax at 16 shillings per hundredweight. This is less than 3½ cents per pound, as against 7¼ cents in New York. And yet the same company supplies borax from the same mines and mills to both markets. Could there be a better illustration than this of the oppressive effects of tariff-protected trusts?

It may be asked, Why, if it owns all of the profitable mines of the world, does not the trust put its prices as high in Europe as in America? It is partly because it has not got, and it is not easy to get, as complete control of the world's borax mines as those in California and Nevada, and partly because the trust has not as yet had full opportunity to test its world monopoly. Some of the companies which it took over were under contract to supply raw material at certain prices for one, two, or three years. Until these contracts expire, refined borax will be likely to remain low in England. (For 1902 export prices and other late information, see under "Export Prices.")

THE LEAD TRUST.

AMERICAN LEAD A CENT A POUND LESS IN ENGLAND THAN HERE—THE GOVERNMENT A PARTNER IN ALL TARIFF TRUSTS—DOES NOT SHARE PROFITS, BUT KEEPS OFF COMPETITORS AND IS A POWERFUL AND VALUABLE PARTNER.

[By George A. Macbeth.]

The most of the combines of to-day, created for the purpose of extortion in price, could not and would not exist if it was not for the part the United States takes in them.

Here is one example, and the same is true of several commodities managed by combines. This quotation is from the New York Commercial, March 6, 1900:

"Lead.—Was steady and unchanged at $4.70 per pound spot to March. In St. Louis the market was firm, with scant offerings at $4.57½@$4.62½, according to brands. Soft Spanish was unchanged at £16 11s. 3d. in London. Arrivals at this port were 1,000 tons bullion from Tampico; exports from this port, 650 tons to Hamburg. Imports of lead during the week ending March 2 were 2,806 tons; exports for the week, 1,794 tons."

Few see these quotations. Very few understand them. The great mass do not know anything about them whatever. Figure out the pounds, shilling, and pence, the London quotation for a long ton of 2,240 pounds, and it makes the price of lead in London $3.60 per 100 pounds, as against $4.70 in New York—$1.10 more in New York than London, or a difference of $22 per ton of 2,000 pounds.

Yet some is exported, and must go at the price in London. Please note, some is imported, also. This is brought here, and reexported without the payment of any duty.

The kernel of it all is that about twenty men are managing the matter of price of all the lead consumed in the United States, and have been doing so for some time—with the aid of the Government.

Not a pound is sold without the concurrence of these men, and it is held as firmly and nicely as could be. It is managed with consummate skill.

Most likely many will say, at first thought, "It is nothing to me if there is a duty on lead." Such people do not know how this material enters into the cost of so many things. Thousands of men are working with this material, which costs 30 per cent more than it should—30 per cent artificial value. We pay this artificial price, but the Government does not get it. (It amounts to about $5,000,000 a year extorted from the American people.) It enters into the cost of every house built, and of a thousand and one things which people do not know that lead has anything to do with.

This lead combine has arisen and is a result of the tariff on lead. It could not exist without this tariff. It is the very perfection of a trust or combine brought into existence by the Government's action.

The same may be said of lumber and of many other articles manufactured by trusts.

Truly it may be said the commercial element is predominating in affairs of Government in an unwonted degree.

Evidently there is some reward for the "fat-frying" process in the past and a keen eye on the future.

If the actual effects of protective tariff legislation were known, it would be swept out of existence quickly, and our Congress would be confined to its true constitutional functions. Its hands would then be kept off from all attempts at fixing values of commodities.

THE PRINTING PAPER TRUST.

BRIEFS OF AMERICAN NEWSPAPER PUBLISHERS' ASSOCIATION PRAYING FOR FREE PAPER AND PULP.

The briefs of the American Newspaper Publishers' Association covers the case of the printing paper trust so well that further comment is unnecessary. The following extracts are from the briefs presented to the United States and British Joint High Commission, December, 1898, and January, 1899:

ABSURDITY OF TARIFF ON PAPER AND PULP.

"The directors of the American Newspaper Publishers' Association, representing 157 daily newspapers of the United States, and representing the bulk of the total consumption of print paper, respectfully request the American members of the Joint High Commission to advocate the inclusion of free paper and free pulp in the adjustment of our relations with Canada, and in support of this request submit the following reasons therefor:

"The present tariff rates on printing paper, unsized, sized, or glued, suitable for books and newspapers, valued at not above 2 cents per pound, is three-tenths of a cent per pound, or $6 per ton. The tariff rate on mechanically ground wood pulp is one-twelfth of a cent per pound, or $1.67 per ton.

"During the year ending June 30, 1898, the paper manufacturers of the United States exported 53,718 tons of printing paper (news and book), valued at $2,702,351, an average of 1,000 tons per week. No paper for news printing is brought into the United States.

"The total importations of wood pulp in twelve months, ended June 30, 1898 (according to the Paper Mill of August 11, 1898), were 28,846 tons, valued at $601,642, against 41,707 tons in 1897, valued at $800,886.

"The entire revenue received from the importation of mechanically ground wood pulp last year was $41,842, and as no news paper was imported, therefore no serious question of national economy or threatening deficits could be urged in opposition to free pulp and free paper.

"The tariff on paper is prohibitory and the rate for wood pulp is excessive. The American paper manufacturers need no protection, because they can manufacture paper cheaper than is done in any other part of the world. The American manufacturers are protected to the extent of $1.60 per ton by reason of their proximity to their customers. The difference in the cost of transportation to market is their great guaranty of security against Canada or any foreign country. They are also protected by their ability to obtain cheaper and more convenient supplies of coal and chemicals, which as yet are not obtainable in the Canadian forests. American manufacturers are now supplying the Australian and Japanese markets, and are underselling the British, Sweden, and German manufacturers in the British market.

TRUST FORMED IN 1898.

"In January, 1898, all the big and profitable paper mills in the United States, with a few unimportant exceptions, were merged into the International Paper Company, a combination that absorbed twenty-four mills, producing about 80 per cent of the entire American output. This corporation or trust was capitalized upon a basis of $55,000,000, divided as follows:

Bonds	$10,000,000
Preferred stock	25,000,000
Common stock	20,000,000

"The organizers of the trust frankly admitted at the outset that its common stock represented only good will, yet a quarterly dividend of 1 per cent on the common stock was declared in November, payable December 31, 1898. This common stock is now selling on Wall street at 60. A circular issued by Hatch & Foote on July 15, 1898, and based upon information 'furnished by officers' of the International Paper Company, showed that it was making a profit of $10 per ton on its output. The same authority states that the trust handles 143,500 horsepower; that it owns 450,000 acres of spruce lands in New York, New Hampshire, Vermont, Maine, and Michigan, and holds Government licenses for 1,132,000 acres in Canada.

"The capital represented by the annual rentals of $196,000 per year for water power and by other fixed charges paid by the trust would increase the total capitalization represented by that combination to $65,000,000. The entire output of this corporation, representing 1,420 tons per day for theoretical capacity, could be reproduced by a present investment of $15,000,000, so that the American consumers of newspapers are forced to pay dividends upon an inflated and wholly fictitious valuation of at least $40,000,000.

MONOPOLY PRICES FOLLOWED.

"This combination of twenty-four mills, while embracing many inferior and worthless mills, also included practically all of the locations in the United States where cheap and ample water power, cheap and good spruce wood, and cheap rates to market can be obtained for a mill of 100 tons daily capacity.

"Immediately after the organization of the trust it raised the price of paper wherever possible. In three cases it raised the price $10 a ton, and has averaged an increase of $5 per ton on its daily output of 1,420 tons, equaling an increased tax of $2,130,000 per annum upon the newspapers of the country, which now pay a total exceeding $20,000,000 per annum for their paper supply.

"A reciprocal arrangement with Canada for free paper and free pulp is advisable to insure the continuance of the present supply of free logs from Canada. The threatened retaliatory export duty upon logs to be imposed by Canada would ultimately fall upon the newspaper consumer. The present consumption of pulp wood by the pulp and paper mills of the United States, including manila, book, and writing, is stated, upon authority of the Paper Maker, a paper trade journal, at 2,000,000 cords per annum, which consumption requires the entire stripping of pulp timber on 625 square miles per annum.

"Our spruce wood supply is limited. We therefore urge that the commission should take advantage of the present opportunity and immediately secure a sufficient supply of spruce freed from tariff complications.

"The trust, in furtherance of its policy of stifling competition and controlling prices, has increased its timber holdings since this Hatch & Foote statement of July 15 was issued, and that ownership is more than sufficient to give it a wood supply for a long period of years on present production. There are no considerable water powers beyond the control of the trust which can be utilized to operate large plants in competition with the trust, so that all that might be done in the United States toward the enlistment of capital, the development of new enterprises, or the conversion of manila mills to news, or the extension of pulp or sulphite mills to news production, would be inconsiderable in comparison with the wiping out of the duty on paper and the opening of Canada to our relief.

FREE TRADE IN PAPER WOULD PROTECT OUR FORESTS.

"The enlightened policy of New York and other States in protecting forests should be encouraged by putting Canadian pulp and paper on the free list. If consideration be given by the commissioners to the inflated securities issued upon the trust paper mills, then consideration should also be given to the capital invested in newspapers, which represents at least twenty times the capital actually invested in paper mills. If the commissioners feel that the labor employed in the paper mills ought to be protected, then we submit that the labor employed in the newspapers affected by this tariff, numbering forty times the force employed in the paper mills, should also be considered.

A MONOPOLY OF WOOD AND WATER POWER.

"Every increase of a quarter of a cent per pound in the price of news paper adds $34,000,000 to the value of the trust securities. While the enlistment of capital in American enterprises may exercise a slightly deterrent influence on the paper trust, the effect can not be material, because the trust owns the largest and best powers in localities where spruce wood is cheap and from which transportation is prompt and cheap. A successful and energetic competition can not be maintained within the United States. The outside mills that do or can make paper are not equipped for the economical manufacture of news paper. We must look to Canada and the foreign countries where ground wood can be produced at a cost of $7.50 per ton and where news paper can be produced for 1 cent per pound. Free paper is, therefore, the only strong and permanent assurance of protection from this combination. The commissioners should consider whether they are justified in furnishing protection to a combination organized in restraint of trade and intended to extort excessive prices from a representative industry.

"The question of protection and free trade has nothing to do with the question of free paper or free pulp. The tariff duties on these articles have been availed of by a monopoly to obtain an unfair advantage, and the issue is not one of revenue. The duties are not needed to protect any paper or pulp mill in competition with foreign rivals.

TAKE THE TAX OFF INTELLIGENCE.

"The duty on paper stops cheap books and cheap newspapers. It taxes intelligence, because the newspapers are the people's school and their library. All taxes upon paper are taxes upon reading, upon knowledge, upon the dissemination of information. Under any government such a tax would be oppressive and proscriptive. In a government based, as ours is, upon the intelligent and resultant virtue of the people, it is anomalous and monstrous. To make newspapers artificially dear is wantonly to restrict the number of readers and so increase the sum of ignorance. When this is done or proposed to simply add to the profits of a monopoly, the injury to public interests becomes a matter demanding the intervention of the Government."

TRUST PRICES.

In regard to prices, Mr. John Norris, the business manager of the New York Times, testified before the Industrial Commission on April 12, 1901, as follows:

"The news print paper mills received an average of about 1.75 cents per pound, or $35 per ton, under the old form of contract for paper prior to the consolidation, and they are now receiving, I am told, an average of $41 per ton for paper under the new form of contract. One of the officers of the International Paper Company, in a statement to the paper trade, issued November 1, 1900, said 2.25 cents per pound, or $45 per ton, was a low price for paper. The difference between the two forms of contract, equaling $2 per ton, when added to the $6 difference of average quotations, makes an increase of $8 per ton within three years on an estimated output of 600,000 tons per annum, $4,800,000 per annum, which is the additional price now paid for news print paper by American newspapers. The International Paper Company shares in this gain to the extent of about 66 per cent, or $3,500,000 per annum. I know of two newspapers that are paying an increase of $150,000 per annum for their paper supply, or $300,000 per annum for the two.

"The daily output of the various producers of news print papers may be enumerated as follows:

	Tons per day.
International Paper Company	1,300
Great Northern Paper Company, with a present output of	225
Nine outside mills in the East, average	280
Eight western companies	250
Average total	2,055

"In this computation I have omitted a few Pacific companies and southern paper mills which are not factors in this computation.

"The western paper companies are practically united in the General Paper Company, and an offer was recently made to unite all of the outside mills of the East in a scheme to maintain prices at the figure quoted by the International Paper Company. Sufficient evidence to show collusion is not forthcoming, but publishers who apply for quotations realize that in some intangible way the source of their supply has been predetermined for them, and that the price they are to pay has been prearranged for them. In each case the publisher finds that all bids but one are at a prohibitory price. He also finds that he has no remedy against the supply of inferior paper.

"You ask if the consolidation of the mills has curtailed consumption. I can say that as a result of the increased price of paper many newspapers have reduced in size. At one time the New York daily newspapers curtailed 80 tons per week in their consumption. I am told that Philadelphia newspapers took similar steps. * * *

"The present excessive price of paper was made possible by four incidents: First, the Spanish-American war, which created an extraordinary demand for news print paper; second, the South African war, which deflected the Canadian output of wood pulp to Great Britain; third, the phenomenal drought of 1899 and 1900; fourth, the adoption by the International Paper Company of the policy of attempting to check competition, and thereby marking up the price of wood upon itself and upon all other mills.

SUMMARY.

"The duties on wood pulp and paper are indefensible from any point of view.

"In the first place, the duties on pulp and paper compel the 20,000 newspapers of this country to use paper made from our limited supply of wood, instead of from Canada's practically unlimited supply. The effect is to devastate our forests, injure and destroy many industries dependent upon cheap wood and a steady rainfall and water supply, and to injure the health of millions living along our streams, which now overflow in spring and dry up in summer and fall.

"The duties produce no revenue worth considering. They simply foster a monopoly, or trust, which is not an infant, but is now exporting paper to Great Britain, Australia, and Japan, at the rate of 1,000 tons a week. To the extent that these duties enable the trust to charge American consumers higher prices for paper, they injure those consumers, who are forty times greater in number than are the producers. Because paper is used as a medium for conveying news the taxes upon pulp and paper are taxes upon knowledge, and injure the whole American people."

THE SALT TRUST

HAS RAISED PRICES ON SALT 100 PER CENT SINCE 1897—DINGLEY PUT DUTY ON SALT TO ENABLE MANUFACTURERS TO FORM A TRUST—AN ADJUNCT OF STANDARD OIL COMPANY—IT "DEAD RENTS" AND CLOSES PLANTS TO RESTRICT OUTPUT—ITS MONOPOLY ON COAST AND RIVERS IS DEPENDENT UPON TARIFF DUTY.

Salt was on the free list of the Wilson bill, in force from August 28, 1894, to July 24, 1897. Under the McKinley and Dingley bills the duty on salt in bags or barrels was 12 cents, and in bulk 8 cents per 100 pounds. These duties vary from 30 to 100 per cent and will average about 50 per cent.

Before salt was put on the free list the manufacturers appeared at Washington, declaring that such a proceeding would practically ruin the business. Thus Mr. Thomas Molloy, secretary of the Onondaga Coarse Salt Association, told the Senate Committee on Finance that "when salt shall be admitted free, * * * our even now struggling industry shall be paralyzed or destroyed in an unequal competition with the cheaper product of foreign cheaper labor. We will then soon be made to pay to the English Salt Union the price which it exacts elsewhere."

Contrary to predictions, we both produced and consumed more salt from 1895 to 1897 than ever before, as is shown by the following table of production and imports:

Consumption of salt in United States.

[In barrels of 280 pounds each.]

Year.	Domestic production.	Net imports.	Total consumption.
1890	8,876,991	1,820,427	10,697,418
1891	9,987,945	1,678,159	11,666,104
1892	11,698,890	1,614,816	13,313,706
1893	11,897,208	1,224.025	13,121,233
1894	12,968,417	1,511,792	14,480,209
1895	13,669,649	1,760,115	15,629,764
1896	13,850,726	1,795,223	15,645,949
1897	15,973,202	1,438,838	17,412,040
1898	17,612,634	1,307,972	18,920,606
1899	19,861,948	1,299,225	21,161,173
1900	20,738,729	1,467,116	22,205,845
1901		1,456,874	
1902		1,363,839	

SALT ASSOCIATIONS AND TRUSTS.

The salt manufacturers have always had an affinity for selling agencies and price agreements. In 1866 the Michigan manufacturers were uniting. The Michigan Salt Association began in 1876. It takes the product of all members and sells it, thus avoiding much competition. It has been renewed every five years since 1876, and has generally controlled about 90 per cent of Michigan's product, which is one-third of our total product. Since 1890 New York has produced more salt than Michigan, and the two States now produce 70 per cent of our product.

Other similar selling agencies were in operation in New York and Ohio, and each had alliances and agreements with the others. As, however, previous to 1898 but little was done to restrict production, the permanent effect upon prices was not great.

On March 18, 1899, the National Salt Company, a New Jersey concern, was incorporated with $12,000,000 capital, $5,000,000 of which is 7 per cent preferred stock. It immediately acquired fourteen plants in New York, for which its predecessor, the National Salt Company of West Virginia, was the distributing agent. Those plants were said to manufacture 90 per cent of New York's product, and to have made net profits in 1898 of "not less than $450,000." By October this company had purchased many of the best plants in Ohio, West Virginia, Michigan, and Kansas, had leased other plants for five-year periods, and had contracted for the output of other plants. Thus in the Pomeroy, Ohio, district the trust appears to have bought and closed one plant, closed three other plants, which it had "dead rented" for five years, and contracted for the output of three more plants. In Michigan it has contracted for the product of the members of the Michigan Salt Association.

The prosecuting attorney for Meigs County and the attorney-general of Ohio proceeded against this trust to test its power to own and close furnaces which have been running for thirty years.

The United Salt Company, an Ohio corporation of 1890, appears to have been the local trust which prepared the way for the National Company. Both of these organizations are said to be officered by Standard Oil people and to be practically adjuncts of the Standard Oil trust. The headquarters at New York were, until 1902, in the building of the Standard Oil Company, and Standard Oil attorneys in Ohio defended the National Salt Company.

A WORLD SALT TRUST.

In 1901 the International Salt Company of New Jersey was formed, with $30,000,000 capital and $12,000,000 bonds. This new company acquired the properties of the National Company and of the Retsof Mining Company, miners of rock salt, and has also acquired or will acquire the securities of salt properties in Great Britain and Canada. Thus this Rockefeller world trust in salt has an almost complete monopoly (begging Senator Hanna's pardon for using the word) of salt in America and an incomplete monopoly in the rest of the world. This does not mean that the trust can charge unlimited prices for salt at the seashore, because salt can be made from sea water, if necessary. It does mean, however, that the trust can charge at the seashore what it costs, including the duty, to lay down foreign salt there, and in the interior of the country the trust can and does charge about the seashore price, plus cost of freight, although the salt mines are in Michigan, Ohio, western New York, West Virginia, Kansas, and Texas. On this point the president of the salt trust, Mr. Archibald S. White, left no doubt when he testified before the Industrial Commission, April 11, 1901. He stated freely that they got all they could for salt at all points. He said:

"We do not put a price on salt and say if we can not get that price we will quit business, but we meet competition. We make such prices as the conditions warrant, always trying to get a profit, but sometimes selling at a loss. * * *

"Q. (By Mr. PHILLIPS.) Where you have competition at one point, do you sell lower at that point in order to meet it?—A. We have to or we do not sell at all.

"Q. When in competition at that point you sell lower, do you also reduce the price at other points?—A. Not unless we have to. We are governed by the same general laws that govern all business.

"Q. That is, where there is competition you sell low, and you recoup yourselves off the general markets?—A. Certainly.

"Q. Is that fair to the competitor, do you think?—A. We are not looking out for his interests.

"Q. Is it fair to the community?—A. I think it is. It is only a teeter board, where it evens up on the average.

"Q. Doesn't the public get the worst of it?—A. No; they can not get something for nothing. * * * We do not in any one of these districts have a complete monopoly. We do not own all the salt producing capacity in Kansas. There is somebody else there, and we can not put the price up in Kansas to an extravagant point to kill off the competition that we may have in New York or make up to us for the price there."

President White's "teeter board" may average up all right for the trust, but to a bystander it looks as if the trust and the temporary small competitors were on top of the board and the consumers were under it and supporting it.

On the subject of inspection he said:

"Well, there is a fake inspection in Michigan. * * * The barrels are branded before the contents are put into them."

He said the salt was supposed to be inspected in the bin, "but the law isn't carried out."

PRICES BEFORE AND AFTER THE BIG TRUST.

President White produced figures showing that the price of salt per barrel in Michigan was $48\frac{3}{10}$ cents in 1895, $40\frac{1}{8}$ cents in 1896, 41 cents in 1897, $43\frac{3}{10}$ cents in 1898, $38\frac{5}{8}$ cents in 1899, 47 cents in 1900, and 55 cents in 1901.

Mr. Christian Klinck, a meat packer, of Buffalo, also testified on salt on May 16, 1901. On the subject of prices he said:

"Q. What has been the general course of prices of salt?—A. (Reading.) We buy all our salt by the ton. These prices are delivered at the packing houses in Buffalo: In 1891, \$3.25 per ton; in 1892, \$2.85 per ton; in 1893, \$2.50 per ton; in 1894, \$2.50 per ton; in 1895, \$2.50 per ton; in 1896, \$2.50 per ton; in 1897, \$2.50 per ton; in 1898, \$4.05 per ton; in 1899, \$4 per ton; in 1900, \$4.50 per ton; and in 1901, \$5.70 per ton.

"Q. What, in your judgment, was the cause of this very rapid increase in the price of salt from 1898 on?—A. I presume it was on account of the trust. I do not see any other reason."

The following prices of salt were taken from Mr. Klinck's books:

PRICES OF SALT AT BUFFALO.

Year.	Coarse, per ton.	Fine, per barrel.	Year.	Coarse, per ton.	Fine, per barrel.
1891	\$3.25	\$1.18	1897	\$2.50	$0.71\frac{1}{4}$
1892	2.85	1.00	1898	4.05	1.17
1893	2.50	.76	1899	4.00	1.17
1894	2.50	.76	1900	4.50	1.20
1895	2.50	.76	1901	5.70	1.56
1896	2.50	.73			

SALT WORKS CLOSED TO RESTRICT PRODUCTION.

Mr. Klinck gave more interesting testimony:

"Q. (By Mr. PHILLIPS.) Did the National Salt Company shut down any of the works that they purchased?—A. I think they shut down a majority of them.

"Q. (By Senator KYLE.) Where are their different plants located?—A. There are some in Warsaw, some in Seneca Lake. There is the Crystal Salt Company, not far from Warsaw.

"Q. Are there some in Kansas?—A. Yes; there are some in Kansas. Why, they own salt works in California and all over the country.

"Q. All the salt works in the United States were in the National Salt Company, were they?—A. There are only one or two in New York—the Worcester and the Chauncey—outside.

"Q. (By Mr. PHILLIPS.) Is there, to your knowledge, much complaint in your city in regard to this advance by the National?—A. Oh, there is complaint all over by the dealers. There is naturally a good deal of complaining about the high price of salt.

"Q. Is the grade of salt as good as it was formerly?—A. They do not make the grade of salt as good. They sell more moisture with it than formerly.

"Q. You had to buy it just as they offered it?—A. We had to buy anything they gave us.

"Q. In that ten years did Michigan ever come into the Buffalo market to compete?—A. They would not let Michigan, or Ohio in. You could not buy a pound of salt from Michigan, or Ohio, or Canada. You either had to buy the salt of the National Company or import your salt from Europe.

"Q. Were there any attempts made by the Saginaw people or others to get into that market during the ten years or before?—A. I do not think so. I have tried frequently to buy from there. The last six months salt was sold cheaper in Cleveland than in Buffalo, and Buffalo parties ordered salt in Cleveland—barreled salt. But it was found out that they were shipping salt from Cleveland to Buffalo, and the National Company told the man who shipped the salt down that if he did not stop they would stop selling him.

"Q. (By Mr. PHILLIPS.) They actually told him that?—A. Yes; so I was told.

"Q. Is there any imported salt?—A. Not that I know of. I read in the paper that some was imported. It is very expensive. It costs a great deal more than the National salt; it is claimed to be better, but it costs a great deal more. There is a heavy duty on it."

The salt trust has, because of freight rates, a natural monopoly in salt in many inland States and an artificial tariff monopoly in many of the coast States. It controls foreign companies and, aided by the tariff, prevents big importations and competition from abroad. With due regard to the little competition it must meet in some places, and with no regard for cost of production or the wishes of the consumers, it sells salt at all points at the highest possible price, even closing up half its works to bring consumers to terms. On an average, it has probably advanced the price of salt from 55 cents per barrel to \$1. This advance on a consumption of 22,000,000 barrels a year means monopoly profits of \$10,000,000.

The abolition of the tariff on salt would not break this monopoly, but it would weaken it and probably reduce its profits by one-half. The freight on imported salt varies from about 75 cents to \$1.60 per ton. The duty is \$1.60 per ton in bulk. The duty, then, is a greater obstacle to importation than are freight rates.

The only classes that have thus far avoided the trust are our fish packers and our exporters of meats. These only enjoy the special privilege of getting their salt free and cheap. Is there any sound reason why others should be compelled to pay tribute to this trust?

SOME CHEMICAL TRUSTS.

ALL PROTECTED BY NONREVENUE-PRODUCING DUTIES—WOOD ALCOHOL EXPORTED AT PRICES FAR BELOW THOSE CHARGED TO HOME CONSUMERS—PARIS GREEN TRUST VERY PECULIAR—COMES AND GOES IRREGULARLY AND DISAPPEARS AT THE END OF POTATO-BUG SEASON—PRICES NEARLY DOUBLED DURING MAY AND JUNE OF MANY YEARS—TARIFF PREVENTS IMPORTS AND HELPS TRUST.

Although we now manufacture and supply our own market with hundreds of articles which formerly were imported, and although we obtain no revenue from the duties on these articles, yet it is a mistake to conclude, as many have done, that duties on such articles are dead letters and are not effective. It is these nonrevenue-producing duties that are most effective in protecting trusts.

Thus the duties on drugs and chemicals, with few exceptions, produce little or no revenue, yet protect hundreds of trusts. Chemical manufacturers and chemical dealers take to trusts as ducks take to water. Combinations, associations, agreements, and understandings are common throughout the entire trade. Manufacturers in similar lines sell by the same schedule of prices; jobbers practically do the same; retail dealers have uniform prices. Druggists in most cities, villages, or counties have their associations, which fix prices on most of the important articles dealt in. Free and open competition, if it ever existed, is a thing of the past in almost every branch of the chemical trade. Chemicals being mainly raw materials or medicine, protective duties upon them are almost certain to become "instruments of extortion."

Some of the "heavy" chemicals which are controlled by substantial trusts are borax, linseed oil, and white lead. Some others controlled by agreements, selling agencies, etc., are Paris green, ultramarine blue, bromine, etc. Nearly everything in the acid line is under control. Thus acetic acid (wood alcohol) is controlled by a monopoly, Manhattan Spirits Company, which sells in this country at nearly double cost prices. In March, 1900, the price was 90 cents per gallon for what was estimated to cost less than 50 cents. The trust was then exporting its surplus at prices but little above cost. Present (1902) prices are from 60 to 65 cents per gallon.

In "fine" chemicals there are numerous trusts, composed of cliques of manufacturers, which, by means of some form of agreement or understanding, control production and prices of scores of articles. Thus four of our largest manufacturers of chemicals, two in Philadelphia, one in St. Louis, and one in New York, each manufactures about 350 articles. Each firm has its own catalogue, but they might as well sell from one catalogue, for their prices are uniform.

Some of the articles manufactured by these firms are iodoform, citric acid, bismuth salts, mercurials—such as calomel, corrosive sublimate, etc.—chloroform, resublimated iodine, and iodide of potassium, bichloride of potash, bichromate of soda, santonine, strychnine, Rochelle salts, etc.

The duties on all of the above and on hundreds of similar articles are prohibitive and serve no purpose except to protect the trusts formed to take advantage of these duties. As usual, the members of these protected trusts are very wealthy, and much of their great wealth has been filched out of the pockets of the people by means of these worse than useless tariff duties. According to the New York Tribune Almanac (see "American Millionaires"), William Weightman, of Powers & Weightman, one of the four firms mentioned above, is "considered by many the richest man in Philadelphia."

Many chemicals are exported and often at prices considerably below our home prices. But for our inordinate duty and internal-revenue tax of 700 or 800 per cent on alcohol—the most necessary and costly supply in chemicals—our chemical industry would probably lead the world.

PARIS-GREEN TRUST.

The Paris-green combine will serve to illustrate many of the chemical trusts and will be of especial interest to farmers. It is a peculiar trust. It is intermittent and comes and goes so irregularly that it could never be caught by the worst trust-hating attorney-general, armed with the most severe antitrust law. It is as delusive as a will-o'-the-wisp.

While Paris green is classified as a paint, its principal use is as an insecticide for killing potato bugs, cotton worms, and various other insects and worms which prey upon vines and trees. The greatest demand for it occurs during the potato-bug season in April, May, and June. This fact is very significant and important to those who manipulate the prices; also to the farmers who pay the manipulated prices.

About January 1, 1894, the eight or nine manufacturers (all of New York) signed and sent out a circular, saying to jobbers that jobbing prices would be fixed later, and that all who would agree not to purchase elsewhere and who would then order would be given rebates of from 3 cents per pound on orders of more than 10,000 pounds to 1 cent on orders of less than 1,000 and more than 500 pounds. As prices had not in five years exceeded 14 cents per pound, nobody outside the trust supposed that prices would go much higher than formerly. To the surprise of all, prices were marked up to 20 cents about the middle of April, and a month later to 23 cents.

Judging by these prices 1894 must have been a great year for potato bugs, cotton worms, and protected Paris-green makers. The trade, however, understood that the last increase of prices was made to reward jobbers who bought large supplies from the trust and to punish those who had not done so. It was too late in the season for other chemical manufacturers to adapt their plants to make Paris green; and, besides, it would have been difficult to place the article quickly on the market, nearly all the dealers being pledged to sell only the trust's product. These reasons and the duty of 25 per cent prevented the large importations which would otherwise have proved profitable. In fact, but for the duty, importers would carry a reasonable supply of imported Paris green, in order to benefit by sudden great demands and high prices.

The exposure of the methods of this trust in June, 1894, when the Wilson bill was being discussed in the Senate, caused the duty on Paris green to be reduced from 25 to 12½ per cent. In 1897 Dingley yielded to the behests of the manufacturers only to the extent of raising the duty to 15 per cent. This duty, however, serves the purpose of the trust almost as well as did the 25 per cent duty, for it compels importers to sell at a loss every year when prices are not raised by the trust.

The 1894 trust dissolved in the fall, and prices were greatly reduced. In the spring and summer of 1895 prices were again raised to from 17½ to 20 cents. In 1896 the trust thought it prudent not to recombine, and prices varied, mainly from 11 to 12½ cents per pound. In 1897 the Dingley bill was pending during the potato-bug season, and it was not considered advisable by the manufacturers to repeat the mistake of 1894. Hence prices ruled very low. In the East the drug jobbers sold Paris green at 11½ to 12 cents, while in the West, where, as the Oil, Paint and Drug Reporter of January 24, 1898, tells us, the jobbers "very largely operated under local agreements, * * * the price throughout the season was 13½ cents."

The Dingley rates having been settled, the manufacturers got together again in 1898. On February 28, 1898, the Oil, Paint and Drug Reporter said:

"The Paris-green situation seems to partake of much of the uncertainty that characterizes the bug to whose voracious appetite the delectable poison so successfully appeals. * * * Nobody knows when this pest may be expected by the farmer, and nobody knows what it will cost this year to do him up. After the usual annual announcement that, owing to dissensions among competitors, no combination of manufacturers was possible, the makers of green got together a fortnight ago and entered into a selling agreement, the only missing feature of the compact, so far as the public is advised, being the price. Up to date no price has been named, although orders are being booked for delivery later on. * * * Just what that will be is not very clearly foreshadowed, but it is likely to be above the figures of last year."

The trust marked prices up from 11½ to 12 cents on May 2 to 14½ to 18 cents by May 9, and to 14½ to 21 cents by May 23. On May 30 the Oil, Paint and Drug Reporter said: "Not much new business is reported, as the convention's agent is not inclined to sell freely for forward delivery at current prices, which range from 17½ to 21½ cents, according to style of packing. * * * Foreign makes do not cut any ice in this market, and may be quoted nominally at 15½ cents for kegs."

Regarding the situation in 1899, the Oil, Paint and Drug Reporter of January 16 said: "Chief makers are not inclined to sell freely at 9 to 10 cents. * * * The general impression is that when the demand comes in spring, all differences will be patched up and prices will be raised."

By March prices had been marked up to 12½ to 14 cents, where they were held until June 26. This being a bad season and "outside" makers being somewhat numerous and troublesome, the manufacturers did but little in the price-juggling line.

In 1890 prices were put up to from 13 to 15 cents. In 1902 the price was 13 to 14 cents in April and May and 17 or 18 cents in July and August.

The surest and about the only way to injure and possibly to kill this nasty little trust, which has put hundreds of thousands of illegitimate dollars into the pockets of its members, is to put Paris green on the free list.

THE PLATE GLASS TRUST.

HOW "PROTECTION" FOSTERS TYRANNICAL DICTATION AS WELL AS MONOPOLY.

[By Henry W. Lamb, president New England Free Trade League.]

The Industrial Commission has brought out some novel and striking evidence of the manner in which the protective tariff supports "trusts" in their oppression and extortion. In the case of the plate glass trust, alias the Pittsburg Plate Glass Company, the evidence presented demonstrates—

First. That this "trust" has made enormous increase in selling prices.

Second. That it is the protective tariff which makes this possible.

Third. That the trust terrorizes the customers to whom the tariff enables it to dictate.

Fourth. That the removal of protection is the only practical remedy.

Mr. John Pitcairn, president of the Pittsburg Plate Glass Company, gave the Commission an account of the organization of that company, from which it appears that it operates works at Creighton, Tarentum, Ford City, Charleroi, Elwood, Kokomo, Crystal City, and Walton, controlling nearly 80 per cent of the entire output of plate glass in this country.

PRICES RAISED 150 PER CENT.

Mr. George H. Mayer, engaged in the glass business in Philadelphia, presented figures to show that the trust had advanced prices within the last three years 150 per cent. He specified three sizes, which, he said, covered the greater part of the demand, 12 inches by 60, 24 by 60, and 24 by 84. On these the prices were now 150 per cent higher than three years ago. According to Mr. Mayer the average selling prices had been as follows:

		Cents.
From December, 1897, to April, 1898:		
1 to 5 feet	per square foot	15
5 to 10 feet	do	24
10 to 25 feet	do	34
25 to 50 feet	do	36
From August, 1898, to July 1899:		
1 to 5 feet	do	30
5 to 10 feet	do	48
10 to 25 feet	do	68
25 to 50 feet	do	72
From August, 1900, to date:		
1 to 5 feet	do	37½
5 to 10 feet	do	60
10 to 25 feet	do	85
25 to 50 feet	do	90

Mr. Pitcairn claimed that this rise of 150 per cent on the sizes which, as Mr. Mayer testified, constituted the greater part of the demand, was not a fair statement of the general rise. As well as can be made out from his testimony—for he was not definitely pinned down by cross-examination—Mr. Pitcairn admitted an average increase of 50 to 60 per cent on all sizes. He appeared to think that he justified it by claiming an "average increase" of 85 per cent in raw materials (not explaining what that expression meant) and an increase in wages paid to his labor—of what? Well, of 5 per cent; 150 per cent on standard sizes, 60 per cent on all sizes and 5 per cent increase in wages of labor.

In reply to the inquiry, "How large a proportion of the financial product is paid in wages to labor?" Mr. Pitcairn replied, "About 48 per cent." That is, out of $100 received for the goods, $48 was paid to labor. A rise of 5 per cent would amount to $2.40, so that, apparently, while the trust gets $160 for goods it formerly sold for $100, it pays only $2.40 more for labor.

Mr. Pitcairn was not asked what proportion of the cost was paid for the raw materials; yet anyone familiar with the items which go to make up the cost of manufacturing (such as selling expenses, taxes, insurance, salaries, repairs, interest, and other fixed charges) will see at once that, if 48 per cent is paid in wages, the proportion paid for materials will account for only a part of the difference between the $2.40 increase in cost of labor and the $60 increase in price squeezed out of the consumer under the protection of the tariff.

TARIFF DUTIES 50 PER CENT TO 140 PER CENT.

When asked why it was that the plate-glass manufacturers were able to make such an advantageous use of the tariff now in maintaining their selling prices, when they could not formerly under somewhat the same duties, Mr. Mayer replied:

"Because their interests are more consolidated. They have a grasp on the output; they control the output and the distribution of it to-day."

Mr. Pitcairn stated that the tariff upon plate glass comprised the following specific duties:

		Cents.
Up to 16 inches by 24	per square foot	8
16 by 24 to 24 by 30	do	10
24 by 30 to 24 by 60	do	22½
All above 24 by 60	do	35

He said that the management of his company had always favored "reasonable" tariff duties; but it appears from a schedule of Antwerp prices, presented by Mr. Fred G. Elliott, a business man of Philadelphia, that these "reasonable" duties ranged from 50 per cent on the smallest sizes to 100 and even 140 per cent ad valorem on the large sizes. In spite of this, according to the schedule, "polished plate can be imported in cut sizes from 10 to 20 per cent cheaper than the extreme selling price of the plate glass trust today."

In other words, this trust has known how to work the tariff bonus to an extent even greater than the duty. Most protected extortionists have not felt safe in advancing prices quite to the importing point, i. e., to such an extent that their prices equalled the cost of imported goods after the duty was paid. But the plate glass trust audaciously goes 10 or even 20 per cent higher than the importing point, and even then importation fails to give relief from the extortion.

TARIFF A WEAPON TO TERRORIZE DEALERS.

The explanation of this paradox was brought out quite clearly in the testimony. Mr. Mayer explained that it would not be safe to take advantage of the 10 or 20 per cent difference by importing foreign plate glass. "There is," said he, "an intimation that the plate glass trust, if they see fit, could possibly reduce the selling price here, and leave us a lot of glass that we have imported to sell at a loss. They have it within their power on account of the enormous duties." These duties, he explained, enable the trust to make such great profits that it could afford to meet occasional importations in that manner. That would, of course, be a good thing temporarily, for a few consumers, but only a few; and the price even to them would soon go up again, while it would be one out of many cases where the United States Government has put a tariff weapon into the hands of a manufacturer to enable him to drive a former customer out of business. The nature of the "intimation" to which Mr. Mayer alludes may be learned from the following letters sent to reputable and long-established houses in Philadelphia:

TRUST FORBIDS IMPORTATIONS.

PHILADELPHIA, PA., *October 27, 1900.*

GENTLEMEN: We have just been advised by our general office that any permission which has been given to the jobbers whereby they were allowed to import plate glass must be at once withdrawn; and we hereby beg to notify you to this effect.

We will ask you to send to this office at once a memorandum of any foreign glass that you may have ordered which you have not yet received. Please include in this memorandum that which may already be on the water, as well as the portion that has not yet been shipped from abroad. Kindly give this matter your prompt attention, and oblige,

Yours, truly, PITTSBURG PLATE GLASS COMPANY.

PHILADELPHIA, PA., *November 30, 1900.*

GENTLEMEN: At a meeting of the manufacturers and "A" jobbers of plate glass in Pittsburg on the 14th instant, it was resolved that no "A" or "B" buyer would be permitted to import plate glass or to purchase plate glass that had been imported into this country. The manufacturers will expect all the "A" and "B" buyers to conform strictly to this resolution.

Yours, truly, PITTSBURG PLATE GLASS COMPANY.

It should be explained that "A" buyers buy "stock sheets" just as finished in the factory, and cut them; "B" buyers purchase standard, or "cut sizes." It should be added that the Pittsburgh Plate Glass Company has gone into the jobbing business of paints, brushes, etc., in addition to glass, with offices or warehouses in fifteen or twenty large cities. It sells, apparently, to customers of the "B" buyers and to the "B" buyers themselves at the same price, allowing the latter a "preferential" or rebate of 5 per cent "if they behave themselves," as one of them expressed it.

Is this a free country, where a business man dares not import a part of his goods for fear of losing all his opportunities to sell any of his goods?

INDEPENDENT DEALERS GET UNDER THE MONOPOLY UMBRELLA.

It would take, according to Mr. Pitcairn, two years to build a new plate glass plant. But how about the three so-called "independent" plate glass companies now existing in the United States, for the trust only makes 80 per cent of the output? Mr. Mayer's evidence furnishes the answer:

Q. What is to hinder your getting your supply of glass from them?—A. As I said before, their output is limited, and all of it has been engaged.

Q. If prices are excessive, why do they not enlarge their works so as to supply the demand?—A. That is the natural course of business, but I do not know that it is the natural course of monopolies in restraint of trade. I think the natural course of monopolies is to restrict the output and put up the price.

It is, then, the old story. A gigantic trust, which does not need a complete monopoly to enable it to make exorbitant prices, because the smaller companies, for whom it "holds the umbrella," find that restricting the output is their most profitable policy—and a protective tariff furnishing the opportunity. There is no remedy but the plain, just, common-sense remedy of removing the protection.

FREE HIDES.

[By Hon. William B. Rice, Rice & Hutchins, Boots and Shoes.]

In this country no man raises cattle for their hides. A tariff tax will not increase or diminish the domestic production by one hide. We import South American hides because we need them. Twenty-five per cent of the leather manufactured in this country is made from foreign hides and skins. The tariff upon them is simply and purely a tax, burdening the people and crippling our manufacturers in foreign markets.

By the act of July 24, 1897, the Dingley tariff, a duty of 15 per cent ad valorem was placed upon hides, which had been free for twenty-five years previously. The imposition of this duty has entailed a tax upon the country amounting to not less than $2,000,000 annually, has added from 5 to 8 per cent to the cost of every American-made pair of boots or shoes, and has made it just that much harder to compete in foreign markets. By the same act a rebate of 99 per cent of the duty is given on exports of leather made of imported hides, the effect of which has been to discriminate against American and in favor of foreign manufacturers.

But ten years ago the possibilities of an export trade in shoes were not thought worth consideration. To-day no intelligent person, who studies the situation, doubts our ability to successfully compete for a share of the trade of the world, if we can have equal opportunities with our foreign competitor in the purchase of materials. We pay more for our labor, and it is worth more. We have learned that it is not the lowest-paid labor that makes the lowest-cost product. In our shoe-manufacturing towns generation after generation has studied and practiced the industry, until the great body of our workmen are not merely shoemakers, but educated, intelligent artisans.

This marvelous advance in capacity for production of quality and quantity has outstripped the power of our own country to consume. We can manufacture in nine months as many shoes as our people will purchase in twelve. We have, therefore, reached that stage of development when we should vigorously improve every opportunity to widen our market and when it would seem good policy for our Government to render every aid to a complete development of the possibilities of foreign trade.

In 1895 our export of shoes reached $1,000,000. In 1896 they were $1,500,000. Yet leather exports were $17,700,000 for the same year. Taking fiscal years ending June 30, in 1898 shoes were over $1,900,000; in 1899, $2,711,656; in 1900, $4,276,656, and for 1901 they reached $5,526,290, showing a gain of 200 per cent in the past three years. The exports of leather for the same years, however, are over $21,000,000 a year.

Our American tanneries make the best leather in the world. They use not only the vast production of the hides in our own country, but last year imported hides and skins to the amount of $33,000,000, making of leather from the foreign hides and skins alone more than fifty millions. The Englishman, the German, and other foreign manufacturers buy that American leather to take home and manufacture into shoes to compete with us, and when they take it out of the country, our Government pays them for doing it a bounty, alias rebate, of 99 per cent of the duty that may have been paid on the imported hide, amounting to from 5 to 10 per cent; and no way has yet been found for American manufacturers to get like treatment. The result is that a considerable portion of the upper and much of the sole leather made in the United States from imported hides is sold to foreign manufacturers at a lower price than we can buy it by 5 to 10 per cent.

It may be asked, Why don't you get the rebate of duty paid on the imported leather in exported shoes?

For the reason that there are from fifteen to twenty-five pieces of leather in a shoe, some of which may have been made from imported hide, and others not; and, when once a hide is tanned and cut up into innumerable pieces, and made into a shoe, it is impossible to trace those separate pieces, and prove which are made from foreign hide to the satisfaction of the United States officers.

This hide duty is a serious handicap to the American shoe manufacturer in competition with the foreigner for the export trade. As a revenue duty it is a failure, for the rapidly increasing rebate, together with the cost of collection, will soon absorb the income and the opportunities and temptation to fraud in regard to rebate are numerous. It protects the foreign manufacturer against American, and nobody else. It encourages the tanner of leather for export to buy foreign hides, whenever they can be bought for nearly the same price as the domestic, because he can get his profit in the rebate.

It has resulted in building up the tannery interests of Canada at a corresponding loss to those of the United States. It has increased the cost of footwear and other products of the hide to the people of the United States, while benefiting none, unless it be the great meat-packing establishments; and it is very doubtful if it benefits them.

The hide duty ought to be repealed, not alone in the interest of the great industry of curing and tanning hides and fashioning them into numberless things which are necessities, but in the interest of the consuming public.

THE WORLD'S SUGAR PROBLEM.

Sugar is a very important and most wholesome article of food. Partly because of its wholesomeness and partly because it is a highly condensed food, it is now furnished in large quantities to most modern armies. Soldiers provided with liberal rations of sugar are said to have great powers of endurance.

The consumption of sugar is universal, and sugar is considered almost as much an article of necessity as is bread. In fact, our sugar bill is about as large as our flour bill. Each at wholesale prices, near the place of consumption, are around $250,000,000 a year.

Because it is a necessity and a most wholesome food for all classes of people, it should be as cheap as possible. There should be no tax upon it any more than there should be a tax upon bread or meat. It probably provides more nourishment per pound, or for the same cost, than is provided by either bread or meat. It is, therefore, naturally the poor man's food.

Nature and natural laws, however, have not been left free to produce beneficent economic results. They have been interfered with by all sorts of legislation. Man has tried to improve the natural order of things in the production and distribution of sugar, as in the cases of many other articles. And what a mess he has made of things! The injurious effect of interfering, by internal and import taxes, with the production of and trade in important articles of necessity are well illustrated by the results in the case of sugar.

NATURAL COST OF SUGAR.

Were there no artificial barriers to trade, such as tariff and other taxes, the people of this round world would be eating sugar that cost them from 2 to 3 cents per pound. Like oranges and bananas, it would be produced entirely, or almost entirely, in tropical regions, because it can there be raised most cheaply. The best of raw sugar would then cost about 2 cents per pound in the Tropics. It is refined at a cost of about one-third of a cent. The cost of distribution to the principal points of consumption would vary from one-tenth to one-half of a cent per pound. The total cost of refined sugar in the principal markets of the world would then be from 2¼ to 3 cents per pound. Being one of the very cheapest, most nutritious, and most wholesome of foods, almost the very poorest could then gratify the natural desire for sweets.

THE ARTIFICIAL COST.

Instead we see sugars selling in most civilized countries from 5 to 12 cents, and in exceptional countries from 1½ to 2 cents per pound. In many countries its high price makes it an article of luxury to most people, while in a few countries it is so cheap that at time it is fed to cattle and hogs to fatten them. Strange to say, it is dearest in the countries which produce it most largely and cheapest in countries which do not produce it at all. Not only this, but the very countries in which the price of sugar is so high that the people eat it but sparingly are the countries which supply the cheap sugar which is fed to stock in other countries. As Mr. Hugh Kelly, a New York sugar merchant and planter of the West Indies, told the Ways and Means Committee:

"You may eat German and Austrian sugars in England at less than 2 cents per pound, but you must pay 8 cents per pound for those sugars in Germany. You may eat French sugar in England for 2 cents per pound, but you must pay 10 cents per pound for that sugar in France.

"No such condition as that prevails in the United States. Upon an investigation, made within a day or two, I discovered that more than three-fourths of the sugar produced throughout the world is produced under conditions somewhat similar to those I have described. There is either a bounty, supplemented by a cartel, or there is a prohibitive duty, or there are other conditions or combinations which make it possible for countries to protect themselves against the outside world in the matter of sugar.

"But Cuba has nobody to look to but the United States, and Cuba asks you to take her into your economic system—to make her your ward in fact, as she is in deed to-day—because you have limited her treaty-making powers with any other country."

What are the causes of this anomalous and palpably absurd condition of affairs? Taxes, tariff duties, drawback duties, differential duties, countervailing duties, bounties, export bounties—these, with their concomitants, trusts, syndicates, and cartels, are what have upset and bedeviled the natural and beneficent order of things and are depriving the bulk of mankind of a cheap food. These taxes, duties, and trusts have so changed the economic and political face of the earth and have gotten us so far away from the natural order of things, that the greatest experts on sugar to-day admit their inability to predict what would result from the doing away with all of these artificial barriers to production and commerce. So artificial are conditions now that it is difficult to tell whether beets, which now supply two-thirds of the sugar of the world, would, under free conditions, supply any of the sugar of commerce. How much sugar, in the various forms, the people would eat if it were free and cheap, must remain a mystery until the experiment is tried. It is presumable, however, that we Americans would eat from 50 to 100 per cent more, and that most Europeans would eat two or three times what they now eat.

Let us look at the tariff duties, the selling price of refined sugar and the per capita consumption of sugar in European countries and in the United States. The following table gives the approximate prices of raw and refined sugar in the principal markets of each country, all terms being reduced to United States denominations:

Sugar duties, prices, and consumption.

[Reduced to cents and pounds, approximately.]

Country.	Sugar tax.			Approximate price Apr. 15, 1902.				Per capita consumption.
				Domestic.		Export.		
	Import duty.	Excise or surtax.	Total tax.	Raw (88° beet).	Refined.	Raw (88° beet).	Refined.	
Austria-Hungary	3.7	2.4	6.1	....	7.6	1.8	....	15
Belgium	5.0	4.5	5.0	....	6.7	....	....	23
Denmark	1.2	....	1.2	....	3.0	....	....	55
France	1.6	5.4	7.0	....	8.5	1.5	1.8	25
Germany	4.3	2.2	6.5	2.3	6.1	1.3	1.77	28
Italy	8.7	....	8.7	....	11.1	....	....	6
Netherlands	....	4.9	4.9	....	6.5	1.4	....	25
Russia	5.7	2.5	5.7	6.5	7.3	1.6	2.0	9
Spain	2.8	4.4	7.2	....	9.0	....	....	10
Sweden and Norway	4.0	4.0	....	....	5.8	....	....	38
Switzerland	.9	.9	....	....	2.6	....	....	60
United Kingdom	.9	....	.9	2.2	2.6	1.4	1.9	90
Total Europe	....	....	....	....	....	....	....	27
United States	2.3	....	2.3	a3.4	4.5	....	2.5	70

a Cane sugar, 96° centrifugal.

SUGAR AND POLITICS.

This innocent looking table is full of meaning to those who will study it closely. It contains volumes of history—social, industrial, and political. It illustrates the power of organized industry to influence legislation and oppress the great masses by heavily taxing an important article of food. It shows also that tariffs breed trusts, and that a protected infant industry becomes a domineering and dictatorial master as soon as it has become large enough to supply the home market. In fact, during the last quarter of a century the sugar growing and refining industries in Europe and America, petted and pampered by tariffs, bounties, and export duties, have grown and developed until to-day the sugar problem is the political Frankenstein of the western world. International sugar conventions and conferences are held to avert, if possible, the threatened political and social evils due to the legislation which has gradually been forced upon each sugar-producing country by the very sugar industries which have been fostered by tariffs and bounties. Apparently no one country is strong enough to loosen the hold of the sugar octopus.

The sugar drama, Cane vs. Beet, and Both vs. the Consumer, has the political stage in every important civilized country of Europe and America. Political parties, presidents and kings, tremble before this saccharine power.

Examining the table, we observe that there is, apparently, a close connection between the price of sugar and the tax on sugar in each country. The total consumption of each country also appears to be fairly well decided by the price or the sugar tax. Putting these countries in order, according to the effective tax, in each we have:

Sugar taxes, prices, and consumption.

Country.	Total effective tax, cents per pound.	Price of refined sugar, cents per pound.	Per capita consumption, pounds.
Italy	8.7	11.1	6
Spain	7.2	9.0	10
France	7.0	8.5	25
Austria-Hungary	6.1	7.6	15
Russia	5.7	7.3	9
Belgium	4.9	6.7	23
Netherlands	4.9	6.5	25
Germany	4.3	6.1	28
Sweden and Norway	4.0	5.8	38
United States	2.26	4.5	70
Denmark	[a]1.2	3.0	55
Switzerland	.9	2.6	60
United Kingdom	.9	2.6	90

[a]Including duty of 1.95 cents and countervailing duty from Germany of 31 cents per 100 pounds.

Thus in each country the tariff tax (or the tariff plus the excise or consumption tax, where the latter must be paid in addition to the tariff tax) determines very closely the selling price of sugar. In a general way the tax also determines the amount of sugar the people can afford to eat. The tariff is certainly a tax in the case of sugar, and apparently it is paid by the home consumer and not by the foreigner. It is a tax even where (as in the cases of most of the great European countries) a country produces much more sugar than it consumes. In all such cases trusts and monopolies appear on the scene and collect the full tax from the people and turn over to the Government only the amount of the excise tax. That is, the trusts absorb the surplus tariff tax, if there be any surplus over the excise tax. An unnecessary tariff tax is reasonably certain to fatten some trust. It attracts trusts as sugar does flies. A trust is as certain to appear where there is a surplus tariff as are maggots on a decaying carcass. Whenever and wherever a protected industry has made such advancement that it can produce as cheaply as its foreign competitors, a trust appears to neutralize the possible good results and to prevent the people who have for years been paying the protective taxes from reaping the supposed benefits of protection. The protected countries of Europe are cursed by these tariff-fattened trusts. They have different forms, but they accomplish their own greedy purposes in all cases.

GERMAN SUGAR TRUST OR "CARTEL."

The German sugar trust is a three-headed affair. It is very complicated, but very effective, not only in depriving the people of cheap sugar, but in strengthening itself politically. It divides its ill-gotten profits between the beet growers, the manufacturers of raw sugar, and the refiners. While the refiners get the lion's share of the profits, the manufacturers, of which there are about 400, and the beet growers of which there are thousands, get sufficient of the spoils to make them an organized political force for tariff duties and bounties. The following from the Weekly Statistical Sugar Trade Journal of February 27, 1902, is perhaps the simplest possible explanation of the complex "cartel:"

"In Germany there are two sugar syndicates and one cartel:

"1. The German Sugar Syndicate.

"2. The Syndicate of German Sugar Refiners.

"3. The 'Cartel,' or 'combination advantage.'

"1. Consists of manufacturers of raw sugar from the beet, manufacturers of refined sugar direct from the beet, and the manufacturers of refined from the raw sugar.

"2. Consists of sugar refiners from raw sugar and refiners direct from the beet, and this syndicate 2 guarantees to the members of syndicate 1 a certain minimum price whenever the market price of raw sugar falls below a certain level.

"This level, or normal price, is $2.78 per 100 pounds. The guaranty does not extend below a market price of $2.04 per 100 pounds. Below $2.04 or above $2.78, syndicate 1 gets nothing. At a market price of $2.04 or below, syndicate 1 gets the full difference between $2.04 and $2.78 per pound, or $0.74 per 100 pounds.

"Every month the members of syndicate 2 pay into syndicate 2 the amount due under arrangement 4 plus 10 per cent, which 10 per cent is to cover the expenses of conducting the Cartel (3). The entire sum thus collected forms the combination advantage or Cartel (3)."

Practically the syndicate, or "cartel," guarantees a price of $2.78 per 100 pounds to the manufacturers of raw sugar, or of 74 cents above the market price if the price is below $2.04. This guaranty greatly increases the price paid for beets. The manufacturers of raw sugar pledge themselves not to refine any sugar and are under contract not to sell a pound for home consumption or to those not in the cartel. The following extracts from the testimony of Dr. Harvey W. Wiley, chief of the Bureau of Chemistry, Department of Agriculture, before the Ways and Means Committee, January 29, 1902, explains somewhat the workings of this three-decker trust and contains estimates from high authorities of the amount extracted yearly from the German people:

"The most striking effect of the operation of the cartel is found in the relative effect it has had on the price of refined sugars in London and Magdeburg markets. For convenience the comparison is given in our currency for 110 pounds, from the time the cartel began to make itself felt in the world's markets, viz, June, 1900, to December, 1901:

Price of granulated sugar per 110 pounds.

	June 1, 1900.	December 1, 1900.
London	$2.40	$2.10
Magdeburg	6.07	6.82

"No argument could be more convincing than the above comparison. The cartel has enormously raised the price of sugar to home consumers to the extent of 12.4 per cent, and thereby has secured a corresponding reduction in the price to the English consumer, viz, 12.5 per cent.

"According to the Journal des Fabricants de Sucre for December 25, 1901, from June 1, 1900, to December 1, 1901, the total sum extracted from the German people by reason of the cartel is 150,000,000 francs, or nearly $30,000,000. Of this sum about $10,000,000 has been paid to the producers and the rest has remained with the refiners. But this journal adds:

"'But since it (the cartel) has not yet paid over all the bounty due the makers of raw sugar, the benefits are superior to that figure. In fact, the German refiner, like his brother in Austria, is the principal beneficiary of the cartel.'

"Apparently the sugar refiner the world over (and what may be said of him in one country is applicable to id omne genus) looks out for 'the main chance.'

"As a further proof that I have not placed the bounty due to the cartel too high, I will give the calculations of the Journal des Fabricants de Sucre for January 1, 1902:

"'If we consider the bounty en bloc, it can be said that since the beginning of the cartel, June 1, 1900, up to the end of November, 1901, the extraordinary levy on consumption in Germany was 158,898,750 francs. If we compare this sum with the quantity of raw sugar exported during the same period, viz, 1,560,804 tons, it is seen that the cartel has taxed German industry 10 francs for every 100 kilograms of sugar exported. To this bounty must be added the direct premium on the quantity exported, viz, 46,824,120 francs, and the total bounty on the 1,560,804 tons amounts to 205,723,000 francs.'"

Doctor Wiley says that the evil influence of the cartel bounty tends to increase and to become more oppressive, and urges the great sugar-consuming countries to "take such action as will once and forever annihilate all forms of bounty, direct and indirect." He says that:

"The application of import duties on sugar by various countries never tends to reduce the price of sugar in those countries, but always to raise it."

He quotes Sir Nevile Lubbock, the highest expert of Great Britain, as saying that "the cartel is only possible under conditions which the Government only can create, viz, an appreciable difference between the customs duty and the excise duty, or a high customs duty and no excise. The remedy is that exporting countries shall undertake that their customs duty shall not exceed their excise duty." In such countries he thinks that protective tariffs exist only to shelter cartels or trusts, and that "in such a case the Government is not only particeps criminis, but the fons et origo mali."

Because of export bounties, import duties, and cartels or trusts Dr. Wiley says, "The producer in the country whence the sugar is exported not only pays the freight, but also makes a contribution to the family expenses of the purchaser."

Thus, in the opinion of leading experts, not only is the tariff a tax, but it breeds trusts; or, in the words of President Havemeyer, of the Sugar Trust, "the mother of all trusts is the customs-tariff act."

HIGH PRICES PAID FOR CARTELS.

A similar trust exists in Austria-Hungary. In fact, it is older than the German cartel, for which it formed a model. The Austrian cartel is estimated to add $10,000,000 a year to its surplus earnings because of the tariff, besides perhaps half as much more because of export bounties.

Thus the Germans contribute about $25,000,000 and the Austrians $15,000,000 to their sugar cartels, created by their foolish and absurd sugar taxes. Besides they pay about $40,000,000 more a year for the benefit of their government treasuries. This sugar tax of about $80,000,000 a year amounts to nearly $1 per head or $5 per family for these two countries.

FRANCE'S SUGAR TRUST.

In France informal agreements between the six or eight sugar refiners regulates production and exports from month to month and controls prices and keeps them up to near the import point. An agreement to regulate prices is clearly illegal in France. Apparently the French sugar trust extorts about 1.3 cents per pound, or $12,000,000 a year, from the people. How it divides these ill-gotten or tariff profits with the sugar manufacturers or beet growers is not certain. It is certain, however, that the French sugar interests are well organized and represented in the Chambers, and that they will resent strongly any attempted legislation to reduce import duties or export bounties.

OTHER EUROPEAN TRUSTS.

In Russia the Government is in close alliance with the refiners, and regulates the output of each factory and the prices at which refined sugar shall be sold. There are many details, but the result appears to be that the 244 manufacturers licensed to sell in the home market, milk the consumers about 1 cent per pound, or $2,000,000 a year, and pocket the proceeds.

In Spain and Italy, as in Russia, and to a less extent in France and Germany, sugar refining is a semistate monopoly. Government officials are usually stationed in the refineries to supervise production, collect license and other taxes, and pay bounties.

In Belgium the twenty-five refineries in the syndicate are in perfect control of the domestic price. A similar condition probably exists in Denmark. In Holland there is no import duty, and there appears to be no refiners' trust.

CHEAP SUGAR IN NONPRODUCING COUNTRIES.

In the nonsugar-producing countries of Europe the import duty is for revenue only, and is believed to harbor no trusts. The best examples of such countries are Great Britain and Switzerland. These countries are not blessed or cursed with beet-sugar producers, and simply import the sugar, propelled by export bounties out of other European countries, and after making it pay a considerable part of their taxes, eat it at from one-third to one-fifth the cost to the consumers in the producing countries. In 1900, before England put the Boer war tax upon sugar, her people were eating refined sugar at about 2 cents per pound. But for this duty refined sugar would now be sold there at wholesale at 1⅞ cents per pound. It is the very low price of sugar, aided by the cheapness of other articles (which makes the cost of living less than in any other country), which has raised the per capita consumption far above that of any other country, and has built up the canning and preserving industries and incidentally the small fruit and dairy interests. But for this duty England would probably now be using considerable quantities of raw sugar (which would sell at 1.3 to 1.4 cents per pound) to fatten stock, as she has done in past years.

STARVED AND SQUEEZED OUT OF EUROPE.

It is Europe's stupid legislation on sugar and on other products that has so increased the cost of living that "hard times" are chronic, even when crops are good, and semistarvation and great suffering prevail when crops are somewhat short, as has been the case for two or three years. Such burdensome taxes and foolish protective duties are driving millions to foreign countries and starving millions who are too poor to leave their native heaths. Why should they not go when in some foreign countries Europeans can eat their native sugar at one-fourth the cost at home?

The blessings of protection are all showered on foreigners; it is death to the stay-at-homes. And yet Europe's statesmen have for years been racking their brains to devise laws to keep their subjects at home. "What fools these mortals be!"

It is noticed that the present unprecedented immigration into the United States is mostly from the highly protected countries of Europe, and that comparatively few come from Great Britain, although she is now heavily burdened with taxes because of her foolish and wicked war in South Africa. Her taxes are paid largely by those with big incomes, and her duties are but slightly protective, and do not burden industry and starve the people as do protective duties.

UNITED STATES AT THE MERCY OF THE SUGAR TRUSTS.

But we in the United States should not throw stones at Europe. We, too, live in a glass house. For twenty years our protected refiners of cane sugar have made our sugar schedules and have legislated money into their own pockets at every turn. Besides the cane sugar brigands, we have recently been imitating Europe and growing a crop of bounty-fed beet sugar barons. These latter have now become so strong and well intrenched politically that they assume to make our sugar legislation. Apparently the only salvation for our 77,000,000 of sugar consumers, who are not interested in producing either cane or beet sugar, lies in the fact that there is a conflict between these two interests as to what legislation to give us. The proverb that "when thieves fall out, honest men may get their dues," may save us. If the cane and beet sugar disease germs can annihilate each other, like the Kilkenny cats, and give us free sugar, we may be most thankful that we have discovered, or rather cultivated, the beet germ. If, perchance, they learn to tolerate each other's presence, then we are doomed. We will have the sugar disease in its compound and worst form. Unfortunately, the latter is most likely to be our lot.

When the invincible Havemeyer finds his match in the irresistible Oxnard, then will it suddenly dawn upon two great lawgivers that they are "up against it." A general hand shake will be proposed and accepted. Each will congratulate the other on his fighting qualities, and a compromise will be agreed upon and made law before the people have time to fully comprehend the new moves in the sugar game. The compromise will not bring relief to the people, but will be as to the division of the tariff plunder. It is not difficult to imagine a telephone talk between the two Henrys in charge of our sugar infants:

"Say, Henry, I just called you up to say that I fear the people will get onto our game and stop taxing themselves for our benefit if we don't soon stop our scrapping. I am willing to call it a draw if you are, and to meet you halfway in the division of the tariff spoils; but, for heaven's sake (or words to that effect), don't let's disgust the people so that they will stop our tariff pap. Both of our infants would perish. Let's be rational and get together, so that we can have matters fixed up in Washington before it is too late."

"Very well; I have been feeling that way myself. What are your terms?"

"Let's stop our press bureaus at once, close up our Washington offices and recall our Cuban detectives, because I'm certain we can agree on terms. A half loaf is better than none."

OUR REFINERS' PROFITS.

But few people realize how we have been held up and robbed by the sugar refiners during the last fifteen years. A few figures will shed light on this subject. In 1891 Willet & Gray's estimate of the cost of refining sugar to cover all losses and wastes was one-half cent per pound. That is, refiners could afford to sell granulated at one-half cent per pound above the cost to them of 96° raw sugar.

Another high authority, the Journal of Commerce and Commercial Bulletin, of New York, made the same estimate as to the cost of refining in 1891. Well-informed sugar experts say that the cost of refining in 1894–1897 was not over four-tenths of a cent, and that in the newest refineries it was only about three-tenths of a cent. In verification of these estimates the margin between raw and refined sugars in important European countries has been, for years, from two to seven tenths of a cent, and in late years has averaged less than four-tenths. This is for 88° beet sugar, where the percentage of loss is at least 8° greater than with 96° cane sugar. A liberal estimate for the cost of refining 96° cane sugar would be five-eighths of a cent from 1884 to 1891 and one-half cent since 1891. The present-day claims of five-eighths of a cent are unreasonable, and not in accordance with the census statistics available, which showed a cost in 1890 of less than four-tenths of a cent, as did also President Havemeyer's figures in 1894. Indeed, for the three years previous to the formation of the trust in 1887, the average difference between the prices of raw and of refined sugar was only 0.754 of a cent per pound.

The following table shows the margins between the prices of raw and refined sugar each year from the formation of the trust in 1887 to 1901; the part that represented surplus profit and the yearly estimates of the surplus profits based upon our total consumption of sugar:

Refiners' margins and profits.

Year.	Consumption (tons of 2,240 pounds).	Prices of sugar (cents per pound).			Margin for refining (cents per pound).		Refiners' surplus profits.
		Raw, 96°.	Refined granulated.	Difference.	To cover cost.	Surplus margin.	
1888	1,457,264	5.749	7.007	1.285	0.625	0.633	$20,649,531
1889	1,439,701	6.433	7.640	1.207	.625	.582	19,678,711
1890	1,522,731	5.451	6.371	.720	.625	.095	3,240,372
1891	1,872,400	3.863	4.641	.778	.500	.277	10,608,881
1892	1,853.370	3.311	4.346	1.035	.500	.535	22,203,373
1893	1,905,862	3.689	4.812	1.123	.500	.623	26,596,304
1894	2,012,714	3.240	4.120	.880	.500	.380	10,132,222
1895	1,949,744	3.270	4.152	.882	.500	.382	16,672,567
1896	1,940,086	3.624	4.532	.908	.500	.408	17,730,834
1897	2,070,978	3.557	4.503	.946	.500	.446	20,689,071
1898	2,002,902	4.233	4.965	.730	.500	.230	12,289,571
1899	2,078,068	4.419	4.919	.500	.500	....	....
1900	2,219,847	4.456	5 320	.754	.500	.254	11,625,941
1901	2,372,316	4.047	5.050	1.003	.500	.503	25,729,359
							224,845,677

Thus, even with these figures, the refiners' surplus profits have averaged $16,000,000 a year, or $224,845,677 in the fourteen years of trust domination. But these figures do injustice to the case. Because of reduced cost of refining the surplus margin should be increased by at least one-tenth of a cent. This would add about $5,000,000 a year to the profits. Then the yearly averages are taken from the monthly averages. This makes the yearly average too low, because much more sugar is marketed in the summer months, when the margin of profit is usually greatest. Thus in 1899, when no surplus profits are shown in the table, the margin averaged about seven-tenths of a cent from June 25 to August 20. It would be entirely safe to add $1,000,000 a year on this account to the surplus profits. Another $1,000,000 can be added because the refiners buy the great bulk of their raw sugar in the first four or five months of the year, when the price will average about one-fifth of a cent below the average for the year. In addition, the trust is estimated to have made in 1897 some $7,000,000 or $8,000 000 of extra profit on the sugar imported before the passage of the Dingley bill and sold afterwards at the higher prices. Again, the average prices are given for New York. The margin will probably average about 1 cent per pound more on the Pacific than on the Atlantic coast. In 1893 the New York Journal of Commerce and Commercial Bulletin found that the margin there was 2⅛ or 2⅜ cents, and estimated the trust's profits on the Pacific coast at $6,500,000 and in the whole country at $28,532,000.

The American Sugar Refining Company has probably refined an average of three-fourths of our sugar since 1887, but it has had a compact during most of this time with the more important of the outside refiners, so that it has dictated prices on nine-tenths of the product. The trust refused to comply with the census laws in 1890, and, as it made no public statements of its earnings or profits, it is a "blind pool." It is supposed to have $40,000,000 or $50,000,000 invested in outside industries—coffee mills, street railways, etc.—and is said to loan millions on call in Wall street, which may, at times, be invested on the long or short sides of the stock market.

It is this refiners' trust, or sugar leech, which has sucked about $20,000,000 a year for fourteen years from our sugar bowls, that now seeks to deceive the people and to get the duty lowered on raw sugar without any reduction of the duty on refined. Not that it would gain much directly by this change, but indirectly it would gain by getting the whip hand on the beet-sugar people, and ultimately, when the Cuban crop had increased to about double its present output, it could get its raw sugar for about 2 cents and sell its refined at from 3 to 4 cents, the lower prices being in the vicinity of the beet-sugar factories. This is the trust that has been paying for the distribution of literature telling us of suffering Cuba, when the fact is that Cuba is more prosperous now than for years, and that many sugar mills have had to stop grinding cane because labor could not be obtained, even at an advance of 50 to 100 per cent over the wages of a few years ago.

Incidentally the trust gives its case away in the following statement from the President's so-called "annual report:"

"It would seem that with an overflowing Federal Treasury there had disappeared any reason for continuing the existing high tariff upon raw sugar. It constitutes a charge upon the consumption of nearly 2 cents a pound.

"This represents an annual consumption of 2,360,000 tons—$85,000,000 a year. Of this, however, only 1,360,000 tons are imported, yielding customs revenues of $49,000,000. The balance, $36,000,000, goes into the pockets of the planters of the following States:

	Tons.	Value.
Louisiana planters	350,000	$12,600,000
Domestic beet	150,000	5,400,000
Hawaii	250,000	12,600,000
Porto Rico	150,000	5,400,000

"A removal of this duty on raw sugar would result in a saving to the consumer of $85,000,000.

"Misleading statements are constantly being made about the benefit to the company of reducing the present high rate of duty. The gain would be increased sales. The lower the prices at which refined sugar can be furnished, the larger is the number within whose reach it can be brought. To this extent there would be a gain to the company, but the substantial benefit of the remission or reduction of the duty would be to the consumer, and the practical question is, whether the public shall continue to pay the enormous amount which the duty requires for the benefit of favored industries, which, according to published statements by those who are specially interested, do not require the protection."

At the special request of the stockholders present for further remarks on the matter of tariff legislation on sugar, Mr. Havemeyer said:

"Sugar is a necessity of life. Were the duty removed, the price would permit of it being used by the poorest people. The people are beginning to characterize the tax on sugar as a hunger tax. This, no doubt, is due to the fact that a surplus exists in the Treasury, and there is no reason for a tax on an article of food. The removal of the tax would be a great blessing to the entire community.

"As far as the beet industry is concerned, the farmers have received no more for their beets since the tax was reimposed than when sugar was free, in the years 1891, 1892, and 1893. What Mr. Oxnard says is of little account. What Mr. William Bayard Cutting attaches his signature to is of account. He has stated over his signature that the beet industry is profitable under conditions of absolute free trade, and that the United States being an agricultural country the industry has nothing to fear even from the annexation of Cuba."

It is as easy, as it must be galling, for Mr. Havemeyer to figure $36,000,000 a year of profits on sugar going to others. His estimates on the sugar crops of Louisiana, Hawaii, and Porto Rico are 160,000 tons above the estimate of Willet & Gray on January 2, 1902. This takes nearly $6,000,000 from his $36,000,000 and leaves $30,000,000, which is probably a fair estimate of the tariff profits of our home and colonial sugar growers. In other words, we present $30,000,000 a year to our sugar growers. This has made them so powerful politically that they can defy the great trust itself and vie with it in relieving us from the trouble of making our own sugar legislation.

But observe what Mr. Havemeyer asks and what is asked by his representatives. In the language of Mr. F. B. Thurber before the Ways and Means Committee, "The greatest good to the greatest number of the people of both countries will be subserved by placing Cuba, so far as our tariff relations are concerned, as nearly as possible on the same basis as Porto Rico and Hawaii, and the same may be said of the Philippine Islands." Stated baldly, this means that without any reduction of the duty on refined sugar and, therefore, without any reduction of the prices on refined sugar, as Mr. Havemeyer has repeatedly told us, the raw sugar from Cuba is to come in free of duty. Here is Mr. Robert Oxnard's estimate of the amount that such action would keep out of our treasury and donate to the Cuban sugar planters, amongst whom are Mr. Havemeyer and numerous others of our protected refiners:

"The crop on the island of Cuba for the coming year is expected to be something like 900,000 tons. If this were admitted free of duty there would still be 460,585 tons to come from other sources and on which duty would have to be paid.

"It is a well-known law of economics that the price of all sugar in this country would be fixed by the cost of these 460,585 tons plus the duty that they would have to pay to get into this country in order to compete with the duty-free sugar.

"The effect of letting Cuban sugar come in free would therefore be to present to the Cuban planters $36 per ton, or, in one year, $32,400,000, which at present goes into the Treasury of the United States. This bonus would increase year after year as the Cuban production expanded and our home production declined, and would be a heavy price to pay to foreigners in order to accomplish our own undoing.

"This sugar beet growing is to-day the most promising crop that is offered to our farmers. This fact is recognized by the continental nations of Europe, who foster and protect it by all sorts of bounties, direct and indirect, realizing that it is the corner stone of their agricultural prosperity. A great deal has been said about our protective system benefiting everyone except the farmer, and it seems a pity that the one industry which our protective system gives him to compensate for his sacrifices in its behalf in other directions should now be threatened with extinction."

THE MILK IN THE COCOANUT.

While this proposition may look like a bald-headed steal to most people, yet Havemeyer and his pals in this Cuban business see no reason—and there is none—why, if we make presents of $5,000,000 and $12,000,000, respectively, to Porto Rican and Hawaiian planters (saying nothing of our similar presents to our own cane and beet sugar growers), we should not present $30,000,000 a year to Cuban planters.

It is to get in on the ground floor with our domestic and colonial sugar growers and to participate in Uncle Sam's generous donations to sugar growers that Mr. Havemeyer began, more than a year ago, to say that "the mother of all trusts is the customs tariff," and that he last year put his press bureau (which includes F. B. Thurber's American Export Association, the Sugar Trade Journal, and numerous important newspapers in various cities) at work telling us of the awful sufferings in Cuba, and of the horrors that would follow if we did not reduce the duty on Cuban sugar at least 50 per cent and at the same time untax an important article of food. Thus, as late as January 16, 1902, the Sugar Trade Journal quoted Miguel Mendoza as saying:

"It will cost you more to feed us later than it will now to grant these concessions. Unless something is done for the relief of this island, and done at once, there will be a condition of suffering, not to say absolute starvation, that only the American people can relieve."

Mr. Louis V. Place, of Habana, pictured Cuba as on the verge of absolute ruin when he appeared before the Ways and Means Committee on January 16. He said:

"I see nothing short of free trade, because we are bound to have free trade sooner or later. We are tied to America by the Platt amendment, and perpetual commercial relations ought to be made, once and forever. * * * As things are now, we have only six weeks to live, and inside of six weeks we are busted."

This was many months ago, and although Congress has not yet opened our Treasury to the Cuban sugar planters, the average Cuban appears to be thriving on "absolute starvation," if we may judge from the following from Habana in the Sugar Trade Journal of April 10, 1902:

"Planters are bitterly complaining of the fact that, owing to the hurry of the works of the new Cuban Central Railroad, as well as in consequence of several constructions of highroads by the military government, thousands of laborers have left the customary field work in the Centrals, passing over to the said undertakings, getting from the same 25 per cent more than the wages earned at the plantations."

Plenty of testimony was adduced before the Ways and Means Committee last winter to show that wages are unusually high in Cuba now and recently, and that labor is well employed. Thus Mr. Edwin F. Atkins, of Boston, merchant, sugar planter, and chairman of the Associated American Interests of Cuba, admitted on January 15 that "labor in Cuba is not sufficient to go around." When asked by Mr. Cooper, "What is the difference in the price of wages there now and the price of wages before the war?" he answered:

"I should think they had increased 75 per cent." Mr. Miguel G. de Mendoza, another sugar planter, said: "There is plenty of work for the workmen in Cuba to-day," and that common labor was receiving $30 a month in some parts of the island. He admitted that the much-talked-of condition of hunger and starvation did not exist then, but he said, "It will exist."

It is impossible to read the testimony of numerous witnesses before the Ways and Means Committee and not reach the conclusion that times are now better in Cuba for the masses than for many years. Mr. Henry T. Oxnard stated the case fairly when, after enumerating the many things that we had done for Cuba (including giving her freedom, the wiping out of her $300,000,000 debt to Spain and the distribution of millions of dollars and rations in 1899), he said:

"And, Mr. Chairman, what has resulted from all this? Peace and prosperity; a greatly rehabilitated country, with railways built and building in every direction, that ought to guarantee a larger population, greater production, and cheaper transportation. Our sanitary work alone is worth millions to Cuba. But we are not bound to support her. We are not bound to guarantee her planters prices that the world's markets do not warrant."

$54,000,000 A YEAR COST OF SUGAR LEECH.

Now, a few more words from the beet-sugar people, who may be supposed to know about the profits of the refiners' trust, and we can get a more perfect idea of the enormous profits in sugar when you have the Government as a silent partner in the business. Mr. W. L. Churchill, president of the Bay City Beet Sugar Company, did some figuring for the Ways and Means Committee:

"Mr. Post testified before you in my hearing that his company could produce 20,000 barrels of refined sugar per day. He testified further that the profits were three-eighths of a cent a pound and the differential between raw and refined was a dollar. Mr. Atkins testifies that in his time raw sugar could be refined for less. So it is safe to say a half a cent a pound is the profit that Mr. Post in his ten refineries is making. They further testify that a barrel of sugar contains 350 pounds, and that at half a cent a pound would represent a profit of $1.75 a barrel. Now, gentlemen, figure for yourselves. These gentlemen are making $35,000 a day out of the sugar purchased from Cubans. Why do they not pay a fair price for their sugar, and not come to this committee and ask the United States to do what? To wreck, demolish, and drive out of existence the beet-sugar business of this country by reducing the tariff.

"Now, Mr. Post testified that Mr. Havemeyer can make 40,000 barrels of sugar per day, which would be a profit of $70,000, or a total of $100,000 a day for these two great trusts.

"In other words, these two institutions are making $100,000 a day, or $36,000,000 per year. Gentlemen, who is the strongest, these trusts or the people of the United States through their Representatives in this room?"

Mr. Havemeyer told us that we are contributing $36,000,000 a year to our domestic and colonial sugar growers. Mr. Oxnard proves by statistics that the two principal aggregations of refiners are robbing us of $36,000,000 a year. Thus, on the testimony of the sugar people themselves, we are donating $76,000,000 a year, or $5 per family, to our sugar infants, and yet they are dissatisfied and are quarreling because each thinks the other is getting more than his fair share of the loot.

That their estimates of our losses and their gains are about right is not difficult of proof. We consume 5,200,000,000 pounds of sugar a year. The duty on refined sugar is 1.95 cents per pound, plus a countervailing duty of 31 cents on sugar from Germany and 81 cents per 100 pounds on sugar from France. It is the sugar from Germany that competes most with domestic refined sugar. On this the effective duty is 2.26 cents. As the trusts keep the price of refined sugar up to the import point nearly every day of the year, the people actually pay a duty of 2.26 cents per pound on all sugar consumed. The duty, then, costs them $117,000,000 per year. Deducting the amount which reaches the Treasury, $63,000,000 last year, and we see that the people are out $54,000,000 a year by the duty on sugar. Undoubtedly this annual contribution from the people is divided about equally between the two rival claimants or pretenders now instructing, begging, and threatening Congress and the President.

PHILIPPINE LANDLORDS ALSO IN THE GAME.

The individuals and syndicates owning sugar, hemp, tobacco, mineral, and other lands in the Philippines are busily at work exploiting our civil and military government here and in the Philippines. Their lands would be far more valuable under free trade or greatly reduced duties with the United States than at present. Undoubtedly the probabilities of free trade with the "mother" country, as well as the establishment, through death, destruction, and fear, of comparative peace, is now rapidly increasing the value of all the lands in the Philippines.

William H. Taft, the civil governor of the Philippines, said that the planters there urged a reduction of 75 per cent in duties on goods imported into the United States. In his report he said:

"If Congress will reduce by 50 per cent the United States duty on tobacco, hemp, and sugar, and other merchandise coming from these islands, it is certain that the trade between them and the United States under the new tariff will increase by leaps and bounds. Such generosity would much strengthen the bonds between the Filipino and American people, and it is earnestly recommended."

In his testimony in January, 1902, Governor Taft, in reply to a question by Senator Patterson as to how much reduction in duty was desired, said, "We want all we can get."

As the Philippines produce about 200,000 tons of sugar a year, free trade with this country would add about $7,000,000 a year to the value of the sugar crop, or $70,000,000 to the value of the sugar lands.

THE CREAM IN THE COCOANUT.

This $54,000,000 a year to the sugar leech is not all that there is in the proposed Cuban reciprocity scheme for the Havemeyers, Posts, Hawleys, and other Cuban sugar plantation owners so anxious to have Uncle Sam display his generosity to suffering Cuba. Tens of millions of dollars have been added to the value of sugar lands in Hawaii and Porto Rico because of the favoritism given these countries in our markets. To give free entry of sugar into our markets would really be to donate $30,000,000 a year or more to the Cuban sugar growers—that is, providing they would get it all. This amount capitalized at 10 per cent would make $300,000,000 of value to be added to the value of the sugar lands. But as the sugar trust would probably reap one-third of the benefits of the free admission of Cuban sugar into our markets, the increased value would not much exceed $200,000,000. The fact that such favoritism might not continue forever would also tend to prevent the full enhancement in value.

Strange to say, this most important consideration has hardly been mentioned by the beet sugar people, although it is an important if not the controlling influence in arousing the sugar trust's sympathy for suffering Cuba. Possibly our domestic and colonial sugar producers live in glass houses.

An inkling of the land, labor, social, financial, and political conditions which prevail in Hawaii is contained in the following, from an important document, The World's Sugar Production and Consumption, issued by the Treasury Department last January:

"On the estate the one thought is how to keep the average quality of land from going out of cultivation. How can expenses be reduced and crops enhanced so as to secure the largest dividends on stock is the object of their existence.

"Such estates are destructive of family ties and home comforts. Single men are always preferred and objection made to the encumbrance and expenses of women and children; hence adaptability of Asiatics to such work, who serve their contract time and then return to China or Japan, or rush to the cities or towns to engage in urban pursuits. Such estates are not conducive to permanent settlers—steady yeomanry, prosperous farmers—which are regarded as the pride and reliance of every nation.

"In the islands a strong antagonism prevails against such estates, and a demand is made that the large areas formerly owned by the Crown and now leased to the sugar corporations shall be divided and subdivided, at the expiration of lease, into homesteads for occupancy by permanent farmers or gardeners. * * *

"On the contrary, it may be stated that there is probably no industry besides sugar that can give such enormous acre yields in money and bear the heavy cost of expensive irrigation plants, steam plows, etc. The exports of the island were last year $22,628,741, of which over $22,000,000 were furnished by sugar. Again, those large acre yields give enormous taxable values to the lands, from which public revenues are raised for public improvements, public schools, etc."

This document informs us that "the sugar production of the Hawaiian Islands has increased over 2,000 per cent under the free admission of their sugar to the markets of the United States." As sugar is produced about as cheaply in Hawaii as anywhere on earth (the yield averaging 10 tons to the acre), the free entry into our markets means a gift of $10,000,000 to $15,000,000 a year to Hawaiian sugar producers. It is not strange that such highly favored lands have enormous value, and that their owners in Hawaii and Porto Rico are urging Congress not to let down the tariff bars and extend similar favors to other lands. And yet this Pacific Ocean $10,000,000 a year pet of Uncle Sam, although perhaps the most prosperous and most valuable spot on earth, according to its size and population, is cursed by the very favors showered upon it. Read what Delegate Robert W. Wilcox, of Hawaii, says in the Washington Times of May 7, 1902:

"I am deeply interested in the bill providing for the division of Government lands into homesteads for the farmers and middle classes, because at present we only have in Hawaii the very rich and the very poor, the poor being the laborers or coolies.

"Out of the population of 160,000 nearly 90,000 are Asiatics, 60,000 being Japanese and 30,000 Chinese. There are also several thousand Porto Ricans, but they are undesirable, as they would rather lie in jail all of the time than go to work.

"The land area of Hawaii is 4,000,000 acres. Of this area 2,000,000 acres are in the hands of seventy men engaged in sugar raising and cattle raising. The other 2,000,000 acres, which constitute the government lands, are rented and leased to the sugar corporations, the leases ranging from five to sixteen years.

"These government lands I want divided up into homesteads, to encourage American farmers to go to Hawaii.

"To give an idea how fertile the best land is, the sugar corporations produce an average of ten tons of sugar to the acre. The rice planters produce two crops a year, aggregating between 5,000 and 6,000 pounds to the acre. The same land is planted with taro, a plant akin to elephant's ears, which is the staple food of the natives, and will produce somewhere between 40,000 and 50,000 pounds per acre, and it sells at one cent a pound."

OUR NATURAL SUGAR BOWLS.

Hawaii, Cuba, Porto Rico, the Philippines, and other tropical islands are the natural sugar bowls of the United States. In these islands sugar can be produced for two cents or less per pound. There is no sound reason why the United States should not avail herself of these natural sugar supplies. She will not do so by putting any two or three of them inside her tariff wall. As long as any considerable quantity of sugar must come over the tariff wall, the price of all inside will be fixed by the price of what comes over the wall. The water above the dam will maintain about the same level whether one-tenth or nine-tenths of the running water goes under or through the dam. If you want to lower the level materially, take away the dam!

A BOON TO FRUIT GROWERS AND DAIRYMEN.

Besides giving everybody a cheap food and reducing the cost of living to every family about $7.50 a year, free sugar would revolutionize many industries now none too prosperous.

Fruit growing would be greatly stimulated by 2½-cent sugar. Canning and preserving factories would be numerous in all fruit-growing sections, and would purchase at fair prices millions of bushels of fruit, which, for want of a profitable market, now rots each year. Not only would such factories give employment to tens of thousands directly, but indirectly thousands more would be employed in growing and gathering the fruit. Millions of workingmen in all industries would be provided with cheap preserves, jams, and marmalades. These are some of the cheap foods that have reduced the cost of living in England and have made possible her wonderful commerce and prosperity during the last half century. Even we, who can raise small fruits as cheaply as they are raised anywhere, find it as cheap to eat English preserves, jellies, and marmalades, after paying 35 per cent duty on them, as to eat our own, and yet England raises no sugar; and "Dundee marmalade," known the world over, is made from imported oranges and sugar. We should be ashamed to eat these foreign goods when we produce both sugar and fruit, and when thousands of bushels of fruit rot each year because we will not permit our farmers and canners to have cheap sugar, glass, and tin. Cheap sugar would add tens of thousands of dollars each year to half the counties in nearly every State. Thousands of farms which would not now sell for the amount of the mortgages on them would become prosperous under free sugar.

Another industry which would be greatly benefited by 2½-cent sugar is that of dairying. Switzerland is one of the biggest exporters of condensed milk because it has cheap sugar. About one-third of the weight of condensed milk is sugar. Cheap sugar would greatly increase our production of condensed milk, and would add much to the value of millions of acres and millions of cows. It would be a boon to numerous other industries in which sugar is an important raw material.

To reduce the cost of the "staff of life" 50 per cent would be a result which should bring imperishable fame to any inventor or statesman. Here is an opportunity to halve the price of as important an article of food as is bread. Shall we not soon have a Congress which will not be owned and controlled by the Havemeyers, Oxnards, and Spreckels of our sugar industry, and which shall legislate for the welfare of the whole people? Shall we continue to imitate the sugar-cursed countries of Continental Europe, or shall we treat our sugar growers and refiners as impartially as we treat the producers of most other farm products and make our sugar industry bless rather than curse us?

DIFFERENTIAL AND COUNTERVAILING DUTIES.

So much has been said about differential and countervailing duties on sugar that an explanation of these terms is necessary. The following is the most important part of the sugar schedule in the Dingley tariff act of 1897:

"Sugars not above sixteen Dutch standard in color, tank bottoms, sirups of cane juice, melada, concentrated melada, concrete and concentrated molasses, testing by the polariscope not above seventy-five degrees, ninety-five one-hundredths of one cent per pound, and for every additional degree shown by the polariscope test, thirty-five one-thousandths of one cent per pound additional, and fractions of a degree in proportion, and on sugar above number sixteen Dutch standard in color, and on all sugar which has gone through a process of refining, one cent and ninety-five one-hundredths of one cent per pound."

As the duty on 75-degree sugar is .95 of a cent per pound, and as .035 of a cent is added for each additional degree of purity, the duty on 100-degree sugar is 1.825 cents. But as 100-degree sugar is, of necessity, refined sugar, the duty on it is 1.95 cents, or one-eighth of a cent per pound more than the equivalent duty on sufficient raw to make one pound of refined sugar. This one-eighth of a cent is the "differential." It is the amount per pound the refiners can collect from consumers over and above the amount of duty which the refiners have to pay on the raw sugar used.

As a matter of fact, the net protection on refined sugar is more than 12.5 cents per 100 pounds. (1) Because refined sugar is not absolutely pure and tests only on an average about 99½ degrees. This imperfection increases the differential between raw and refined sugar to about 14 cents per 100 pounds. (2) Because of the protection hidden in the graduated scale of duties on raw sugar. With a duty of $1.825 per 100 pounds on theoretically pure raw sugar, the duty on sugar testing 90 degrees should be about $1.60, instead of $1.47, as under the bill. In other words, the graduations in the duty are greater than they should be to cover the impurities in the sugar. It is probable that the average net protection to our refiners is not less than one-fourth of a cent per pound, or $13,000,000 a year.

Countervailing duties are duties levied to offset export duties paid by foreign countries. Thus our Treasury Department estimates the export duty paid by Germany at 31 cents and that paid by France at 81 cents per 100 pounds, and assesses these additional duties on sugar imported from these two countries. As nearly all of our imports of beet sugar are from Germany, the rate of 31 cents is the effective rate. That is, if there were no countervailing duties, sugar would sell in our markets for 31 cents per 100 pounds less than at present.

The most of this countervailing duty, as well as all the duty on raw sugar, serves to protect our sugar growers. Our refiners are protected by the amount of the differential and the hidden protection in the raw-sugar duty, and probably also by a part of the countervailing duty.

THE EVILS OF PROTECTED TRUSTS.

(1) POLITICAL CORRUPTION.

The evils of tariff-protected trusts are not entirely measured by the injury inflicted by artificially high prices, as many people assume. These evils extend into political and social life, and even into our colleges.

The protective tariff is responsible for much of the corruption in politics. It is not by chance that Pennsylvania has been for thirty years the worst boss-ridden State in this country. The Camerons and Quays have political power and influence because they serve the protected trusts. It is not by chance that a large portion of the workingmen employed by the protected trusts are ignorant immigrants working under conditions of semislavery. It is not by chance that there are so many millionaires in Congress to safeguard the protected industries. It is because the protected trusts have completely corrupted politics and have sent their agents to Congress, that the protected interests have for years dictated tariff legislation at Washington. As Mr. Henry L. Nelson says: "Since 1875 Congress has not legislated on the tariff; it has simply affirmed or ratified the decrees of the beneficiaries of the tariff. These people have transformed the Government into a socialism, in which they are not merely the favored class—they constitute the only class."

(2) WATERED STOCK.

The tariff is undoubtedly responsible for a large part of the water in trust stocks. Had there been no tariff to enable prospective trusts to pay dividends on watered stocks, trust promoters could not have offered sufficient inducements to coalesce the naturally antagonistic producers in any particular industry. Not only, then, is the tariff responsible for many trusts, but it is responsible for much of the water in the trust stocks. That this is true is evident not only from the fact that the most highly protected trusts are generally the most highly capitalized, but from the fact that promoters have been unable to form trusts in many industries not actually benefited by tariff duties. Thus, though promoters are at work in the piano industry for the fourth or fifth time in the last six years, their chances of success are not flattering, because the conditions in this industry are such that the tariff has for years yielded but little actual protection, and the manufacturers are unable to see how they could by combining take sufficient advantage of the tariff or of any other special privilege to enable them to receive dividends on more than the actual capital invested; consequently, the manufacturers are inclined to laugh at the glowing promises of the promoters and to hesitate to give up control of their own business.

For similar reasons trusts have not been formed in such important industries as those of making cabinet organs, boots, shoes, stoves, some kinds of furniture and agricultural implements, and in practically all of our great agricultural products.

(3) CONCEALMENT OF EXPORT PRICES.

The concealment of export prices is probably responsible for considerable of the difference between the value of our exports and our imports, and therefore for numerous editorials on our "favorable balance of trade."

Ten years ago it was comparatively easy to get the export prices of various protected articles, even though they were then often from 10 to 30 per cent below the home market prices. To-day, when great trusts control prices on most of our exports, it is extremely difficult to obtain export prices. The editors of trade journals will no longer talk on this subject, and as a rule will not keep on file foreign exchanges which quote prices of certain American goods in foreign countries. It is only now and then that an employee of a trust or of some export house can be found who is willing to risk betrayal and almost certain decapitation if he talks on this subject.

The extent to which goods are sold cheaper for export than in the home market is not known to most people, because the trusts—and the protected trusts are the worst offenders—take pains to conceal export prices and practically pledge all parties concerned to keep all such knowledge from reaching the public. The average difference in price is probably 20 per cent, and on our really protected products above 25 per cent. Often we who pay the tariff taxes devoted to nourishing these "infant industries" must pay 50 per cent, and sometimes 100 per cent, more for the products of these coddled industries than is paid by foreigners, who do not pay our nursing taxes.

(4) JUGGLED AND MANUFACTURED STATISTICS.

Another evil is the juggling of prices and statistics, and sometimes the absolute refusal to comply with census laws, wiien to do so would disclose great profits or unfair or illegal transaction.

Thus the census of 1890 is grossly defective in some particulars, and probably worthless or misleading as concerns the protected trusts. In other words, protected statistics are often misleading or false, and purposely so.

It will be remembered that the sugar trust absolutely failed to comply with our census laws in 1890, and gave no information concerning its business to the Census Department. After four years of failure to compel the trust to produce statistics, the Superintendent of the Census notified the Attorney-General that further efforts would be useless, as the information, even if received, would be too late for publication. No attempt was made to punish the trust officials. Hence the census abstract of 1890 gravely informs us that the value of our product of sugar and molasses dropped from $155,000,000 in 1880 to $123,000,000 in 1890, and that the value of this product in New York State dropped from $71,000,000 in 1880 to $17,000,000 in 1890. As about one-half of the sugar refined in this country was refined in New York State, it is probable that the value of this product in New York was about $100,000,000, instead of $17,000,000, given by our census. Of course, such statistics are worse than worthless. Commenting on the "reticence of the refiners," who were then being guaranteed "profits of $12,000,000 a year" by the United States, the Journal of Commerce and Commercial Bulletin of March 23, 1894, said:

"It is about time that this foolishness was stopped. If there is any reason why the refiners are entitled to protection by the tariff, let them show it. There is little disposition anywhere to deny protection where the cost of production in America is higher than it is abroad or where there are other reasons that place the American manufacturer at a disadvantage. But it is intolerable effrontery that these people should refuse to answer the ordinary census questions that everyone else answers and demand from the Government they defy and whose laws they trample on a rate of protection that enables them to divide 22 per cent in a year on their vastly inflated common stock. Let the sugar refiners obey the law or get along without the help of the law."

A leading editorial in the New York Journal of Commerce and Commercial Bulletin of July 29, 1902, is entitled "Manufactured Government statistics." It makes serious charges against the Republican statistical bureaus at Washington. It says:

"It is greatly to be regretted when we see statistics bearing the Government stamp begin to deteriorate and show signs of improper methods of production, as is true of some of the recent publications of the Treasury Bureau of Statistics.

"There is no more serious crime against the public (to say nothing of the interests of science, which require accurate commercial returns) than the publication of statistics that have been 'doctored.'

* * * * * * *

"Now that the campaign is approaching and that much more than the ordinary use is made of the Government returns, the temptation becomes doubly strong to manipulate information gathered through Government agencies. Perhaps it does not seem very wrong for persons with an intense partisan bias so to represent the matter as to give their side the best end of the argument. If, for example, it is desired to show that under the tariff system our exports are largely increasing and that we are gaining the lead of all other countries, what more natural than to keep some unpleasant facts in the background and to throw others to the front in bold relief, altering their form, perhaps, in such wise as to make them convey to the superficial reader an entirely different impression from that which is gained by more careful study? The true partisan who really holds the ideals he works for justifies such action on the ground that his view is right, all other views are wrong, and that the true meaning of the figures in question is given only by stating them just as he has stated them. * * *

"The truth is that too much can hardly be said of the heinousness of the crime of garbling Government figures. The Government is the only all-embracing agency we have gathering accurate, trustworthy statistics on all subjects. To falsify these is as bad as to falsify the money issued by the Government, and could it be as readily detected, should be visited with penalties as severe."

That the Republicans at the head of the various bureaus in Washington occasionally suppress or distort unpleasant statistics is true. But we can never expect to have reliable statistics while protection is on the throne and can continue its rule only by deceiving the people. Our so-called "balance of trade," about which the Republicans are continually crowing, exists only on paper. Our export figures are far too high, because the trusts are ashamed to give the very low prices charged to foreigners, while our imports are far too low, because of the undervaluations and wholesale smuggling. These are only instances of our unreliable statistics. Another is found in the attempts of the protected trusts to pad their wage roll and make wage-earners feel that they are better off than they really are.

Mr. BEVERIDGE. Mr. President, I have no objection to the Senator from Texas printing a portion of the Democratic campaign book in the CONGRESSIONAL RECORD, nor to printing the entire Democratic campaign book in the CONGRESSIONAL RECORD. Nor have I any objection, because I suppose that that is considered good partisan tactics, to the Senator raising a question about tariff theories; although it is at a time when we are trying to consider this most difficult question, not as politicians who want our respective parties to win, but as Senators who want, above the prosperity of any party, the prosperity of the country.

It is in that spirit, Mr. President, that I have made my remarks, refraining studiously from any intermixture of partisan politics with a purely economic question. But I think the fact that the Senator has risen and addressed us as the leader of his side, as he has, is perhaps fortunate at this junction, because it so vividly shows one of the great defects that has crept into our system in handling the most delicate, difficult, and serious questions. The best of us, Mr. President, have been concerned not so much in solving them wisely from the view-point of the country as we have been in registering some party advantage on the floor of the Senate. We have been concerned not so much in caring for the future of the nation and the welfare of 90,000,000 of producers as we have in looking out for the next campaign.

Mr. President, it is precisely that spirit which the resolutions I had read at the desk before I began my address were meant to rebuke. The Senator from Texas knows that no man in this country admires him more than I do, and he knows I say that sincerely; but the effort to interject in a nonpartisan and businesslike settlement of this question nothing but partisan tactics, while worthy of him as a political leader of his party, is not worthy of any man as a statesman of his country.

Now, Mr. President——

The VICE-PRESIDENT. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (S. 2982) to codify, revise, and amend the penal laws of the United States.

Mr. HEYBURN. I ask unanimous consent that the regular order be temporarily laid aside.

The VICE-PRESIDENT. The Senator from Idaho asks unanimous consent that the unfinished business be temporarily laid aside. Without objection, it is so ordered. The Senator from Indiana will proceed.

Mr. BEVERIDGE. The Senator from Texas complimented me, although perhaps he did not intend to compliment me, by saying he was glad to see that I had joined the great army of tariff reformers. No, I will say to the Senator, I have not joined such an army, because I have always belonged to such an army; but I have not joined, and I never will join, any organization which makes of the American tariff the football of partisan politics, and that is precisely the difficulty over which we must get in this Congress. We have got to get away from the time that every great question which comes up in this body is considered by the leaders of either side with reference to what advantage they think there may be in it for their party in the coming campaign.

I will say this further, as an observer, not only to the Senator from Texas, who with such skill and alertness leads his side of the Chamber (and it was one of the wisest things the other side of the Chamber ever did when they selected that leader), but also I say it to the leaders upon our side, that most of the moves we make here that we consider shrewd politics, that we consider a deft playing of the cards of political advantage, and that we plume and congratulate ourselves upon when we leave this Chamber as having gotten some advantage for our party, are absolutely unheard of by the 90,000,000 of the American people. There is no particular advantage in it for your side or for our side. The people never hear of it; they are too busy. The time has come when the old and outgrown method of dealing with public questions should be abandoned, and when we in Congress should be as earnest, as up-to-date, and as nonpartisan, if I may say it, in the doing of the nation's business as the great body of the American people who have sent us here to do their business are the same with reference to their affairs.

Now, the Senator has not shown—I am sorry to say it—that he has carefully studied the tariff question in detail, because he says there is a 45 per cent average on our tariff, as though we ought to have the same tariff on all articles, when, even if he is for a tariff for revenue only——

Mr. CULBERSON. Mr. President——

The VICE-PRESIDENT. Does the Senator from Indiana yield to the Senator from Texas?

Mr. BEVERIDGE. Certainly.

Mr. CULBERSON. The Senator does not mean to suggest that I said a tariff of 45 per cent on all articles, taking the tariff as a whole?

Mr. BEVERIDGE. The Senator means the average rate?

Mr. CULBERSON. That is what I said.

Mr. BEVERIDGE. I know; that is what the Senator said.

Mr. CULBERSON. The average is 45 per cent.

Mr. BEVERIDGE. Yes; that is what I say. Now, let me point out to the Senator that statement, which is repeated so frequently by men on both sides, who perhaps have not looked into the matter with the care the Senator would look into the matter if this were a law case. The statement was made by the Senator's next candidate for President, Mr. Bryan, in a magazine debate which he had with me on the subject, that there was an average rate of 45 per cent and he would have it cut down to 25 per cent.

Does not the Senator know, if he is really for tariff for revenue only, that we could not have a horizontal tariff; because even if nothing but revenue were to be considered there would have to be the highest duty on the best revenue-producing articles considering the amount of imports? You could not level it even for revenue producers.

There is another thing I call the attention of the Senator to, and I called it to the attention of the whole Senate in the beginning of my speech. If you speak about a purely revenue tariff, such as the Senator seems to champion, I think somewhat ill-advisedly, we must put a duty upon tea, upon coffee, upon chocolate, upon tropical fruits and every other similar food necessity of the people; because if you are raising revenue, if that is what you are doing, these articles are consumed by all of the American people, produced by none of the American people, and, therefore, you have in such articles the best revenue-producers of all imports. That is proved by the fact that Great Britain raises the most of her revenue on those articles.

I will not ask the Senator the question, but if I was going into the matter and having a partisan debate with the Senator, I would ask it, and make him answer, too, whether or not he is for a revenue tariff, and if for a revenue tariff, whether he proposes to the American people to put a tax on tea, coffee, chocolate, tropical fruits, and other similar necessities of the people. That is just what Great Britain does; and it is from such articles that she raises her tariff revenue.

Mr. GALLINGER. If the Senator will permit me, I was about to suggest that the statement the Senator has just made as to the policy of Great Britain is not very clearly understood by the people. Great Britain is said to be a free-trade country, and yet Great Britain raises her revenue largely from articles that the people must of necessity consume, while a large proportion of our revenue comes from duties on luxuries.

Mr. BEVERIDGE. Quite so. That is what I said.

Mr. GALLINGER. The policy of Great Britain is much more burdensome to the consumer than our system of protection.

Mr. BEVERIDGE. Undoubtedly. I am much obliged to the Senator from New Hampshire, because that calls my attention to a fact that I must submit to the Senator from Texas. Great Britain, the only modern nation that still clings to a purely revenue tariff, first of all puts a duty on tea, coffee, chocolate, etc., because they are revenue producers.

Mr. GALLINGER. And spices.

Mr. BEVERIDGE. Spices and the like; and she is now about to abandon that. I commend to the Senator from Texas the speeches of Mr. Balfour, the late prime minister, which are among the ablest appeals to the people from the hustings that I have ever read, where he says the revenue tariff system of Great Britain is "motheaten" and outworn—that it gives them nothing to trade upon. Therefore, he says (and such is his exact expression) that "it commercially ties our hands," and he appeals to the British people to "free themselves commercially." I saw the other day that the movement was gaining such headway that in one or two years certainly it would win. They want a double protective tariff such as Canada, which is the greatest of her provinces, adopted last year. So I suggest these things and say to the Senator that perhaps his statement does not show that he has carefully looked into this problem.

Of course, if the Senator wants to make the old stump speeches about a tariff for revenue and if we wanted to make the old stump speeches about a tariff for protection, and all that sort of thing, those echoes of the past can be indulged in as much as Senators please. But the great producing masses of this country have passed beyond both. The Senator will have to learn a new speech for the coming campaign.

Now, the Senator talks about articles sold abroad. I think I have read most of the articles, books, and arguments on the revenue side of the tariff question; and there is not a fair advocate of that side, who is advanced as an economist and not merely as a partisan playing politics, who does not admit that that same thing is true of Great Britain. It is true of Germany; it is true of every other country.

If I had supposed that any Senator was going to introduce partisan politics and give a play for the next campaign into this serious economic discussion I would have brought figures I have in my possession showing the prices that Great Britain charges at home and the prices she charges abroad for staple articles, as every economist, every student of commerce knows she has done. So in that respect, although I think there might be some instances where it shows an injury, we pursue no different commercial policy from that of revenue Great Britain or protective Germany, or from any other country.

This other fact may be food for thought for the Senator. The only other countries in the world that now stick to a purely revenue tariff, a single revenue tariff, except Great Britain, are Persia, Abyssinia, Holland, and China. Am I to infer that in the interest of Democratic success in the coming campaign the Senator is going to ask the United States to follow the example of China, Abyssinia, Persia, and other similar modern nations?

Mr. President, I wish to close these few remarks with what I started out to say. I wish to plead with Senators on both sides that in the solution of the very grave and purely economic question of finding out the facts and making classifications, which has nothing to do with the theory upon which Congress shall act upon those facts and those classifications; in that purely scientific matter, each and every Senator shall treat it as I have tried to treat it, in a nonpartisan spirit, having reference only to the facts and to economic arguments. Has not the time come when we should quit, in this great forum and upon this great subject, the playing of little politics? Has not the time arrived when upon this question we should, on both sides, throw off the cloak of partisanship and go at the matter as we would go at the matter if we were directors of a great industry?

Mr. NEWLANDS. Mr. President, I shall pursue for a few moments the idea which I was endeavoring to suggest to the Senator from Indiana [Mr. BEVERIDGE] regarding an improvement of his bill; and I am sure that I will earn the commendation of the Senator from Indiana when I tell him that I intend to confine myself to the economic and not enlarge upon the partisan aspects of this question.

I was struck by the remark made by the Senator from Indiana, that the customs authorities in dealing with certain duties acted as much in a legislative capacity as we do in fixing the duties. If that is so, it occurred to me that we might well shape this bill in such a way as to permit the customs authorities, operating under a rule laid down by Congress, to abate the admitted excesses of the existing tariff.

The Senator from Texas [Mr. CULBERSON] has said that the average duty imposed upon imports is about 45 per cent. That may be true, though I imagine with the best of us it is a mere guess, for although I have made inquiry I have been unable to get any accurate statistics upon the subject. But assuming that the average duty is 45 per cent, it necessarily follows that many of the duties are above 45 per cent and that some of them are below 45 per cent.

Now, in operating with reference to the tariff, although I am in favor of tariff reform and tariff revision, I have always realized that no radical action could be taken. These high protective duties have existed for so long a period that they have become a part of the warp and woof of all of our products; and to seriously and instantaneously reduce these duties would necessarily produce disastrous changes in our industrial system. The people of the United States, as a result of this protective system, have been walking on stilts for many years. Our prices for almost everything are on stilts; our wages, as compared with those of the rest of the world, are upon stilts; and to quickly knock the stilts from under both wages and prices would throw the industries of the country into a writhing and seething mass of confusion. In my judgment, there is no sensible man who does not realize that, whatever reduction is made in the future in the tariff, it must not be radical. It must be progressive, and it must above all things be scientific; it should represent the best thought and the mature judgment of men expert in such matters.

But it is said Congress abdicates a legislative function when it intrusts this duty to any other body created by itself. It is true that the levying of a tax is a legislative function, just as it is a legislative function to fix the rates for railway fares and freights.

Mr. BEVERIDGE. Of course the Senator from Nevada will remember that the bill which I have introduced does not propose that the tariff commission shall fix rates. I propose to leave that to Congress.

Mr. NEWLANDS. I understand that, but I suggest that we shall go further, and I propose to point the way.

It is a legislative function to fix a tax; but the tax imposed upon imports, like the rates fixed for railways in freights and fares, can be fixed by an administrative body, provided Congress, in the exercise of its legislative function, lays down the rule by which the tax is to be ascertained.

The difficulty with the proposal of the Senator from Indiana is that it is likely to result in great delay in tariff reform. The Senator states that the commission organized in Germany took two years and a half in the framing of their tariff measure, and then took three years and a half more in consultation with the various states comprising the German Empire and with the various industries affected by the tariff. The people of the United States do not wish to wait for six years or for three years for steps leading definitely toward tariff reduction. They would like to see that reduction inaugurated immediately—a moderate reduction at the start, proceeding progressively until the limit of reduction is reached, according to the best judgment of the country.

This spirit for tariff revision is not confined to the Democratic party; it has spread to the Republican party; and it is fair to say that over one-half of the members of the Republican party to-day desire tariff revision, which means necessarily a gradual reduction in the excessive duties of the tariff. Why should we not, then, in organizing a commission to make an inquiry with reference to the whole subject, give them certain powers determined by a rule which Congress shall assert, enabling them to gradually reduce these excessive duties, so that pari passu with the inquiry into tariff as a whole we shall have a gradual, progressive, and reformative action regarding rates which are now admittedly excessive, duties which are abhorrent to the judgment and the consciences of Members of both sides of this Chamber, for there is not a man on this floor, I will engage to say, Democrat or Republican, who will not declare upon his conscience that many of the existing duties are unnecessarily and excessively high.

In giving this commission power, not only to inquire, but to act, how shall we fix the rule for their action and how shall we fix that rule in such a way as not to involve any abdication of our legislative function? I think it will be admitted on both sides that there should be no duty on any product imported into this country over 45 per cent. I think all would agree to that. Why, then, should we not provide in this bill which provides for this inquiry, that the commission, wherever rates are in excess of 45 per cent ad valorem, shall reduce this excess every year at the rate of one-fifth or more annually until such duties are all reduced to 45 per cent? Congress would thus fix the rule, the mathematical rule, by which the commission is to act. The commission will not usurp any of the functions of legislation in so acting. It will simply exercise the mathematical function of adjusting its action to the rule prescribed by Congress. Then perhaps, having reached a general level not greater than 45 per cent, so that no duty in this country will exceed 45 per cent, even the Republican party might be content to progress further with a reduction in duties at the rate of 1 per cent or 2 per cent per annum until they reached 40 per cent; and then, later on in the same progressive way, further reductions could be accomplished. Indeed it seems to me in this way the aim of the Democratic party could be partially accomplished and the aim of the Republican party entirely accomplished, for if, after making these constant and progressive and gradual reductions for a period of ten years, the country then is in favor of freer trade in the shape of a tariff for revenue only, not in excess, say, of 25 per cent, or in favor of maintaining a protective tariff with no duties above, say, 35 or 40 per cent, the sense of the country could be taken upon the issue. As it is we have taken throughout the years purely a partisan view of this economic question, and we have made no progress. The advance has been steadily in the line of higher duties, simply because we have allowed this question to be determined by politics, and our political action has been determined by the great manufacturing and producing interests of the country. They have dominated these matters and we have had the fight of interests here and interests there to gain a constantly increasing advantage.

We have had during the past forty years four tariffs—the Morrill tariff, the McKinley tariff, the Wilson tariff, and the Dingley tariff. The Morrill tariff was the lowest of all, and yet it was regarded at the time as a high protective tariff. That tariff produced such excessive revenue, and such a surplus in the Treasury, that the Republican party itself, the friend of protection, organized a commission for the purpose of recommending tariff reduction. That commission acted; it reported in favor of tariff reduction. The sentiment of the country apparently was in favor of tariff reduction, and yet the Republican party came into power under Mr. Harrison, and, regarding the defeat of Mr. Cleveland as a warrant for still higher duties, proceeded to pass the McKinley bill, which was higher than the then existing Morrill tariff. An attempt was made in that bill, and made more effectual in the Dingley bill, to subsidize every producing interest in the country and thus make all such interests the effective and permanent allies of the high protective party. So that there is hardly a producing interest, hardly an occupation in which any man is engaged in this country that is not subsidized by existing legislation.

There was a revolt against the McKinley bill, and the Wilson bill was passed, but the duties of the Wilson bill on an average, though lower than those of the McKinley tariff, were as high as those of the Morrill tariff and even higher, for the protected interests were so strong that they exercised their power and their influence even in the Democratic party when it sought to reform the tariff. Then the change came and the Dingley bill was passed, imposing duties higher than those imposed by the McKinley bill. So we find the fruits of the agitation over the Morrill tariff and the appointment by the action of the Republican party of a commission intended to reduce that tariff and to make recommendations to that effect resulted in the gradual increase of duties, through the action of whom? The action of the Members of Congress, unduly influenced by great interests that were potential in election. They were unduly influenced when the Democratic party took action; they were unduly influenced when the Republican party took action; and it must be perfectly apparent that partisan action upon this question will never produce the economic results desired by the American people, whether they belong to the Republican or to the Democratic party.

Mr. President, it seems to me that the wise thing to do would be to select such a commission as the Senator suggests, making it thoroughly nonpartisan by providing that no more than four members of it shall belong to any one political party; by adding to the force of the commission an agriculturist—for that interest is not represented in this bill—and by also giving the commission power, under a rule laid down by Congress, to gradually and progressively reduce the excessive duties which shock the moral sense of the majority of the members of both parties of the country.

Mr. McLAURIN. Mr. President, I do not rise to make a speech; I do not intend or desire to delay the unfinished business; but I can not permit the reproof that has been administered by the Senator from Indiana [Mr. BEVERIDGE] to go unanswered.

This is a partisan question; it is a political question; and it always will be a political question and a partisan question. Men differ as to the method by which the revenue of the country should be raised. Some men believe that a tariff should be levied for the purpose of protection, with incidental revenue. They are the Republican party. Other men believe that a tariff should be levied for the purpose of raising revenue, with incidental protection—one protection with incidental revenue and the other revenue with incidental protection. The Democratic party believes that the tariff should be levied for the purpose of raising revenue, with such incidental protection as may be given. The very fact that these two opposite opinions exist necessarily divides the electorate of the country into parties, and where there are parties it is impossible that there shall not be partisanship.

This has been regarded as a political question and as a partisan question in all the days of the Republic. Pendleton so thought it; Thurman so thought it, and that great Senator from the Senator's State, Daniel W. Voorhees, thought that it was so. McDonald, another Senator from his State, held that it was a political question, and so treated it. On the other side, James G. Blaine and Conkling and Reed and all the great leaders of the Republican party dealt with it as a partisan question. Men who want protection line up on the side of the party that advocates protection, and the men who want revenue with only incidental protection line up with that party that believes in that kind of a tariff. So there will always be this question, and you can not get it out of politics.

If you have your commission, it is to be appointed by a President who is elected because he believes in protection with incidental revenue, or because he believes in a tariff for revenue with incidental protection. It is true you may denominate it a nonpartisan commission, you may put upon the President the duty and obligation to appoint a commission composed of men who have no partisan feeling or no partisan opinions upon this question, but it is as utterly impossible for him to do that as it would be utterly impossible for him to find men competent to discharge the duties on the commission to which they would be assigned who have no such opinions.

It has been asserted but lately that the great head of the Republican party has said that there must be no legislation upon this question of tariff reform until after the Presidential election next November and until after Congress shall have assembled in December of this year. It is admitted by him, and admitted by a large per cent, if not 50 per cent, of the Republican party and the Republican leaders that there should be tariff revision now, but they say that they will not revise the tariff this year because this is a Presidential year, and to do so would disturb politics and unsettle politics in the coming election, by which they mean the prospects of the Republican party would thereby be jeopardized. They are thereby shown to be more solicitous of Republican prospects than they are of the rights and interests of those who pay the tariff. Why? Because they recognize that it is a political question, one of political partisanship.

If I were going to retort, I might say that the party now in power, now controlling the destinies of this country, now having the administration of the Government, recognizing that a large majority of the American people, composing a large percentage of the Republican party, are in favor of tariff revision, want to throw something to them in the way of a soporific to put them to sleep until after the Presidential election. I might retort that this will accomplish the very purpose that was suggested by the head of the Republican party by deferring this matter, but still keeping the people in hope until after the November election, and then giving opportunity to determine whether there shall be a revision of the tariff or not, or whether the present law shall continue until just before another Presidential election and then administer another dose of opiates to the American people.

There can be no getting away from the proposition that this is a political question. When the Senator from Indiana arraigned the Senator from Texas because he put in some suggestion in answer to the speech of the Senator from Indiana, it was on the principle of the boy who called upon his mother to make Bill behave himself because every time he hit Bill on the head Bill "hollered." [Laughter.]

Mr. SCOTT obtained the floor.

Mr. BEVERIDGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from West Virginia yield to the Senator from Indiana?

Mr. BEVERIDGE. I just want to say a word.

Mr. SCOTT. Very well; I yield to the Senator for a moment.

Mr. BEVERIDGE. I merely want to say a word, and that is that I was rather astonished to hear the Senator from Mississippi [Mr. McLAURIN] admit that if this bill were passed it would take votes from his party.

Mr. McLAURIN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Indiana yield to the Senator from Mississippi?

Mr. BEVERIDGE. Yes, sir.

Mr. McLAURIN. I have never made any admission of that kind.

Mr. BEVERIDGE. I understood the Senator to say that one effect of this bill would be to keep the people in hope until after the next election; and I inferred from that that the Senator meant that it would not be favorable to his party. Is that inference correct?

Mr. McLAURIN. If the Senator understood that, his understanding——

Mr. SCOTT. I did not yield for a debate.

Mr. BEVERIDGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from West Virginia yield to the Senator from Indiana?

Mr. SCOTT. For a moment.

Mr. BEVERIDGE. I just want to say—and then I will sit down—that if the votes of the Senator's party defeat this bill, it will rob his party of votes at the next election.

Mr. McLAURIN. I hope the Senator from West Virginia——

The VICE-PRESIDENT. Does the Senator from West Virginia yield to the Senator from Mississippi?

Mr. SCOTT. I yield to the Senator.

Mr. McLAURIN. I hope the Senator from West Virginia will allow me to say that the understanding of the Senator from Indiana in reference to my admission is just as much at fault as is his understanding with reference to the partisanship contained in this bill. I made no such admission. I merely stated that if I were disposed to retort I could say that that was the purpose and intention of the introduction of the bill, but that it would have the effect suggested by the Senator from Indiana I never admitted.

Mr. SCOTT. Mr. President, I belong to the class of old-fashioned Republicans and I suppose I am put in the category of those who are called "stand-patters," if anyone knows what that term means. As I understand, a "stand-patter" is a man who does not believe in any revision of the tariff at this time. I believe that the present Dingley tariff has done more for this country in the past ten years than any law that was ever written into our statute books. It has done more for the workingman, more for the mechanic, and more for the farmer; and I think, Mr. President, it will be a very sad day for this country when we undertake in any very great degree to amend that law.

Any man who has traveled, as the Senator from Indiana [Mr. BEVERIDGE] and many other Senators have, in foreign countries knows the condition of the working people in such countries. We know why that condition exists. It is because of the low wages paid to foreign workmen. A few years ago when I was in Italy it was not uncommon to see women who were paid what would be equivalent to 6 or 7 cents a day in our money pulling the sweep around in the brickyards to stir up the mud out of which bricks were made; to see women carrying them and putting them in the sun to dry; and in Munich to see women carrying hods to the tops of buildings, and all this being done, Mr. President, at a very, very low rate of wage.

In my own business a man working fourteen or sixteen hours a day in Europe—in Germany, I will say—earns 2 marks. A man doing the same work in the factory of which I have the honor to be president working for four hours and a half will earn from two to three dollars and a half. But take the duty off of the commodity which he is engaged in making—and the same thing holds good as to other articles—and what must be the inevitable result? The wages of that workingman must be reduced; his family must live more economically; his children can not be sent to school for nine months in the year as they now are; he can not have any of the luxuries, but he and his family must live in the plainest possible way. I do not believe, Mr. President, that this great country of ours has come to the point yet where we are willing to subject our working people, who deserve all they are getting and more, to any such condition as that. If I had it in my power to do so, many of the schedules would be increased, so that the increase of duty might go to those who perform the work.

Mr. President, I do not believe in revising the tariff after the election; I do not believe in revising it before the election, and I do not believe that any man, when you put it home to him, wants to reduce the tariff on something that he himself has in his State or that he himself is interested in. He is like Mark Twain, who, when asked where was the best place to have a boil, said on his wife's relations. [Laughter.] You want to put it on somebody else. My friend from Michigan would not want the duty taken off of potatoes. West Virginia does not want the duty taken off of coal, steel, tin, pottery, glass, wool, timber, or iron. I am sorry to see that my friend, the Senator from Indiana, has gone out of the Chamber temporarily. He does not want to see the tariff taken off of wool. The time was before the Dingley law went into effect when a great many American citizens were ashamed to look a sheep in the face, for sheep had got to be so worthless because of the late tariff on wool.

I have merely risen, Mr. President, to offer my serious and earnest conviction against a tariff revision. I hold in my hand the last article ever written by that great statesman Thomas B. Reed, and I ask to have it incorporated in the RECORD as a part of my remarks.

The VICE-PRESIDENT. Without objection, permission is granted.

The article referred to is as follows:

WHAT SHALL WE DO WITH THE TARIFF?

[By Thomas B. Reed, formerly Speaker of the House of Representatives.]

The elections for this year have taken place, and we have escaped the one great danger of democracy, which is the decision of great questions without discussion. But we have by no means got rid of the questions. We have now upon us the duty of discussing them with such care as will tend to decide them correctly. We have had a season of prosperity which has no parallel, even in our own remarkable history. There has been a movement of concentration, and business has been carried on on so great a scale that we are ourselves frightened by the tremendous shadow which we cast. We are not only exhibiting remarkable growth, but we are doing it in such fashion as to influence the Old World. In that suprising address which Mr. Carnegie has just delivered at St. Andrews, we can see depicted what the influence of forty nations united in one will be, and that it will force the countries of Europe, after due years and perhaps centuries, to such a union as will banish armies and wars. We may well hope for this, for the story of the world's march from feudalism and distraction to nationality and internal peace amply justifies his prophecies to those who can see that God works unceasingly and has all eternity under His command.

But our problem in this nation is of to-day, and if we do our duty of to-day the nation will find those who can take our places to-morrow.

All that is now happening is in accord with the nature of things. Displacing the old with the new is never without its complications and minor evils, which correct themselves in due time. All good progress, even that which is undoubted, has its temporary sorrows. One example, which takes innumerable forms, of this temporary sorrow which may be employed to illustrate the idea is the invention and use of labor-saving machinery. Upon such invention and use depends the whole material progress of the world. Nothing else could give us the abundance which characterizes our age. Yet, when any new labor-saving invention comes into use the first thing it does is to deserve its name by lessening the number of men who can work. Labor saved is, temporarily, labor lost. Men are discharged; the machine does what they used to do. Do you wonder, then, that men should resent this intrusion upon their sustenance and support? Some are too old to learn new trades, and for them there is no consolation. Yet, in the long run, new occasions spring up which employ this discharged labor, and the world has all it used to have and much besides.

Conservatism, or the unwillingness to welcome new things, has its uses. Most new things are not good and die an early death; but those which push themselves forward and by slow degrees force themselves upon the attention of mankind are the unconscious productions of human wisdom, and must have honest consideration, and must not be made the subject of unreasoning prejudice. Toward such a movement no one has a right to look askance. Above all, no one has a right to presume such a movement wrong. It may be wrong, but when business men all over a great nation pursue the same course, the presumption ought to be that they are right. Nevertheless, the first idea is to make them stop.

The history of corporations can be put into a few words. Men of sense are unwilling to risk their all in one enterprise or business. If they can limit their risks and if by union with others whose risks can be in like manner limited they can make a strong company, much idle money can be utilized and both capital and labor employed. On this basis, and the basis of easier management, corporations were formed and have gradually grown in full proportion to the growth of the world. In our day this growth has taken a new form. That form has been forced upon business men by competition with one another. If a number of concerns united to save expense and the duplication of management, others had to do likewise. These unions of capital have been forced upon the capitalist. This element of force we must all bear in mind if we wish to understand this question. Perhaps you think that men were glad to get into these unions and went cheerfully into combinations. Such was not the fact. Men hated to give up their independence. They and their fathers had built up their business. They were proud of their success and meant to leave their establishments to their children. In the new combination only one could be the head. The others must go out or take rear seats. Then came the task of valuing, which encountered the natural unwillingness to have others do better than we do, until the task of consolidation grew almost impossible. Why was it not absolutely impossible? Simply because of the murderous competition. It was union or bankruptcy. Of course, after there had been a few examples, it became easier. The rising tide of prosperity helped also, because it raised not prices only, but values, and men were reconciled by getting more than they had hoped for, though they got no more than belonged to them. It would be natural here to say, why not let competition go on? What we want is the results of competition—low prices, so that we can buy all we want. The answer to this can be made, and it is worth attention. With small factories scattered around and a country store in every village, competition did insure us low prices, but did not escape the evils we will hereafter speak of. So long as competition could be carried on on the basis of living and letting live, all went well; but, as capital grew in amount and mills in size, competition became more violent and property ceased to make returns. Now, the doctrine of competition, most invaluable in its way, has its limitations. Being human, it is not an unmixed good. Destructive competition is an evil. The world can not afford to have a trade which does not pay a fair profit. Hence, when a trade ceases to offer a fair profit, there has to be a remedy, and the remedy chosen here was in reality not a new one. It is impressive upon us at this time on account of its size. In a small way it has gone on ever since business became business.

But are we to be exposed to the mercy of those people who pile up millions, and have we no remedy by law or constitutional amendment? Yes; we have many remedies on the stump and in the newspapers. But the experience of mankind is universal that Providence has not left us to the stump orator or the newspapers, or even to the statesman. Somehow—after much blundering, perhaps, but somehow—every new movement has in itself the element of protection of the race. For instance, we are all afraid of monopolies; we fear that somebody by some new scheme will squeeze us permanently, and yet that has never happened. But, you will say, what can prevent these great aggregations of capital from charging what they like? The answer is that what prevents them from charging an unfair price is the well-founded fear that they will thereby risk and lose the vast sums already piled up. In other words, the same state of the world, the same general wealth, which enabled one big pile of capital to get together will enable a larger pile to get together and, by means of more modern machinery, to destroy the attempted monopoly. When one set of capitalists of great renown a year or two ago attempted to take control of Pacific business the undertaking was not so vast as to prevent men whose names were up to that time but little known from meeting them and making, at least, a drawn battle. The fact is that every business man now knows that the only monopoly anybody can get, except the temporary one of patents, to which no one objects, is by producing some article cheaper and selling it cheaper than any other maker. Whether such a monopoly is obnoxious and to be stamped out I leave to the wise declamation of the friends of the people.

It would be a good plan if somebody who believes in the efficacy of legislation would sit down and draw his statute and put into words his constitutional amendment and see where he would arrive. "Error," says the wise Latin, "lurks in generalities." To talk of doing something by means of something, if you do not specify the something to be done or the way to do it, is a waste of time.

After all the language which has been used about the great corporations one is a little surprised at the lack of specification. Almost everybody announces that what we need is "publicity." Even this is vague. Do you expect the public to be intrusted with the cost sheets? If you do not, then what will your publicity amount to? If you mean by "publicity" such a statement as will enable the outsider to buy wisely or the stockholder to sell at the true value, I fear we may be going beyond the province of free government, which certainly thus far has left the task of keeping his fingers out of the fire to the citizen whose fingers they were.

But can not we stop this stock watering? Must we not do it? Well, the value of stock is very much a matter of opinion. It will be noticed that the stock of one of our greatest companies can be bought for less than $40. The par value is $100. In the judgment of the world there is 60 per cent water, and in the market the water is squeezed out. Could a legislature do it more effectually? As that same stock sold at 55, there was a time when there was only 45 per cent of water. It is proposed in the new constitutional amendment to specify how often the test for water is to be applied? Are the stockholders to be assessed daily for the variations of each day, or are the directors to be indicted daily? Shall officers of the Government determine the value, or the public in open market?

There is a piece of wisdom as old as the world, which is worthy of all consideration. Let us not be in haste about great matters. When you don't know what to do, don't do it. If the proposition is to press an oak back into an acorn, it had better be carefully considered.

The proposed treatment of corporations, even if something ought to be done, is a fine example of how easily men mistake their wishes for their reasons. It is proposed to repeal such portions of the tariff act as have made these corporations prosperous. Of course, this is not intended to attack the tariff. All we are trying to do is to sap the prosperity of institutions which have grown so large as to frighten us. Why do they frighten us? Because they are great and strong and wealthy. Of course, then, their greatness and strength and wealth are fundamental facts beyond dispute. No tariff law, of course, can be made which does not apply to all. Hence, if the tariff is so reformed that the big, strong, and wealthy corporations go to destruction, how are the small ones to be saved? Really, to the calm and judicious mind this seems like free trade for its own sweet sake.

Protection in some lands may be the subject of discussion and debate. How it can be that in this country, and at this time, passes all understanding. In the United States the policy of protection has had a century and a quarter of alternate triumph and defeat. The triumph has always been followed by prosperity, the defeat by hard times. The last decade has been of striking example. We saw fit to try tariff reform in an act called the "Wilson Act." So prompt were the evidences of failure to meet the hopes of its framers that the country rose as one man, repealed the act, and substituted therefor the Dingley Act, which was the result of care and skill; and immediately there followed a demonstration of the advantages of protection, the like of which was never seen, even in this country. Owing to a combination of circumstances, we found other countries ready to take our surplus; and owing to the fact that we had not fairly started our demands on our own workshops, we had a surplus to send abroad. This large export trade was misunderstood. It only indicated that, with strong prices abroad, with England paralyzed by a strike, and with our own demand only just awakening, we could send many things abroad. It did not mean that we could always do this. It meant that the primacy was in sight, but not yet gained. When our own demand reached its proper increase we found we could not supply it. On the contrary, we used up not only what we made, but in the articles of iron and steel alone we have imported in the last year a million tons. Unfortunately, our exports came at a time when we were expanding, and everybody's mind was filled with the idea that we could supply the world. The free traders seized upon this state of the public mind and declared that we needed protection no longer and that the tariff must be abandoned. This idea that protection is in the nature of medicine, to be dropped as soon as possible, is an idea we had better examine. What if it is food? The medicine notion comes from the early arguments for the selection of infant industries to be fostered and cherished. Time and experience have enlarged that notion of protection. They have shown that protection is not a privilege, but a system. A privilege must be robbery. A system must justify itself by results. The principle which underlies protection is the securing at all times to the American people the markets of America. It means that the work of this nation shall be done by the people of this nation. All wealth comes from the marrying of labor to the raw material. In a country like ours, extending over such vast regions, there can be no lack of materials. Any system which enables our people to do our own work is the system which can give, and has given, the best results. The enemy have all along sneered at the idea that taxes can make us rich. But this is simply to beguile by words. Would it be any less absurd to say that taxes gave us good currency? And yet they did. We tax State currency. We do not raise one cent by the tax; it simply bars out the State currency. We used the tax as a way of accomplishing a result—as means to an end. In like manner, we used the taxing power to create a barrier behind which we could do our own work. All the theorists—the men who thought there was nothing in the world they could not think of—declared that we would be ruined. We have not been ruined, but we are to-day a very lively example of a people who do their own work. What would you say was the ideal industrial condition of a nation? Everybody at work. Just now we have everybody at work. And yet we think we want something else. If we keep on fussing we shall get it. With all the world except England, including her own colonies, of our opinion, with success embroidered on all our banners, we are invited to surrender our views and give place to a beaten world.

Why? Simply because of that human unrest which is part of the history of the race. We, being also of limited knowledge, are much given to be beguiled by generalities. Here is one line of generalities. Is the Dingley tariff bill the end of wisdom? If not, then it can be improved. A tariff bill could be framed, we think, which would be free from all the errors of that celebrated bill and retain its virtues. Where would you enact such a bill? Why, in your own mind, of course. Unfortunately, a bill enacted in the mind has no extraterritorial force. A bill enacted by Congress, like the progress of the world, is the result of a fierce conflict of opposing human interests, and must be so. When men talk carelessly of tariff revision, they talk of a tariff never yet established, and one that never can be. They dream of a tariff which exactly suits them individually, while a real tariff bill is one which measurably satisfies the country as a whole.

But can we not have, sitting in perpetual session, a body of men nonpartisan, judicious, wise, and incorruptible? Yes; in your mind. You can have anything in your mind. Imagination is unlimited, and it is very delightful to wander round among possible impossibilities. Just think of a nonpartisan free trader sitting on a tariff tax! Of course he would be above any prejudice except his own. I saw one tariff commission sit in 1882, and its report was not enacted into law. All its mistakes were, and the result was satisfactory to nobody.

What we had better do is to remember where we are and what our dangers are. Enterprises of business are not entered upon by helter-skelter. They are the result of calculation. One of the first inquiries of the promoter or maker is, How many of our present conditions are to remain? If there are to be uncertainties in the future he will not dare to act. What can you imagine that would dampen a business man's ardor more than to be called on to guess what a new tariff bill would be! The prophetic instinct in the human creature is there beyond its limit.

We ought to let the tariff alone; we ought to defend it against all comers for the good of the nation. We are doing more than well and need not hunt for disaster. That will come in due time.

Meanwhile, let us see what people are trying to do. Nobody dares to attack the tariff directly. Every effort against it is a flank attack. The tariff is to be changed, not because it has not produced prosperity, but because it has produced large corporations. We so hate and fear large corporations that we will destroy prosperity rather than not destroy them. To argue such a proposition would be a discredit to the American people. The most plausible attack has come from the demand for reciprocity. In my judgment, it will be found that, when the glittering generalities of reciprocity are refined down to actual statement of what is proposed, the American people will never have it. The history of reciprocity the world over has been that any treaty thus far devised has been one-sided, and the country losing has put an end to it. We tried it with Canada. Our export trade increased 13 per cent and theirs increased in eleven years 500 per cent. That treaty no longer exists. We had one with the Sandwich Islands, and on the average we gave them $5,000,000 remitted sugar duties a year, and sold them $4,000,000 worth of goods. In other words, we gave them all our exports and $1,000,000 besides. This is what the friends of free trade were trying to do for Cuba when we were so apprehensive that that island would be ruined if we did not give in charity what had no foundation in justice.

Protection, I repeat, is a system, and is justifiable because it is of general application. The whole nation gets the benefit of it. If you will examine reciprocity in detail you will find that, in nearly every case, the national revenue is sacrificed for the benefit of individuals. Hawaii alone cost us one hundred and one millions of unrequited dollars. Perhaps it may be a consolation to know that our own citizens, temporarily expatriated, were thereby greatly enriched. This example has led our citizens in Cuba to hope for like results, and they, too, are eager for remitted duties. But the scheme has been exposed, and Republicans must be blind, indeed, if they surrender any jot or tittle of protection of the beet industry in order to bestow largess upon citizens who expatriate themselves, while we refuse it to farmers who till our own soil. The low price of sugar in Cuba is the same low price which pervades all the West Indies, and is caused by the substitution of the beet, a better sugar producer than the cane. In a word, a great output of sugar lowers the price. Suppose a great grain crop sent prices down. Would we make it up to our farmers out of our Treasury? Of course not. If we can not do this thing to our farmers who stay at home, why should we do so to those who go abroad to develop other lands? When we recall the way in which Congress was made to believe that there was a great popular uprising in behalf of Cuba, and contrast it with the disclosures since made, we are amazed. Cuba had promises. By whom they were made, what they were, and when, nobody could ever tell. Mayors of towns just ready to starve sent us messages, and ruin or immediate action were the only alternatives. The whole year has gone and no ruin has come. This was simply a flank attack on protection, and many men were beguiled who had been its stanch champions. For the Republicans to desert the beet-sugar interest is to desert the farmer in the one conspicuous and clear case where his industry is fostered. Under the tariff as it now is all the sugar needed for this country can be made by the people of this country. That is in accord with our system. It is a part of our system, and should not be abandoned until the rest of it is abandoned. When we throw our markets open to the world in all things, then it will be time to do it for sugar.

Let us put this into a few words of a practical character.

We have a tariff carefully drawn, which has served us well. That tariff is only five years old. It has brought us away up on the hillside of success. It has no connection with great corporations, except what it has with small corporations and individuals. No attack by repealing the Dingley Act can hurt one without hurting all. Any disturbance of that kind would disturb trade in ways with which we are all too familiar.

A tariff bill at any time is not and can not be the creature of one mind. It means the result of a contest by all interests and all minds. Hence, whenever any man thinks of a tariff he would make, he always thinks of a tariff bill which will never be enacted.

There was once a President of the United States, of great power and influence. For four years he had no Congress behind him, and he dreamed of such a tariff-reform law as would suit him. By and by he had a Congress of his own party, and he started in to make such a law as would please both gods and men. There are those who remember the dismal looks of the Members of the House when they yielded to the Senate, and the averted looks of the President as he let the bill pass by, unsigned and friendless. To those men it became apparent, as it should be to the whole world, that the tariff enacted is always different from the act in your mind. Is the Republican party ready to open the box, knowing that, once it is opened, only hope is left behind?

THOMAS B. REED.

Mr. du PONT. Mr. President, among other communications which I have received on this subject is the one I send to the desk, which I ask to have read at the present time.

The VICE-PRESIDENT. The Secretary will read as requested, in the absence of objection.

The Secretary read as follows:

NEW CASTLE, DEL., *February 3, 1908.*

At a meeting of the Board of Trade of the city of New Castle the following resolutions were adopted:

Whereas realizing the advisability of removing the subject of the tariff, so far as is practicable, from politics and that modifications in the present tariff laws and schedules have become desirable in the present condition of our foreign commerce and to promote its further development; and

Whereas a bill (S. 3163) to create a tariff commission has been introduced by Senator BEVERIDGE, the composition of which is to be nonpartisan and which shall have ample time and means to thoroughly study the entire subject not only of our own tariffs, but of those of foreign countries, including the matter of the proper protection of our labor; and

Whereas we believe that such a commission will be best able to study, weigh, and recommend measures upon which Congress may act without undue disturbance to business and with justice to all interests: Therefore be it

Resolved, That this board of trade earnestly advocates the creation of a nonpartisan, able, and conscientious tariff commission, as set forth in Senate bill S. 3163, and we urge our Representatives to give their support and aid to its legal enactment regardless of party lines.

Resolved, That the secretary be instructed to forward a copy of these resolutions to Senator Hon. H. A. du PONT, to Senator Hon. H. A. RICHARDSON, and to Representative Hon. HIRAM R. BURTON.

WILLIAM E. ROTHWELL,
Secretary New Castle Board of Trade.

Mr. STONE. Mr. President, I congratulate the Senator from Indiana [Mr. BEVERIDGE] and the country that the distinguished Senator by his bill and by his speech shows his belief to be in common with that entertained by the Democrats and by a great number of Republicans, that a necessity exists for a reform of the tariff laws, and that this necessity is due to the fact that the operation and effect of the existing law is detrimental to the great industrial and commercial interests of the country. That has been and still is the conviction of the political party with which Senators upon this side of the Chamber are identified. Up until recently the undoubted prevailing, if not unanimous, sentiment of Senators upon the other side of the Chamber and the prevailing sentiment in the great party to which they are attached was that the tariff law known as the Dingley Act was the wisest and the best tariff law ever enacted in this country, and that its effect on the industrial interests has been beneficent in a high degree; and if the sentiment of that party can be estimated from what has been said by its leaders it is still the view entertained by a majority of Republicans. But it seems that a light has broken in upon Republican conception, and a rising revolt is abroad amongst them against the continuation of the schedules of the Dingley Act.

Mr. President, if there be no need of a tariff revision, if the existing law is for the good of the country and accomplishes good results, if it is for the best, if under its operation the industries of the country thrive and prosperity eventuates, why should we change it? Why discontinue a policy or change a law that brings only good to our country? But the Senator from Indiana believes, in common with many other leaders of his party, that to-day the effect of the Dingley schedules is harmful, harmful to our industries, and that therefore a necessity exists for their revision.

Mr. President, not only do Democratic Senators here hold to that view, and Democratic Members of the House, but it is a widespread conviction, a conviction which obtains not alone among Democrats, but among Republicans also; and for this latter I am profoundly gratified. And there is proof abundant that this belief exists outside as well as in the Congress; and it exists among manufacturers as well as others.

I have here a telegram giving an account of the proceedings of a meeting held on May 23, 1907, by the National Association of Manufacturers of the United States. This is an Associated Press dispatch printed in the St. Louis Republic. It says:

NEW YORK, *May 22.*

The National Association of Manufacturers of the United States went on record to-day as in favor of a revision of the tariff at the earliest opportunity and the negotiations of more reciprocity treaties.

A lively debate preceded this vote upon the report of the committee on tariff and reciprocity. The committee based its recommendations on a poll of the 3,000 members of the association.

Of the total number replying 55 per cent declare for immediate revision, while 20 per cent expressed a "hands-off" sentiment. Eight per cent believe that the time for revision had not arrived and the other 17 per cent expressed indifference.

Now, the point is that a majority, a good large majority of the members of this great manufacturers' association, declare in favor of a revision of the tariff, not some time in the future, but an immediate revision.

Mr. BEVERIDGE. Will the Senator from Missouri permit me?

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

Mr. STONE. I do.

Mr. BEVERIDGE. The Senator will permit me to say that I am possibly more familiar with the manufacturers' association's attitude than he is, having been in communication with them. That association, which I suppose is the greatest body of manufacturers in the world, is not in favor of a revision of the tariff by the hop, skip, and jump plan, but is in favor of the immediate appointment of a nonpartisan commission which shall find out the facts, prepare the schedules, and submit them to Congress, and then it is in favor of a revision upon the work of that commission.

I know that the Senator, who is very fair, does not want to leave out any element of fact in any statement he makes. That is the situation.

Mr. STONE. What the Senator says may be true. He says it is true and, therefore, I accept it, because he seems to speak by authority. But that does not concern the immediate point I was endeavoring to make. I was not talking about the method or the best way of revising the tariff, whether by a commission or by an act of Congress in the first instance, or by some other method. I was simply endeavoring to impress a single fact—that a large majority of this manufacturers' association, which the Senator from Indiana says is the largest in the country, if not in the world, demanded according to the terms of its own resolution an immediate revision of the tariff.

Hence some harm must be resulting to the manufacturers themselves from the operation of the tariff schedules, and that harm does result to them I have no doubt. If we were upon a tariff debate proper it would not be difficult to point out some of the disadvantages. That the farmers of the country are beginning to demand a revision also; that there is a rising sentiment among them in favor of it I have no doubt, and that there should be is beyond question.

Mr. President, the farmers constitute as a class the greatest body of consumers, and they are the greatest sufferers from the iniquities of our tariff system. Let me give one or two examples. They are the sole consumers of agricultural implements.

Mr. CLAPP. You do not mean the farmers consume the machines? They use them.

Mr. STONE. That is consumption.

Mr. CLAPP. Oh, not necessarily. There is a vast difference.

Mr. STONE. I suppose the Senator from Minnesota thinks "consumption" means eating. In that sense I accept the correction. They do not eat them, but they do use them, and in that sense consume them.

I heard the Senator from North Dakota [Mr. HANSBROUGH] declaim vehemently here the other day against the harvester trust, a great organization with headquarters at Chicago, I believe, controlling to a very great extent the manufacturing plants of the country engaged in the manufacture not only of harvesters, but of other kinds of agricultural machinery. He told us that by reason of the combination of the manufacturers who constitute the trust they had destroyed competition and were enjoying an absolute monopoly in the manufacture of such implements. He said that by reason of the opportunity afforded by that monopoly they had within a year advanced the price of harvesting machines used in his State and the surrounding States from one hundred to a hundred and fifty dollars. What is true in that particular instance and with respect to that particular machine is relatively true with reference to other agricultural machines, and under such circumstances it seems to me the farmers of the country ought to be in favor of a radical revision of that schedule.

Mr. CLAPP. Mr. President——

The PRESIDING OFFICER (Mr. CURTIS in the chair). Does the Senator from Missouri yield to the Senator from Minnesota?

Mr. STONE. Certainly.

Mr. CLAPP. Does the Senator attribute the advanced price of harvesting machines to the tariff, which has remained the same in that respect for some years?

Mr. STONE. Is that the Senator's question?

Mr. CLAPP. That is one of them. I have another one to ask after you have answered that one.

Mr. STONE. I think so, very largely.

Mr. CLAPP. Then to what do you attribute the recent decrease in the price of lumber with no corresponding change in the tariff?

Mr. STONE. What has been the recent decrease in the price of lumber?

Mr. CLAPP. There has been a decrease in the last sixty days.

Mr. STONE. I suppose it is due to the lack of consumption.

Mr. CLAPP. Unquestionably.

Mr. STONE. And the lack of consumption is due, if not wholly, in large part, to the excessive prices demanded for lumber. I will speak of lumber in a moment.

Mr. President, I do not contend that the advance in agricultural machinery, the high price that is charged consumers for it, is due wholly to the tariff, but more to that than to anything else or all things else combined. It does afford the opportunity of establishing a monopoly, because the tariff upon such machinery is so high that it prevents importation, and foreign or outside competition is impossible. All that the gentlemen who organized this trust had to do was to get control of the manufacturing establishments in this country and then shelter themselves behind the tariff wall and grind and grind as far as the needs and abilities of the consumer would permit.

See the difference between the policies of the Republicans and the Democrats as to that particular schedule and as it relates to agricultural machinery. In 1894, under the Wilson bill, agricultural implements were on the free list, but in 1897, under the Dingley law, an ad valorem tax of 20 per cent was placed upon them.

Now, my friend the Senator from Minnesota speaks of lumber. Lumber in 1894 was made free. Scarcely had the schedule become operative and its effect well known when the Dingley bill was passed, and a tariff of from $1 to $3 per thousand feet board measure was put upon sawed lumber.

Mr. CLAPP. Does not the Senator misspeak himself? Was not the tariff $2?

Mr. STONE. Yes, $1, $2, and $3. It runs upon a scale. I have the statute here, if the Senator cares to see it.

Mr. CLAPP. You may be right about it, but I question it.

Mr. STONE. I am right.

Sawed boards, planks, deals, and other lumber of whitewood, sycamore, and basswood, $1 per thousand feet board measure; sawed lumber, not specially provided for in this act, $2 per thousand feet board measure; but when lumber of any sort is planed or finished, in addition to the rates herein provided, there shall be levied and paid for each side so planed or finished 50 cents per thousand feet board measure; and if planed on one side and tongued and grooved, $1 per thousand feet board measure; and if planed on two sides and tongued and grooved, $1.50 per thousand feet board measure; and in estimating board measure under this schedule no deduction shall be made on board measure on account of planing, tonguing and grooving.

And so on along a scale.

Mr. President, this prohibitive tariff made the lumber trust possible. It made it possible for manufacturers and dealers in lumber products to extort almost at pleasure from the consumers. I am in favor, Mr. President, of a revision of the tariff. I am in favor of having it, not at some indefinite time in the future, although I would be glad to have it any time, but I want it now and as speedily as possible. We ought to have a revision now, this session; and after the law is made more reasonable and just than it is we can talk about a commission.

Mr. President, the Senator from Indiana did not tell us when we could expect a report from this commission and its deliberations brought here for the consideration of Congress. He did not indicate to us when we could hope to have a tariff revision by the means he proposes. I am sure it was not his intention; nevertheless it might be that this proposal could be made an excuse for further delay. The demand from the great industrial interests of the country is for an immediate revision, but I do not see it on the way just now.

I saw in the papers this morning that one of the Senators from Massachusetts and a presiding officer of another legislative body gave it forth on yesterday flatfooted, that the country could not have a tariff commission or tariff revision, and I do not believe, sir, that we can expect any early action or any favorable action on these tariff schedules from the Republican party.

My friend the Senator from Indiana would divorce the tariff question from politics. It is impossible. It is essentially to-day, as it has been throughout our history, a party question. This is so because the parties are radically divided upon the fundamental principles underlying tariff laws. I do not believe a wise or just revision of the tariff will be had now or for years to come if the revision is to be left to the Republican party.

Mr. President, how does the Republican party to-day stand on the question of revision? Here are some expressions which I have from several great Republican leaders showing how widely divergent their views are. On December 5, 1906, Secretary Taft, in a public speech at Bath, Me., said, as reported in the Kansas City Star:

Speaking my individual opinion and for no one else, I believe that since the passage of the Dingley bill there has been a change in the business conditions of the country making it wise and just to revise the schedule of the existing tariff. The sentiment in favor of a revision of the tariff is growing in the Republican party, and in the near future the members of the party will doubtless be able to agree on a reasonable plan.

Secretary Taft later, on October 27, 1906, speaking at Cleveland, Ohio, said what I shall read, taken from a report of his speech printed in the Washington Post the following day.

Secretary Taft in his opening speech—

Says the dispatch to the Post—

Secretary Taft, in his opening speech in the Ohio campaign to-night, declared in terms stronger than any he has hitherto used for a revision of the tariff. Changed conditions since the passage of the Dingley bill require revision, he asserted, to remove inequalities and excesses, while retaining the system of protection.

Secretary Taft, on the strength of such mild expressions as I have read, has been set down as an earnest and progressive tariff revisionist. The venerable senior Senator from Illinois [Mr. CULLOM] is put into the same category. I read from the St. Louis Republic, of August 19, 1906, as follows:

Senator CULLOM is a friend of the "Iowa idea," although probably not so radical in his views as Governor Cummins. Much to the surprise of everyone who listened to his comments, the Senator made his attitude known when replying to a question as to what he thought of Speaker CANNON'S speech before the Danville convention.

"All in all," he said, "it was an excellent speech. However, he went a little too stiff on the 'stand-pat' issue. We must not lead people to believe that there is no hope of ever changing the tariff schedules, or they might put us out of office."

Actuated by that fear, not for himself perhaps, but for his colleagues, he has aligned himself with the so-called "Republican revisionists." The senior Senator from Illinois is also reported in the Washington Post of November 11, 1907, as saying:

If we are to revise the tariff, and there seems to be a demand for it, we ought not to postpone it.

But if the bill introduced by the Senator from Indiana or any like measure is passed, the Lord only knows, if we wait upon it, when a serious effort will be made to revise the tariff.

I have other opinions here from Republican leaders like Governor Cummins, who favor a tariff revision, but I do not care to occupy too long the time of the Senate by reading them.

I have also some expressions from distinguished Republicans on the other side of the question in opposition to any tariff revision. Among them is a reported interview with the junior Senator from Illinois [Mr. HOPKINS], printed in the Washington Herald of July 17, 1907, in which he is reported as saying:

I talked tariff revision with President Roosevelt during most of my visit, and I gained the impression that there will be no tariff revision until after the next Presidential election.

He does not seem to agree with his venerable colleague. On the contrary, he wants to postpone a revision because of the exigencies of politics until after the next Presidential election. This Senator from Illinois regards it as a political question, and the President evidently regards it as a political question or else he would have sent a message here urging us to take up this important legislation at once, instead of procrastinating indefinitely.

Here is something from Speaker CANNON, printed in the Globe-Democrat, of St. Louis, May 24, 1907. The Speaker is reported as saying:

These dispatches have indicated the attitude of Mr. CANNON on the tariff question. It is clear that whatever may be the views of Mr. Taft, who recently made a tariff revision declaration, or of other of the advisers of the President, the Speaker gives no encouragement to tariff revision agitation. Neither did the Speaker assent to a suggestion put forward recently that the next Congress commit itself to future revision by resolution.

Then here is an expression from the senior Senator from Ohio [Mr. FORAKER]—it is rather interesting reading—taken from the Washington Herald of July 27, 1907. The senior Senator from Ohio is quoted as saying:

I'm not a candidate for office, but if I should be I wouldn't get the lockjaw. I don't have to hold office to live. Secretary Taft is reported to have said no longer than day before yesterday that he wanted tariff revision. Former Governor Herrick said he wanted it, too. I don't wonder. Congressman Burton, who is said to want my place in the Senate, is another who wants revision. I'd like to know where these men who want to be candidates are to begin to revise. They say Taft is going to run for President. I understand he has come to Ohio to make a speech at Columbus. I hope he'll tell us how he is going to revise his tariff.

So that Senator seems to be among the antirevisionists. I will make one further quotation. This is from the American Economist, the organ of the American Protective Tariff League, of date January 3, 1908:

Nothing can beat Bryan for the nomination. Bryan will be the Democratic nominee upon a platform sufficiently loyal to free trade and hostile to protection to command the support of even the World itself. And Bryan will, as usual, be beaten at the polls, unless, perchance, the Republicans make the fatal mistake of nominating some man like Taft, who will try to meet Bryan halfway on the tariff question. In that event Bryan will be elected, and he ought to be elected.

I read these excerpts from interviews, dispatches, and editorials to show the division of sentiment and purpose among the men who form and direct the sentiment and policy of the Republican party. I have no doubt, as I have already said, that a very large proportion of the Republicans of the country, a majority of them perhaps, are opposed to intermeddling with the tariff schedules. That may be true—I think it is possibly—because of the expressions given by so many of the eminent men of the party. But, on the other hand, that there is a very large number of Republicans in all the avenues of our industrial life who are insisting urgently and persistently for a real revision of the tariff is equally clear. But those Republicans may as well understand now as later that they will get no real revision under Republican auspices.

If the covert threat, aye, the open threat, of the Economist should develop into a reality, if Taft and Bryan should be the candidates of the two parties, as now seems probable, and Mr. Bryan should be elected President, with a Democratic House, then we will begin a safe and conservative revision of the tariff, a revision along wise and well-considered lines, that will take into consideration the rights of the consumers as well as of all others, and do this so as to disturb as little as possible the legitimate business of the country; but, so far as the tariff is responsible, we will make the existence of these monstrous, sinister, and selfish trusts, of which such just complaint is made, impossible.

LANDS IN CARLTON COUNTY, MINN.

Mr. KEAN. I was going to move an executive session, but the Senator from Minnesota [Mr. CLAPP] asked me to yield to him.

Mr. CLAPP. I ask unanimous consent for the present consideration of the bill (S. 3932) authorizing the Secretary of the Interior to convey to the State of Minnesota certain lands in the county of Carlton, Minn., and for other purposes.

The Secretary read the bill, and, there being no objection, the Senate as in Committee of the Whole proceeded to its consideration.

The bill was reported from the Committee on Indian Affairs with amendments.

The first amendment was, in section 1, page 2, line 5, after the word "quarter," to strike out "northeast quarter of southwest quarter, south half of" and insert "all of the," so as to make the section read:

That the Secretary of the Interior is hereby authorized to convey to the State of Minnesota the following-described tracts and parcels of lands, situate in the county of Carlton, State of Minnesota, and described as follows, to wit: All of section 36, township 49, range 18, except east half of northeast quarter; and all of section 31, township 49, range 17, except southwest quarter of northwest quarter and southeast quarter of southeast quarter; south half of southeast quarter, south half of southwest quarter, northeast quarter of southeast quarter, and south half of northeast quarter, all in section 30, township 49, range 17; northeast of northwest quarter, south half of northwest quarter, all of the southwest quarter, and south half of southeast quarter and northeast quarter of southeast quarter, section 29, township 49, range 17; north half of northwest quarter, southwest quarter of northeast quarter and southeast quarter, section 32, township 49, range 17, upon receipt by said Secretary of the Interior of the sum of $1.25 per acre to him paid by any person or persons on behalf of said State of Minnesota.

The amendment was agreed to.

The next amendment was, in section 2, page 2, line 18, after the word "range," to strike out "seventeen" and insert "eighteen;" in line 22, after the word "seventeen," to strike out "northwest quarter of southwest quarter;" on page 3, line 1, after the word "southwest," to insert "quarter;" in line 2, after the word "northwest," to insert "quarter;" in line 6, after the word "them," to insert "or their heirs;" in line 7, after the word "Minnesota," to insert "upon such allotment being first appraised by the Secretary of the Interior;" and in line 10, after the word "fee," to insert "and the proceeds of such allotment in case of an incompetent Indian shall be held and disposed of as provided by the act of March 1, 1907, 34 Statutes at Large, pages 1015 to 1018," so as to make the section read:

SEC. 2. That all restrictions on alienation as to any allottee or allotment embraced in the following-described lands, to wit: East half of northeast quarter, section 36, township 49, range 18; southwest quarter of northwest quarter, section 31, township 49, range 17; north half of northeast quarter and southeast quarter of northeast quarter, section 32, township 49, range 17; and northwest quarter of northwest quarter, northwest of southeast, section 29, township 49, range 17; north half of northeast quarter, northwest quarter of southeast quarter, north half of southwest quarter, southeast of northwest quarter, section 30, township 49, range 17; southeast of southeast, section 25, township 49, range 18, are hereby removed in so far that said allottees or any of them or their heirs may convey their allotments to the State of Minnesota upon such allotment being first appraised by the Secretary of the Interior, and in that case the trust patent heretofore issued for such allotment shall be deemed and be a patent in fee, and the proceeds of such allotment in case of an incompetent Indian shall be held and disposed of as provided by the act of March 1, 1907, 34 Statutes at Large, pages 1015–1018, or any Indian holding an allotment upon any of the lands described in this section may file with the Commissioner of Indian Affairs a relinquishment of said allotment and have the right to take another allotment of any unallotted lands subject to allotment in said State of Minnesota, provided that such relinquishment be accompanied by the sum of $1.25 for each acre covered by such relinquishment, to be turned over to the Secretary of the Interior and disposed of as hereinafter provided.

The amendment was agreed to.

Mr. BACON. Is there a report accompanying the bill?

Mr. CLAPP. Yes, sir; there is a report, and a recommendation from the Indian Office.

Mr. BACON. If it is not too long, I should like to hear it read, or, if it is long, perhaps the Senator from Minnesota can state briefly what the bill proposes to do.

Mr. CLAPP. I will state it.

These were Indian lands covered by the act known as the "Nelson Act" of 1889, which provided that the timber should be sold and the proceeds placed in the Treasury to the credit of the United States, and then the land would be subject to homestead entry at a dollar and a quarter an acre. There are about twelve hundred acres there that the people of that community want to make into a forest reserve. The bill provides that the Secretary of the Interior may deed the lands to the State of Minnesota for one dollar and a quarter an acre, the Indian, of course, getting just the same as he would had the original law gone forward.

All the land is now covered by contracts for the purchase of timber, as appears by a letter from the Land Office attached to the report. So all there is about the bill, instead of the land now going to individuals it will be deeded to the State and the people there put up the money to pay for it.

Mr. BACON. The Indians get the same as they would get if private individuals bought it?

Mr. CLAPP. Precisely; just the same.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXECUTIVE SESSION.

Mr. KEAN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After one hour and twenty-two minutes spent in executive session the doors were reopened, and (at 4 o'clock and 50 minutes p. m.) the Senate adjourned until to-morrow, Thursday, February 6, 1908, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *February 5, 1908.*

The House met at 12 o'clock m.

Prayer by the Chaplain, Rev. HENRY N. COUDEN, D. D.

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

COMMITTEE ON IMMIGRATION AND NATURALIZATION.

Mr. HOWELL of New Jersey. Mr. Speaker, I ask unanimous consent for the present consideration of the following resolution:

The Clerk read as follows:

Resolved, That the Committee on Immigration and Naturalization be authorized to have such printing and binding done as may be required in the transaction of its business during the Sixtieth Congress.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The question was taken, and the resolution was agreed to.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. CROCKETT, its reading clerk, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

An act (S. 39) to correct the military record of Otis C. Mooney.

The message also announced that the Senate had passed, with amendments, bill of the following title, in which the concurrence of the House of Representatives was requested:

An act (H. R. 14766) making appropriations to supply urgent deficiencies in the appropriations for the fiscal year ending June 30, 1908, and for prior years, and for other purposes.

SENATE BILL AND JOINT RESOLUTION REFERRED.

Under clause 2, Rule XXIV, Senate bill and joint resolution of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 39. An act to correct the military record of Otis C. Mooney—to the Committee on Military Affairs.

S. R. 18. Joint resolution appointing a commission to investigate methods of operation of coal and other mines and recent mining disasters in certain States of the United States—to the Committee on Mines and Mining.

JOSEPH C. M'ELROY, DECEASED.

Mr. HUGHES of West Virginia. Mr. Speaker, I present the following report from the Committee on Accounts.

The Clerk read as follows:

Resolution in lieu of H. Res. 164.

Resolved, That the Clerk of the House be, and he is hereby, authorized and directed to pay, out of the contingent fund of the House, to Benjamin L. McElroy, Jessie Bridgeman, Myrtle E. James, and Joseph C. McElroy, jr., heirs of Joseph C. McElroy, deceased, late Postmaster of the House of Representatives, the balance of his salary for the fiscal year ending June 30, 1908, from the date of his death, August 21, 1907, to be divided equally among said heirs, and an additional amount for the payment of the funeral expenses of the said Joseph C. McElroy, upon vouchers approved by the Committee on Accounts.

The SPEAKER. The question is on agreeing to the resolution.

Mr. WILLIAMS. Mr. Speaker, I do not see the minority Members just at this moment. Will the gentleman please explain the general purport of the resolution? Is this simply for funeral expenses?

Mr. HUGHES of West Virginia. It is for funeral expenses, and also the balance of a year's salary. It is the customary resolution.

Mr. WILLIAMS. That ought to be done, no doubt.

Mr. HUGHES of West Virginia. I yield five minutes to the gentleman from Ohio [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. Speaker, I thank the gentleman from West Virginia for giving me a moment of time to say a word in regard to the late Postmaster of the House, whom I esteemed very highly as a warm personal friend. It is also, I assure gentlemen of the House, a matter of very sincere gratification to me that the first words that I should seem called upon to speak in this House should be in behalf of one who was not only, in a way, an appointee, but the companion in arms and the very warm personal friend of the very distinguished gentleman who so long represented in this House the district of Ohio which I have now the honor to represent.

Capt. Joseph C. McElroy was born near the village of Racine, upon the Ohio River, in Meigs County, in the year 1831, and except for three years that he spent in the gold fields of California, and four years in the Union Army, he passed all of his life in or near that village. In 1861 he enlisted in Company K of the Eighteenth Regiment of Ohio Volunteer Infantry, a regiment of which Col. Charles H. Grosvenor was the commander. He served with that regiment all the years of the war and took part in the battles of Stones River, Chickamauga, Chattanooga, and the other battles in which the Army of the Cumberland was afterwards engaged, and everywhere he showed the same devotion to duty that he showed in connection with his office here. He came back to his native county and was elected its sheriff, and afterwards ably represented his county in the legislature of Ohio. In 1895, upon the nomination of General Grosvenor, he was chosen to be the Postmaster of this House, and for twelve years, until his death in August last, he served faithfully in that position.

I am sure that to those of you who knew him here he commended himself always by his uniform kindliness, cheerfulness and courtesy, and I believe that the Members of this House, especially those who knew him best, will take pleasure in favoring this resolution. [Applause.]

The resolution was agreed to.

ASSISTANT CLERK TO COMMITTEE ON FOREIGN AFFAIRS.

Mr. HUGHES of West Virginia. Mr. Speaker, I also offer the following.

The Clerk read as follows:

Resolved, That there shall be paid, out of the contingent fund of the House, for the services of an assistant clerk to the Committee on Foreign Affairs, a sum equal to the rate of $1,600 per annum until otherwise provided by law.

The report (by Mr. HUGHES of West Virginia) is as follows:

The Committee on Accounts, to whom was referred House resolution No. 45, have had the same under consideration and recommend its adoption with the following amendment:

In line 4 strike out the word "six" and insert the word "four."

This resolution provides for the services of an assistant clerk to the Committee on Foreign Affairs, at a salary of $1,600 per annum. If the resolution be passed as amended, the salary will be $1,400 per annum, and it is thought by your committee that this will be a commensurate salary. The Committee on Foreign Affairs is the only committee having jurisdiction of one of the annual appropriation bills which has not the services of an assistant clerk, and the chairman of that committee has convinced us that the work of the committee has grown to such volume and importance as to warrant the employment of an additional clerk. Besides the consular and diplomatic appropriation bill, the committee is engaged in the matter of determining upon the places where new buildings shall be erected for the accommodation of our consular and diplomatic representatives abroad. For these and other reasons presented to your committee, and in view of the fact that all of the larger committees of the House have assistant clerks, the resolution is favorably reported with the amendment indicated.

Mr. WILLIAMS. Mr. Speaker, I was engaged in conversation with a Member at the moment and did not hear this resolution read.

Mr. HUGHES of West Virginia. I will say for the information of the gentleman that this is for an assistant clerk to the Committee on Foreign Affairs. The work of that committee has increased so much that it was demonstrated to the committee that they needed this additional clerk. This is a unanimous report from the Committee on Accounts.

The committee amendment was agreed to.

The resolution as amended was agreed to.