By Mr. McDERMOTT: Joint resolution of the Illinois Legislature making application to the Congress of the United States for the calling of a convention for the purpose of proposing an amendment to the Constitution of the United States granting the Congress of the United States the power to prevent and suppress monopolies throughout the United States by appropriate legislation; to the Committee on the Judiciary.

By Mr. McGILLICUDDY: Petition of R. W. Brown and others, favoring reduction in the tariff on sugar; to the Committee on Ways and Means.

By Mr. SABATH: Resolution of Illinois Manufacturers' Association, urging on Congress the imperative need for an amendment of the corporation-tax law whereby it shall be made permissible for corporations and companies to make returns as of the close of their fiscal year; to the Committee on the Judiciary.

Also, joint resolution of the Illinois Legislature, making application to the Congress of the United States for the calling of a convention for the purpose of proposing an amendment to the Constitution of the United States granting the Congress of the United States the power to prevent and suppress monopolies throughout the United States by appropriate legislation; to the Committee on the Judiciary.

Also, resolutions of the Third National Peace Congress, urging the adoption of an arbitration treaty with Great Britain; also other resolutions in the cause of peace; to the Committee on Foreign Affairs.

By Mr. SLOAN: Resolutions of the Socialist Party of Fairbury, Nebr., requesting congressional inquiry into the abduction of John J. McNamara; to the Committee on Labor.

By Mr. WOOD of New Jersey: Resolutions adopted by Local No. 140, International Union of Metal Polishers, Buffers, Platers, and Silver and Brass Workers of North America, of Trenton, N. J., urging immediate action by the House of Representatives on the resolution of investigation of the lawfulness of the acts of the arrest of John J. McNamara, introduced by Mr. BERGER; to the Committee on Rules.

Also, resolutions adopted by the First Congregational Society of Bernardsville, N. J., urging the support by the House of Representatives of such treaties as may be submitted and all such measures as may be proposed for the promotion of international peace; to the Committee on Foreign Affairs.

Also, resolution adopted by the board of street and water commissioners and approved by the acting mayor of the city of Newark, N. J., re diversion of water from New Jersey to Staten Island, N. Y.; to the Committee on Rivers and Harbors.

HOUSE OF REPRESENTATIVES.

FRIDAY, *June 9, 1911.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, we bless Thee for all the revelations Thou hast made of Thyself and for the hopes and promises of the future. Thou art an imminent God, ever working in and through Thy children. The last word has not been spoken, the last revelation has not been made. Make us, therefore, susceptible, that we may hear Thy voice, feel Thy presence, and go forward with unfaltering footsteps to larger attainments for ourselves and for all the world, and Thine be the praise through Jesus Christ our Lord. Amen.

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

WITHDRAWAL OF PAPERS.

Mr. KAHN, by unanimous consent, was given leave to withdraw from the files of the House papers in the case of Glasgow C. Davis, H. R. 10727, without leaving copies, no adverse report having been made thereon.

STEEL-TRUST INVESTIGATION.

Mr. STANLEY. Mr. Speaker, I ask unanimous consent for the present consideration of the following resolution, which I send to the Clerk's desk.

The Clerk read as follows:

Resolved, That there shall be printed 10,000 extra copies of the testimony taken in each of the hearings before the special committee appointed under House resolution 148, to investigate violations of the antitrust act of 1890, and other acts.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I suggest to the gentleman from Kentucky that he let the resolution go over until later in the day. I have quite a strong and fixed impression that it does not require action on the part of the House at all to accomplish this; that the matter has always been in the hands of the Committee on Printing; and that under the law the committee would have authority to order a thousand copies of hearings printed on its own order; and under the law, within the limit of $200 at each time the hearing is printed, which would cover more than 10,000 copies, they can get that number printed by getting a certificate from the clerk of the Committee on Printing. That leaves it so that the gentleman can have such number printed as he desires. If he prints 5,000 copies to-day and runs short of the number necessary to meet the demand, he can order more printed to-morrow by getting an order from the Committee on Printing.

Mr. BARTLETT. May I interrupt the gentleman?

Mr. MANN. Certainly.

Mr. BARTLETT. Under Rule XLV the Joint Committee on Printing is limited to an amount not exceeding $200 in printing any extra copies of hearings or documents.

Mr. MANN. Yes.

Mr. HENRY of Texas. What rule is that?

Mr. BARTLETT. That is the law.

Mr. MANN. I will say to the gentleman that the special committee on pulp and paper printed a good many thousand copies of different hearings. We would order at one time 2,500 copies, or 3,000 or 4,000 copies, and, as the demand came in later, we would get another order. Of course, we had to go to the Committee on Printing, but there never was any hesitation in granting the order, and we had some control over the matter.

Mr. BARTLETT. The Joint Committee on Printing.

Mr. MANN. The gentleman from Georgia [Mr. BARTLETT] says the Joint Committee on Printing. Of course, what we did was to go to the clerk of the House Committee on Printing, and he assented to it. I just suggest to the gentleman that he let the resolution go over for the present.

Mr. STANLEY. Mr. Speaker, I saw the gentleman from Illinois [Mr. MANN] the other day, and I was impressed with the procedure suggested by him. I went immediately to see the clerk of the Printing Committee, and he notified me that it would require a resolution. There is no objection to printing this hearing. It is just a matter of procedure; that is all. I want to say to the gentleman that the demand for these hearings is so great that it would take at least this number, I think, to fill it. Nearly every Member of the House wants from 1 to 20 copies. Ten of these copies to each Member of the House would practically consume half this amount. There are requests from magazines and newspapers, and so forth, and if I know how many hearings I have, whether 5,000 or 10,000 or 1,000, or any amount in excess of 1,000, I can go ahead and make arrangements to have the hearings distributed; but if you have to go to the Printing Committee each time, and there is no Printing Committee here, it takes up a world of time that we can put in in other ways. For two days I have been trotting between one employee of this House and another, each fellow with a different idea, and all saying, as provided in Rule XLV, secure a resolution, then everything will go smoothly. I hope the gentleman will not interpose any objection.

Mr. MANN. But the gentleman understands that naturally, and I have no criticism of that at all; most of the employees of the House now are inexperienced in matters of this kind and do not understand, but they have to learn sometime, and the gentleman from Kentucky is a very good instructor and might as well help us all to know what can be done.

Mr. HENRY of Texas. Mr. Speaker, will the gentleman yield?

Mr. STANLEY. Certainly.

Mr. HENRY of Texas. Mr. Speaker, I desire to state that the gentleman is correct about the unusual demand for these hearings, and something ought to be done right away. As a member of the Committee on Rules, I know there is an extraordinary demand; and now in reply to what the gentleman from Illinois [Mr. MANN] says, that there is already authority for the printing of these extra copies, if that be true, the adoption of this simple resolution does not alter the law in any respect, but would merely be a cumulative act, and would hasten the printing of the extra copies without having to go through the routine of requests, and so forth, which he suggests. I hope he will not object to this resolution, but will allow it to go through to-day in order that we may supply the extraordinary demand.

Mr. MANN. Mr. Speaker, one time I took possession of some rooms over in the House Office Building which had been occupied by a special committee known as the Lilly investigation committee. I found in that room stacked up a great mass—tons, I should say—of hearings that had been ordered printed on the assumption that they would be used, which were still there, printed at great expense, and I ordered them thrown away or

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sold as waste paper, there being no other disposition to be made of them. If the gentleman from Kentucky [Mr. STANLEY] undertakes to supply 10 or 20 copies of the daily hearings to each Member of this House, nine-tenths of them will go into the waste basket.

Mr. STANLEY. I will say to the gentleman that I will supply no Member of the House a single copy of these hearings unless he requests it, and in order that I might know what I was doing, in order that these hearings might not be printed and thrown away, because I realize it is a waste of public money if they are, at my own expense, not at Government expense at all if there is any expense about it, I wrote a letter to each Member of the House after these requests began to come in and said to each one that none of these hearings would be sent out except upon request, and to let me know the lowest number he could do with.

The Members replied and told me the number they wanted. These hearings have been going on now for a great number of days, and I have not sent out any of them, hardly 25 a day, and they come there and get them; and, as the members of the committee know, there are not now a wheelbarrow load of these hearings over there; not 50, probably, with the exception of the last hearing, which arrived this morning. I will give the gentleman my personal guaranty that when this hearing is over every one of these hearings will have been distributed, so far as I am concerned, and with the exception of those that go to Members of Congress the rest of them will be sent out through the mails every day.

Mr. MANN. Mr. Speaker, I have great confidence in the gentleman, but this is only a precedent that will govern a lot of other cases, and if the Committee on Printing does have the power I think it ought to go before the Committee on Printing. Therefore I ask the gentleman not to press his request just at this time or until the committee rises this afternoon.

The SPEAKER. What does the gentleman from Kentucky say to the request of the gentleman from Illinois?

Mr. STANLEY. Mr. Speaker, I withdraw the resolution for the present.

EULOGIES ON LATE SENATOR JOHN W. DANIEL.

Mr. FLOOD of Virginia. Mr. Speaker, I ask unanimous consent for the present consideration of the order which I send to the Clerk's desk and ask to have read.

The SPEAKER. The gentleman from Virginia asks unanimous consent for the present consideration of the order which the Clerk will read.

The Clerk read as follows:

House order 6.

Ordered, That Saturday, the 24th day of June, 1911, at 12 o'clock noon, be set apart for addresses on the life, character, and public services of Hon. JOHN WARWICK DANIEL, late a Senator from the State of Virginia.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 70. An act for the relief of Minor Berry;

S. 116. An act to maintain at the United States Military Academy an engineer detachment;

S. 315. An act fixing the rank of military attachés;

S. 816. An act to provide for plans and specifications for two high schools in the District of Columbia;

S. 1237. An act for the promotion of Carpenter Joseph A. O'Connor, United States Navy, retired, to the rank of chief carpenter on the retired list;

S. 1704. An act relieving and exempting lot No. 53 in Ann S. Parker's subdivision of lots in square No. 140 of the city of Washington, D. C., from the operation of an act entitled "An act to restrict the ownership of real estate in the Territories to American citizens," approved March 3, 1887;

S. 1785. An act to amend section 647, chapter 18, Code of Law for the District of Columbia, relating to annual statements of insurance companies;

S. 2048. An act to authorize a new highway plan for that portion of the District of Columbia lying between Van Buren Street on the north, Georgia Avenue on the east, Nicholson Street on the south, and Rock Creek Park on the west;

S. 2495. An act to define and classify health, accident, and death benefit companies and associations operating in the District of Columbia, and to amend section 653 of the Code of Law for the District of Columbia;

S. 2509. An act to amend section 1004 of the Revised Statutes of the United States; and

S. 2538. An act to authorize the extension of Grant Street NE. and Deane Avenue NE., in the District of Columbia, from Minnesota Avenue to Fifty-eighth Street.

SENATE BILLS REFERRED.

Under clause 2 of Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 70. An act for the relief of Minor Berry; to the Committee on Military Affairs.

S. 116. An act to maintain at the United States Military Academy an engineer detachment; to the Committee on Military Affairs.

S. 315. An act fixing the rank of military attachés; to the Committee on Military Affairs.

S. 816. An act to provide for plans and specifications for two high schools in the District of Columbia; to the Committee on the District of Columbia.

S. 1237. An act for the promotion of Carpenter Joseph A. O'Connor, United States Navy, retired, to the rank of chief carpenter on the retired list; to the Committee on Naval Affairs.

S. 1704. An act relieving and exempting lot No. 53 in Ann S. Parker's subdivision of lots in square No. 140 of the city of Washington, D. C., from the operation of an act entitled "An act to restrict the ownership of real estate in the Territories to American citizens," approved March 3, 1887; to the Committee on the District of Columbia.

S. 1785. An act to amend section 647, chapter 18, Code of Law for the District of Columbia, relating to annual statements of insurance companies; to the Committee on the District of Columbia.

S. 2048. An act to authorize a new highway plan for that portion of the District of Columbia lying between Van Buren Street on the north, Georgia Avenue on the east, Nicholson Street on the south, and Rock Creek Park on the west; to the Committee on the District of Columbia.

S. 2495. An act to define and classify health, accident, and death benefit companies and associations operating in the District of Columbia and to amend section 653 of the Code of Law for the District of Columbia; to the Committee on the District of Columbia.

S. 2509. An act to amend section 1004 of the Revised Statutes of the United States; to the Committee on the Judiciary.

S. 2538. An act to authorize the extension of Grant Street NE. and Deane Avenue NE., in the District of Columbia, from Minnesota Avenue to Fifty-eighth Street; to the Committee on the District of Columbia.

THE WOOL SCHEDULE.

Mr. UNDERWOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of H. R. 11019, a bill to reduce the duties on wool and manufactures of wool.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 11019) to reduce the duties on wool and manufactures of wool, with Mr. HAY in the chair.

Mr. UNDERWOOD. Mr. Chairman, I yield one hour to the gentleman from Tennessee [Mr. HULL].

Mr. HULL. Mr. Chairman, I desire to submit a few general observations preliminary to my remarks upon the pending bill.

The great issue between the two political parties is that of taxation and expenditure. Our Republican friends have always preached and practiced the policy of high taxes, high expenditures, and high prices of all manufactured articles. Democrats have uniformly opposed unequal and exorbitant tax rates as well as waste and extravagance in the public expenditures. The controlling purpose of Republicans in levying import duties is protection to the manufacturers—giving them an absolute monopoly of the American market, thus enabling them to fix prices limited only by their greed of gain. They leave the question of revenue largely to take care of itself. The sole purpose of Democrats in imposing duties on imports is to secure necessary revenue for the Government, and incidentally to so lay these duties as to obtain the revenue with as little burden as possible to the taxpayer, and according to his ability to pay, and with as little disturbance to the business of the country as possible and without discrimination against class or section.

The effect as well as the meaning of a protective tariff is that the immense taxing power of this Government shall be constantly invoked to enable a few thousand manufacturers

to sell their products to the people at more than a reasonable and fair profit. The issue now, as it long has been, is, Shall this unjust interference of the Government cease?

Mr. Chairman, the first 70 years of our national existence closed with as nearly a perfect revenue tariff as could be devised—the product of Democratic wisdom and statesmanship. All parties acquiesced in this system of taxation as wise and just. We then had a model government by a model people. All felt equally its benefits, and none were exempted by favoritism from bearing their share of its burdens. This was under the benign influence of Democratic rule. But after the war our Republican brethren administered the affairs of the Nation. They immediately began a happy affinity with the privileged class. Since then each has considered itself the true affinity of the other. The protective tariff—the king of all our evils—was gradually fastened upon this country. During all the subsequent years the sleepless monster of protection, clothed in the livery of the law, has invaded every American home and exacted its "pound of flesh." The chief underlying cause of existing economic, financial, and social ills is traceable to this partnership of the Government with crime—the protective tariff. We to-day behold the results of protection "run to seed." The predictions of Democratic statesmen, made from the beginning, have come literally true. We have seen this system, which has never laid claim to fairness, honesty, or decency, propagate colossal trusts and giant monoplies innumerable, whose forces give free rein to their unbridled appetite for gain and their wicked lust for power. Shielded by vicious class legislation, actuated by the sole motive of gain, the beneficiaries of this system, the trust, the combine, the exclusive monopoly, have for 40 years ruthlessly preyed upon the hard earnings of those who toil. The unexampled patience and forbearance of the American people under this trying ordeal of pillage and plunder reads like a story from the feudal ages in England.

Even President Taft admits in effect that we no longer have competition in American markets. Many of the manufacturers—bloated with their ill-gotten wealth, impudent from a long lease of privilege—openly boast that their lobbyists sent here have been permitted by Republican Congresses to write their respective tariff schedules, under which they fixed their own high and arbitrary prices. No wonder wealth is so unequally distributed. No wonder business conditions are so unnatural, unstable, and artificial.

But, Mr. Chairman, the people, like a slumbering giant, have finally become aroused. They have decreed, in no uncertain terms, that tariff iniquities shall be banished. The doom of protection, here and everywhere, is plainly to be seen. It has always been indefensible; it has now become insupportable. Having prevented and delayed the work of tariff reform as long as possible, our Republican friends, three years ago, with mock seriousness, volunteered to perform this important task. I then inquired how the country could expect either of the component elements of that sweet, delectable trinity—the tariff beneficiaries, the trusts, and the Republican Party—to rise up and slay the others. True, this elegant triumvirate, this e pluribus unum, comprises three nominally separate corporations, but all are operated under one and the same management. I also said that it is a travesty upon common sense to expect the Republican Party, which is the pliant tool, the shield bearer, the toady, the lackey, the flunky of protection and the trusts, to fight with them any other than a sham battle. Each is the other's keeper. They are banded together under an obligation of honor, in so far as honor can bind certain classes, for all purposes of offense and defense.

REPUBLICAN FAILURE TO REVISE THE TARIFF.

What has been the result during the past three years of so-called Republican effort at tariff reform? Their first effort was the Payne-Aldrich monstrosity. It was worse than an abortion. It was an attempt to fool the people once too often, as shown by the last election returns. [Applause on the Democratic side.]

Their next step was to set up the plea that neither Congress nor the President knew anything about the tariff and that only a tariff commission had the knowledge and ability sufficient to deal with it successfully. Accordingly the last Republican Congress created such a commission. That body of excellent gentlemen has been laboring more than a year, and thus far has only been able to report on one minor schedule of the present tariff law. There are 14 schedules in all. At this rate it would take this board 15 years to lay its complete work before Congress for its action, and in the meantime the tariff extortion would go on. [Applause on the Democratic side.] You can not take the tariff out of politics. It has ever been a constant and fruitful source of political controversy in all countries, and will so continue until men are no longer influenced by human nature and human avarice. This is but another characteristic Republican effort to baffle and delay the great movement for honest tariff reform. Their third and last step relative to tariff revision was to suggest and urge Canadian reciprocity. Considered alone, this bill was not equitable in several respects, but it did contain downward revision and looked toward free trade with Canada—Democratic doctrine—hence the Democratic House, supported by a minority of the Republicans, promptly passed it, without attempting in any way to play politics, and sent it to a Republican Senate, where it at times seems doomed to die a lingering death. However, I trust that the lash of public sentiment may yet drive unwilling Republicans in another body to its support. But, in any event, the fact must not be overlooked that this bill embodies fundamental Democratic principles, modestly appropriated by a Republican President, and without the united aid of Democrats, both in and out of Congress, the President's efforts would have received scant support.

Mr. Chairman, it is therefore to be seen that the three steps taken by the Republicans toward tariff revision spell "failure" and "incapacity" in box-car letters.

DEMOCRACY THE PEOPLE'S HOPE FOR HONEST REVISION.

In its entire history none but Democrats have ever willingly given this country substantial and honest relief from oppressive taxation. The representatives of that great body are here in this House to-day with honest hearts and willing hands engaged in the work of uprooting the system of highest protection known to the fiscal history of any government. The undertaking is great. The task is arduous. The opposition is powerful and insolent. Fifty years in their growth and upbuilding make the predatory interests feel securely entrenched. To dislodge them and to restore this to a government of the people will require courage, persistency, patience, and unity on the part of Democrats. [Applause on the Democratic side.] It took the English people 11 years under the leadership of Peel, Cobden, and Bright to batter down and destroy the protective-tariff system of England—older but less formidable than ours—and to establish the fiscal system demanded by the people.

Mr. Chairman, in prosecuting the work of tariff reduction, it is needless to say that Democrats will act in a spirit of fairness and justice. Every citizen alike desires to see this country thrive and prosper. No legitimate business interest will be injured or seriously disturbed. Democrats are conservative when conservatism will suffice. They are radical when radicalism is necessary to uproot some deep-seated evil that afflicts the country or to prevent its taking root. [Applause on the Democratic side.]

Speaking for myself, as a Democrat, I believe that to properly revise and readjust our system of taxation so as to round out the most perfect and lasting fiscal system, and which I favor, would require a gradual reduction of the tariff to a sound revenue basis—lopping off existing inequalities and abuses, placing minimum rates, or none at all, on articles of prime necessity and universal consumption, and maximum rates on luxuries—and there should be levied an equitable and comprehensive excise or income tax to equalize the tax burden and to give elasticity and productiveness to our tax system. [Applause on the Democratic side.] The experience of most all the leading nations of the world conclusively shows that a modernized income or excise tax, combined with our other methods of taxation, makes up the fairest and most perfect fiscal system that can be devised. I predict that this country will soon come to this fiscal policy, and the sooner the better.

ITS RECORD THUS FAR.

Mr. Chairman, I now desire to discuss briefly the present work of Democratic tariff revision. We have passed the reciprocity bill, which has split the Republican Party wide open because it is based upon Democratic doctrine. As a companion measure we have passed the farmers' free-list bill, which places upon the free list all agricultural implements, boots and shoes, and other important articles of common necessity, thereby restoring them to the field of unlimited competition and saving the farmers and other classes probably $100,000,000 per annum.

We now have under consideration the woolen schedule. And I desire to say at this point, Mr. Chairman, that, unlike all Republican tariff legislation, the pending bill was not written by the lobbyists of either the woolgrower or the woolen manufacturer. No representative of the privileged class had the slightest knowledge of the provisions of this bill until after it was laid before the House Democratic caucus on Thursday last. [Applause on the Democratic side.] I may also add here that this bill is violently opposed by every beneficiary of the high rates in the present woolen schedule. [Applause on the Democratic side.] It is likewise opposed by every Republican protectionist in Congress who can oppose it without losing his seat

here. This bill emasculates and breaks the backbone of protection under Schedule K—the woolen schedule.

Mr. Chairman, I believe, and have long believed, that the sound economic policy and the best party policy would require the removal of all duties from the importations of raw wool. At present, however, the weight of opinion, even among those whose views are in harmony with mine, is that the long step toward free wool as embodied in this bill is more wise and feasible than to seek the total removal of the duty outright. This schedule now ranks third as a revenue producer. To strike out the $21,000,000 revenue derived from raw wool, without at the same time replacing it with a new source of taxation, would create a deficit in the Treasury. The Democrats are revising the tariff schedule by schedule. This renders it quite difficult, if not impossible, to satisfactorily make up such a deficiency until subsequent schedules, which would properly embrace the new subjects of taxation that would replace the wool tax, could be reached and considered. This course will enable the Democrats in Congress later on to substitute other subjects of taxation less burdensome than that of raw wool and place the latter on the free list.

Another reason is that the Democrats and others might be able to pass the pending bill through the Senate and thereby give the people immeasurable relief from the existing tax burdens in the wool schedule, whereas a free-wool bill would not have the same chance of passing the Senate. At any rate, Mr. Chairman, after long discussion and consideration, the conclusion became clearly apparent that the Democrats of the House, in view of the state of the Treasury, deemed it more practical and wise to deal with the woolen schedule as this bill proposes, and at the same time reiterating the Democratic policy to the effect that wool should be made free as soon as revenue conditions will permit and as soon as other subjects of taxation less burdensome can be substituted. The proposed bill lops off the extortion in the present law and places this schedule on a strict revenue basis.

THE WOOL TARIFF.

The present law undertakes to give the woolgrower and the wool manufacturer a complete monopoly of the American market, permitting them to fix their own arbitrary prices. This law is maintained upon the evident assumption that the American people will either cease to wear woolen clothing or purchase it from the American manufacturer at two and three times its fair value. In writing this schedule every device that ingenuity could contrive was resorted to to conceal the enormous protection and graft contained therein. Its peculiar classifications, its compensatory duties, its specific, ad valorem, and compound duties, its duties by the pound, its duties by the yard, and so forth, are staggering and puzzling even to an expert mind. For the purposes of the tariff wool now is divided into classes 1, 2, and 3. The tariff on class 1 is 11, 22, and 33 cents a pound, according to whether the wool is unwashed, washed, or scoured.

The duty on class 2 is 12 cents a pound on washed and unwashed and 24 cents a pound scoured, while the duty on class 3—carpet wools that do not compete with our wools—is 4 cents when valued at less than 12 cents a pound and 7 cents when valued at over 12 cents a pound. The average tariff on raw wool is 44.31 per cent. The present bill wipes out these three classes and imposes a flat ad valorem rate of 20 per cent. This is a reduction of 56 per cent of the present average duty on raw wool. The average tariff on the manufactured product under the present law is 90.10 per cent, and under the pending bill it is 42.55 per cent. This is a reduction of 53 per cent of the present average duties on the manufactured goods.

PRESENT STATE OF THE TREASURY.

I desire here to allude to the condition of the Treasury. On Tuesday of this week the excess of ordinary receipts over ordinary disbursements was $1,780,861, and for this fiscal year to date $8,656,775. The receipts from customs for the present fiscal year, up to this date, were $294,241,710. To this date last year the customs receipts were $310,445,815. This shows a decline in customs receipts from last year up to this date of more than $16,000,000. According to the same ratio of decline, it is but fair to estimate that the receipts from this source will, on June 30, the end of this fiscal year, show a falling off of $18,000,000 to $20,000,000. Save for the unexpected and abnormal increases of revenue from other sources for 1910 and also for this year, there would now be a large deficit in the Treasury.

During this and last year the increase of revenue from internal-revenue sources was entirely abnormal. This is shown by the fact that the revenue derived from the internal revenue proper for 1909 was only $246,000,000. The average annual revenue derived from this source from 1903 to 1910, inclusive, omitting the $20,000,000 corporation tax for 1910, was only $249,000,000. These average annual figures are the only safe basis on which to estimate the natural level of this source of receipts. Fluctuations, it is true, occasionally occur, as is the case with respect to this source of receipts for both 1910 and 1911. It so happens that during these two years the revenues from tobacco, distilled spirits, and other intoxicants jumped up more than $20,000,000 last year, and bid fair to do so this year, but the probabilities are that they will soon go back to their normal level. Again, the fact should not be overlooked that the miscellaneous receipts for this year have increased some $12,000,000 over those of recent previous years. This item is always uncertain. It will amount to about $60,000,000 this year, whereas it was only $45,000,000 last year and $40,900,000 the year previous, and the average receipts from this source for the past eight years were less than $45,000,000. The fact should also be noticed that on this date last year only $800,000 of the corporation tax had been paid, whereas at this time more than $8,000,000 of that tax has been paid into the Treasury. The only certain thing about receipts from customs duties is that on account of the large number of prohibitory rates they can not be reasonably expected to go higher hereafter than the amount for the present year. As to how much lower they may go can only be surmised by a glance at the great fluctuations of receipts from this source during recent years. It is equally certain that they are on a gradual and certain decline now. No one can foretell when or where this decline may stop.

To illustrate, the receipts for 1905 were $261,000,000, while for 1907 they had jumped to $332,000,000, but, characteristic of this source of revenue, in 1908 they fell to $286,000,000, a loss in one year of $46,000,000 and a difference, caused by a fluctuation between the years 1905 and 1908, of nearly $120,000,000, thus plunging the Treasury into a good-sized deficit. For 1910 the customs receipts jumped to $333,000,000 from $300,000,000 in 1909. This is largely accounted for because imports were held back awaiting the passage of the Payne bill. From all the foregoing facts and circumstances the only rational conclusion is that receipts from customs are on a gradual but certain decline, and that those from miscellaneous and other internal sources can not be expected to retain the high level to which they have jumped during this and last year. To be entirely safe, I will estimate that the recent unnatural rise in receipts from internal revenue and miscellaneous sources should decline toward their normal level to the extent of one-half, this would result in a loss of $15,000,000. From this sum deduct the present excess of ordinary receipts over ordinary disbursements, $8,656,775, and we face a deficit of $6,000,000 to $7,000,000. The inevitable situation, therefore, that must immediately and for an indefinite time confront Congress is, in effect, a depleted, and, most certainly, a depleting, condition of the Treasury.

Furthermore, this House has heretofore passed the reciprocity measure. This will reduce the revenues some $8,375,000. We have also passed the farmers' free list bill. This will reduce the revenue $11,000,000. In passing these and other tariff bills through the House we can only assume that the Senate will be wise and patriotic enough to put them up to the President, who would for like reasons approve them. Upon this basis, therefore, we must estimate the future state of our revenues. Our Republican friends are anxiously watching for a chance to parade before the country the cry that this Democratic House has passed bills which, if enacted into laws, would knock an immense hole in the Treasury and compel the Government to issue millions of bonds. The gentleman from New York [Mr. PAYNE], for example, stated that the free-list bill would deprive the Treasury of near $50,000,000.

I here read a list of the imports and duties for the year ending June 30, 1910, under the Payne law, and also the pending bill—the latter estimated:

Average rates, imports and duties under present law and the proposed law.

Items.	Present act—Results for year ending June 30, 1910.	Proposed act—Estimated results for a 12-month period.
Raw wool:		
Imports	$47,678,293.20	$66,991,000.00
Duties	$21,128,728.74	$13,398,200.00
Average unit of value, per pound	$0.186	.....
Equivalent ad valorem rate, per cent	44.31	20.00
Manufactures of wool:		
Imports	$23,057,357.78	$63,831,000.00
Duties	$20,775,820.76	$27,158,000.00
Equivalent ad valorem rate, per cent	90.10	42.55
Total revenue	$41,904,549.50	$40,556,200.00

This bill will thus give the people incalculable relief from unjust burdens of taxation and at the same time contribute the usual sum to sustain the Treasury.

Mr. Chairman, in 1910 this country produced 328,110,749 pounds of wool and imported 256,606,638 pounds. The domestic consumption of raw wool and wool equivalent of fabric for 1910 was 628,718,934 pounds. We consume more than one-fifth of the world's total output of wool, which last year was 2,854,384,000 pounds.

EFFECT OF WOOL TARIFF SINCE 1867.

Mr. Chairman, at the close of the war our unwashed domestic wool was worth about 40 cents a pound. Then it was that the woolen manufacturer approached the woolgrower and convinced him that if a combination of the two interests could write into our tariff laws a wool schedule containing prohibitory rates upon both raw and manufactured wool the woolgrower would be able to permanently maintain these war prices and the manufacturer could not only maintain but increase his. The result was the wool tariff of 1867, a network of compound and compensatory duties. The Republicans have transmitted that law to the Payne Tariff Act, with slight modifications. We behold that law to-day in all its hideous infamy, hoary with age, but with an ever-increasing appetite for pelf. Did the act of 1867 yield to our sheep grower the expected results? No! The years went on. Wool gradually declined in value, so that after 24 years' experiment—1891—the prices had fallen off one-half and the number of sheep east of the Missouri and Mississippi Rivers had declined in numbers one-half. In 1892 Mr. S. N. D. North, notorious as a tariff lobbyist for the woolen manufacturers, in a letter to the chairman of the Committee on Ways and Means, gave a careful comparison of prices of wool in the Boston and London markets for each year from 1867 to 1891, and a general average showed little difference between the two markets during all this time. Sheep in this country declined from 50,000,000 in 1884 to 43,000,000 in 1891. In Texas alone they declined in numbers from 4,281,812 in 1891 to 2,852,269 in 1894, and this occurred under the McKinley law. In 1891, after 20 years of protection, we were obliged to import 129,303,648 pounds of wool. From 1891 to 1909 the domestic supply of wool only increased 14,000,000 pounds, about 4½ per cent, while our population increased 46 per cent, so that we now have to import 260,000,000 pounds of wool, almost as much as we produce. Republicans, refusing to give the panic credit for any of the loss, insist that the number of sheep declined from 45,000,000 in 1894 to 36,800,000 in 1897 on account of the Wilson tariff. Then how do they explain the decline of sheep from 50,360,000 in 1885 to 42,600,000 in 1889 under a high tariff? And how do they explain the decline from 63,965,000 in 1903 to 45,170,000 in 1905 under the Dingley law? My figures are taken from the Yearbook of the Department of Agriculture. Again, how do they explain the fact that during the Wilson law a world-wide panic caused the prices of wool to first decline in Europe corresponding to the later decline here? And finally, how do they account for the fact that during this same time the value and numbers of other live stock, including cattle and hogs, and I should add cereals, suffered a decline corresponding to that of sheep? Will they contend that the Wilson tariff was responsible for all these like conditions? If so, they "state themselves out of court." The whole truth is that while protection has at times been of certain temporary benefit to the woolgrower, but at a tremendous expense to the American people, yet, taken as a whole, it has brought him no permanent advantage. He has lost far more by the enhanced price of the manufactured product than he has ever gained by protection. To illustrate: When the woolen manufacturer, under the present law, buys the farmer's unwashed wool of the first class the farmer is supposed to get the benefit of his 11 cents a pound tariff. But what becomes of it? Another section of this same tariff law provides that on ready-made clothing the duty per pound shall be four times the duty imposed upon a pound of unwashed wool of the first class and 60 per cent ad valorem. The farmer gets his wool back in the form of a suit of clothes with this enormous tariff added to what he would otherwise have paid.

Mr. Chairman, the American woolgrower will finally realize that he is being used by the manufacturer. He will find that the sheep industry, as to wool, is a migratory one, and that no artificial tariff prices, however high, will or can materially affects its permanent development or decline. For hundreds of years Spain produced all the fine wools for the world. Later Germany excelled. At present Australia has the largest market for fine wools. In this country the sheep industry has drifted first from the Eastern to the Middle Western States, and thence to the mountain States of the Northwest. Sheep as a wool industry always give way to agriculture wherever the lands make the latter profitable and people are at all numerous. Its history shows that this industry has traveled from country to country and from continent to continent.

The world's market is the chief factor in fixing the price of our domestic wools. The American woolen manufacturer, however, is a strong secondary factor. Different soils and climates and pasturage produce different classes of wool even from the same breed of sheep—the wool differing in fineness, soundness, fiber, strength, evenness, and length. Our woolgrower depends solely upon our home manufacturer to purchase his wool. The latter, before buying his raw wool, first takes his orders for cloths. These call for an immense variety as to finish, style, ingredients, and so forth. Our manufacturer goes abroad, where he can have the world's varieties of wool from which to make the most suitable selections—both as to class and price—with which to intermix our American wools and thereby fill his orders more acceptably. After buying such of our home wool as he needs or can utilize for this purpose, he informs the home woolgrower that he does not need any more of his wool. The result is stagnation and depression in the domestic wool trade, much of the time resulting in sales to our home manufacturer at prices virtually on the world's level. In the meantime our home manufacturer, having a monopoly of the market, compels every citizen to pay almost two prices for his finished product, supposedly made of wool, but in fact often composed of adulterants, such as cotton, shoddy, mohair, camel's hair, horsehair, and other kinds of hair than that of the sheep.

Mr. Chairman, I have here a very entertaining and carefully prepared statement by Mr. S. N. D. North, who, as I have stated, has been for more than a quarter of a century notorious as a representative and a lobbyist of the woolen people. He has written a book on the entire subject and the various phases of wool production and wool manufacture. In this statement before the Dingley Ways and Means Committee he is supposed to have been candid and frank, and I send it to the Clerk's desk and ask to have read the marked portions on each one of the two pages opened.

Mr. REILLY. What pages are they?

Mr. HULL. Pages 1650 and 1651 of volume 2 of the Tariff Hearings of 1896–97.

The Clerk read as follows:

Never until he had experience under free wool did the manufacturer realize the full extent of the disadvantage he suffers by reason of the wool duty and the impossibility, by any compensatory duty, of fully offsetting these disadvantages. In order that this fact may be brought home to you, we have briefly summarized these disadvantages.

(1) In the selection of foreign wools the duty restricts him within the narrowest limits, and thus excludes him from many of the blends from which the foreign manufacturers get the best results. His choice is necessarily confined to the comparatively small supply of light-shrinkage wools. He is thus excluded from many of the fine wools, which reach the markets in a very greasy condition. The range of product open to him is thus greatly limited.

(2) This concentration of American purchasers upon a comparatively small class of foreign wools increases the price of those wools in comparison with the price of the much larger assortment of other wools offered, and thus the duty directly adds to the cost of the wool a material sum in addition to the actual duty paid, and adds correspondingly to the cost of manufacture. The course of the markets under free wool has indicated that the enhancement of the price of the light-shrinkage wools, by reason of the concentration of American competition upon them, is in the neighborhood of 4 cents a pound.

(3) The wool duty not only restricts the choice and adds to the price of the American manufacturer, but it, of course, correspondingly enlarges the choice and cheapens the price of the wools of the foreign manufacturer. The disadvantages of the American manufacturer thus become distinct advantages, added to all the other advantages which the foreigner naturally possesses over the American.

(4) All the restrictions and limitations of the old law upon the importation of wool were put there to embarrass and impede the manufacturer in his choice of wools. They do have that effect, and are thus an additional disadvantage under which he labors and for which he gets no compensatory equivalent. Nothing akin or equivalent to them appears anywhere else in any tariff schedule. They imply that the whole business of importing wool is a fraud or tainted with fraud. As a matter of fact, there is no branch of importing where the business is more honestly done or where the opportunities for fraud are so few. Nearly all foreign wools are now bought and sold at public auction and are put up without reference to the American market. The expense of repacking these bales is sufficient to bar the attempted fraud which all these restrictions contemplate.

The wool manufacturer has moved too fast and too far ahead both at home and abroad. The handicap it was possible to offset by compensatory duties 30 years ago, if restored in all its old rigors, will cripple and repress the manufacture, will stop its diversification, will confine it in a strait-jacket to the detriment of all concerned, and more especially to the injury of the American woolgrower.

The great and important fact is that as the manufacture has now developed here the use of foreign wools has become indispensable. Any duty on wool, the purpose of which is to exclude and prohibit its importation, will restrict the American manufacture to such fabrics and effects as can be produced from domestic wools, and the result of such restriction will be to enormously increase the imports of foreign wool in manufactured form, irrespective of the duties you may impose. This enormous development in the world's wool supply, of which I have spoken, has re-created the art of manufacture. Our foreign competitors, free to pick and choose in this vast and varied assortment

of wools, each variety especially adapted to some special purpose, will control this market in the fancy fabrics unless Congress permits them to be met and matched by the use of the same wools.

Notwithstanding the high duties on wools maintained from 1861 to 1894 there never was a time in our history when the home supply was so insufficient in comparison with these special requirements. The proportion of fine wools grown here has been steadily decreasing, and is certain to continue to decrease. The farmer has learned that there is greater profit to him in raising the mutton sheep.

In the second place, our friends the woolgrowers entirely misapprehend the effects of these imported wools upon their own industry, and seek here legislation which is devised for their own injury.

The largest quantity of clothing and combing wools ever imported into this country under a duty was 44,000,000 pounds in 1892. That quantity of wool did not displace a single pound of domestic wool in the manufacture. It permitted the manufacture of certain goods in which domestic wool was used in conjunction with the foreign which could not otherwise have been made in the United States under the McKinley tariff.

No American manufacturer buys foreign wool for any purpose which he can accomplish equally well by the use of domestic wool. No man advances the money to pay wool duties 8 or 10 months before he can hope to get it back in the sale of his goods who can make these goods out of materials at hand. In a word, this wool was not used to displace American wool. It did not displace it, and the importation of it increased the market for American wool. There has never been a year, until 1893 and since, when the requirements of the domestic manufacturers did not exceed the domestic wool supply. Make this tariff bill right and the domestic manufacturer can promise the woolgrower a quick market for all the raw material he can grow for many years to come.

Mr. HULL. It is seen that, after all, our woolgrower does not directly compete with foreign wools to the extent supposed, for we have to send abroad for nearly one-half of the wool we consume in any event, and these foreign purchases are largely composed of classes that we do not produce, but which are suitable to mix with our domestic wool in order to turn out goods of the most desirable finish, style, and price. Mr. Chairman, the prices of wool are higher in London—the world's market—to-day than they are in Boston. I should like to pursue this inquiry further, but time forbids. Existing conditions confirm one in the conclusion that the revenue rate on wool proposed in the pending bill is amply justified. I go further, Mr. Chairman, and say that, when obtainable, free wool would soon redound to the benefit of every American citizen, regardless of his business or occupation. If this happy result could be had, the sheep grower east of the Mississippi could continue to realize his chief profit out of mutton sold, and our manufacturer could import his additional wool less the present exorbitant tariff, which greatly enhances the cost of manufacture and still more greatly enhances his price of the finished product sold to the American people without competition.

PRESENT TARIFF ON WOOL MANUFACTURES.

It would require four combined languages, containing the greatest power of expression, to adequately depict the inequalities, abuses, monstrosities, and outrages embraced in the existing woolen schedule. The aggregate of compound and other rates in the manufacturer's end of the schedule are more than mountain high. The manufacturer must exclaim, as did Lord Clive before a committee of the English Parliament, "My God! I am surprised at my own moderation." And yet, Mr. Chairman, next to eatables and cotton goods, woolen articles are the most universal necessaries. Next to hunger, protection from cold ranks in the scale of human necessity. What are human rights and human liberty worth in this country if, in order to enrich a few thousand persons, 90,000,000 people must wear cotton or very light wool and shoddy clothes and shiver through the depths of rigorous winters because of their inability to pay a tax of 96 per cent on an all-wool suit of clothes? Why not, while treating the manufacturer fairly, compel him to be content with fair competition and with a reasonable profit?

Mr. Chairman, a glance at the facts shows that real competition in woolen goods is entirely shut out and prohibited by the present law. The value of our domestic worsted and woolen manufactures in 1909 was $419,826,000, but the total value of our domestic consumption of raw wool and wool equivalent of fabric was for 1910 over $625,000,000. The total imports of the manufactures of wool was $23,532,175 in value. The percentage of importations to our domestic manufactures is less than 4 per cent. Our exportations of woolen manufactures are scarcely nominal.

But it should be kept in mind that this $23,000,000 of imports embraces articles, in the main, that only the wealthy can buy. Take the item of cloths. All the cheaper cloths are prohibited. Those valued at not more than 40 cents a pound are subjected to a duty of 144.05 per cent; those valued at above 40 cents and under 70 cents a pound carry a duty of 123.55 per cent; while all cloths valued at above 70 cents a pound only have a duty of 96.02 per cent—the Republican habit of levying the lowest duty on goods of greatest value. The result is that but a few thousand dollars' worth of cloths under 70 cents a pound were imported. But the wealthy class, desiring certain foreign designs and finishes, imported last year cloths worth over 70 cents a pound to the amount of $6,104,000 of our total importations of $23,000,000. The costliest imported carpets account for an additional $4,392,786 of our total importations. Enormous tariff rates, ranging as high as 87 per cent, bar out all the cheaper carpets. But the wealthy class imported fine carpets, costing abroad $4.37 per square yard, to the amount in value I have just stated, they being subjected to 60 per cent tariff. We also pick up $3,220,000, the value of costly women's and children's dress goods worth above 70 cents a pound, as a part of our total importations of $23,000,000. Most all of this class of articles that would be purchased by any except people of wealth are shut out from our country by tariff rates ranging from 65 to 154 per cent. The total amount of importations of women's and children's dress goods, which is about $9,000,000, were of such high quality and value as to be beyond the reach of people of ordinary means.

COMPARISON OF RATES IN PRESENT LAW AND PROPOSED LAW.

In view of the Republican method of imposing the highest rates of taxation upon articles of largest consumption and most universal use the most accurate method of calculating the relief which the proposed bill would give the American people would be a comparison of the flat rates contained in the pending bill with the higher rates imposed by the Payne law. For illustration: The proposed bill imposes a duty of 20 per cent on all top, slubbing, and other wastes; the present law imposes a duty of 150 per cent. The proposed bill levies a rate of 25 per cent on all wool tops; the present law imposes a duty of 111 per cent. The proposed bill levies a duty of 30 per cent on all yarns; the present law imposes a tax of 159.75 per cent. The pending bill prescribes a rate of 40 per cent on all cloths; the present law levies a tax of 144 per cent. The proposed bill levies a duty of 30 per cent on all blankets; the present law imposes a tax of 136.01 per cent. The pending bill levies a tax of 45 per cent on all women's and children's dress goods; the present law imposes a tax of 154.35 per cent. The proposed bill levies a tariff of 45 per cent on all ready-made clothing and articles of wearing apparel; the present law imposes a tax of 96.40 per cent on all shawls, 95.56 per cent on all knitted articles, 85.84 per cent on wool hats, 65.16 per cent on cloaks, and 77.09 per cent on other ready-made clothing. The proposed bill levies a tariff rate of 35 per cent on all webbings, suspenders, ribbons, etc.; the present law proposes a tax of 87.06 per cent. The proposed bill levies a tax of 35 per cent on all Saxony carpets, and others in that class; the present law fixes a tax of 70.14 per cent. The proposed bill fixes a rate of 30 per cent on all Brussels carpets, and carpets of like character; the present law levies a tax of 76.29 per cent. The rates I have given, imposed by the present law, are for the year 1910, and are chiefly prohibitive.

Without proceeding further with the comparison I should say that corresponding contrasts exist on through this item of carpets. It is needless to remark that no carpets are imported save the very costly qualities, which only the wealthy can afford. It is also needless to suggest that under the enormous prohibitory rates not enough yarns are imported to run an American mill a week.

Comparative reductions.

	Payne.			Underwood.			Saving.
	Cost.	Duty.	Total.	Cost.	Duty.	Total.	
Blankets,[1] per pound	$0.40	$0.34	$0.74	$0.40	$0.12	$0.52	$0.22
	.50	.53	1.03	.50	.22	.72	.32
More than 3 yards in length, per pound	.40	.53	.93	.40	.12	.52	.41
	.70	.79	1.49	.70	.31½	1.02	.47
Cloth, per pound	.40	.53	.93	.40	.16	.56	.37
	.60	.74	1.34	.60	.24	.84	.50
	1.00	.99	1.99	1.00	.40	1.40	.59
Dress goods, per square yard	.15	.14½	.29½	.15	.06¾	.21¾	.08
	.20	.18	.38	.20	.09	.29	.09
Cloaks, per pound	.50	.74	1.24	.50	.23	.73	.51
Clothing, suit	10.00	7.09	17.09	10.00	4.50	14.50	2.59
	20.00	14.18	34.18	20.00	9.00	29.00	5.18

[1] Costing 80 cents a pound, the saving will be 52 cents on each pound.

Our Republican friends evidently made a strenuous effort to impose duties on woolen manufactures high enough to entirely block all importations. This is evidenced by the fact that our total importations of $23,000,000 consists almost entirely of goods wholly beyond the purchasing capacity of the middle and poorer classes of people.

Mr. Chairman, in supporting this bill we propose to so reduce the rates on all the manufactures of wool as to place them on a reasonable and fair competitive basis—in other words, on a strict tariff-for-revenue basis—and without discrimination as to class, business, or section. The real average rate on all manufactured goods under which competition would be determined is between 30 and 35 per cent, whereas the same was around 40 per cent in the Springer bill, 47.84 per cent in the Wilson bill, over 40 per cent in the Mills bill, and less than that proposed in any bill since the war. In the language of the Republican minority leader, the gentleman from Illinois [Mr. MANN], on yesterday, "if treated as a bill drawn for the purpose of protection, this measure is a failure." This measure wipes out the discrimination in favor of the worsted and against the clothing manufacturer and places every woolen manufacturer upon equal terms. This is all the clothing wool manufacturer has ever asked. It is to be expected that the woolen manufacturer will be loath to give up the enormous graft upon which he has been feeding at the expense of 90,000,000 people under the existing law. Naturally they condemn the proposed bill in the strongest terms and insist that it will drive all of them out of business and destroy both the wool manufacturers and the wool producer in this country. They have already sounded this false alarm, as is their custom when about to be denied special privileges. But in contrast with this cry of fear is the frank statement contained in a tract of the American Woolen Co., circulated in 1900, when it was seeking to sell shares of its stock, which reads as follows:

The Washington mills was started under the first administration of President Cleveland, and despite the vagaries of the tariff for the next 12 years, it prospered and succeeded in an unparalleled degree. The fact is that with the progress that has been made in woolen machinery and the increased skill of our American operatives the woolen business of America is rapidly reaching a position where even a return to the conditions similar to those existing under the Wilson bill would not seriously impair its profitableness.

Mr. Chairman, neither this Democratic House nor the country will become exercised at this effort of the beneficiaries of the existing wool schedule to retard the progress of tariff reduction. The cry of "cheap foreign labor" would be of more efficacy were it not for the fact, as I now recall, that more than 60 per cent of the labor employed in the woolen mills of this country is comprised of foreign-born persons.

The CHAIRMAN (Mr. DAVIS of West Virginia). The time of the gentleman has expired.

Mr. UNDERWOOD. Does the gentleman desire further time?

Mr. HULL. Just a little more.

Mr. UNDERWOOD. I yield to the gentleman such time as he desires.

The CHAIRMAN. The gentleman is recognized to conclude his remarks.

Mr. POST. Will the gentleman yield for a question

Mr. HULL. I hope the gentleman will wait a few minutes, until I proceed further, and then I shall be glad to yield.

Mr. RUSSELL. Mr. Chairman, I would like to ask the gentleman about the average weight of an ordinary blanket.

Mr. HULL. It ranges, as I remember, from 3 to 5 pounds. Some might go over, and lighter ones might not be quite so much.

Mr. HARDY. Will the gentleman yield for just a question? The gentleman now is speaking of the saving to the wholesale purchaser. When that comes to the actual consumer there must be added to what the gentleman states the intervening profit of the manufacturer and wholesaler, and the consumer really pays even more than the gentleman has stated, does he not?

Mr. HULL. Naturally. I was not undertaking to carry this through the various steps in order to reach the consumer, but I was showing the direct effect of where it operates first and where the proposed bill is substituted for the present law.

Mr. HARDY. What I wanted to state was that this effect is that it increases when it comes to the consumer.

Mr. HULL. The whole truth about the tariff, as it affects the woolgrower and the wool manufacturer, is largely summed up in the statement of Mr. S. N. D. North, made before the Dingley Ways and Means Committee in 1896. This great reduction in the tariff on wool and woolen goods—and it would be more so with free wool and corresponding reductions on the finished product—means that our manufacturer would have all the different varieties of wool in the world from which to select, without the handicap of the present high tariff, and mix with our domestic wools so as to turn out a finished product of every quality, style, texture, and price in demand here or elsewhere. He would furnish the American people a much higher class of goods for less money, his business would increase in every direction, and his large export trade would naturally arise, just as it has been built up by our American manufacturers in almost every other line. On the other hand, our wool would be in greater demand and would adjust itself under the natural law of legitimate business to a sound and stable level of prices. We produce many kinds that are not produced elsewhere. These kinds would be in demand from other countries at desirable prices. A demand for a particular kind of wool naturally enhances its price, whether sold here or in other countries.

I say, Mr. Chairman, that it is puerile for an American wool manufacturer to come here and insist that he must have a high tariff for protection and hem his markets within the confines of this country when other manufacturers in almost every other industry in this country are making their goods and selling them in most of the countries of the world in competition with the markets of the world. [Applause on the Democratic side.]

Mr. Chairman, one change from the existing law as imposed in the pending measure entitles it to the support of every fair-minded citizen. I allude to the change from the existing mysterious and incomprehensible system of compound rates to an ad valorem rate. This latter method leaves no possible room for graft or excessive duties which go to others than the Government, except in case of possible fraud or undervaluation, while the existing combined and compound system of rates open similar opportunities for cheating the Government and at the same time conceals an enormous amount of protection and exorbitant taxes, of which the manufacturer gets the sole benefit. It is well known that a specific rate increases the duty upon cheaper articles and decreases it as their value increases. This is shown by the following set of figures:

SPECIFIC RATES.

The inequality and injustice of specific rates of duty is well illustrated by the following prices of wool actually sold and bought in London, the specific duty, 11 cents a pound, paid when brought into the United States, and the equivalent percentages calculated. A glance will show that while each buyer pays apparently the same duty, 11 cents a pound, that some really pay twice as much as others:

	Per cent ad valorem.
Port Philip greasy, 9d (18 cents); duty, 11 cents	66⅔
Sydney greasy, 9d (18 cents); duty, 11 cents	66⅔
Cape greasy, 6½d (13 cents); duty, 11 cents	84.63
Montevideo greasy, 8d (16 cents); duty, 11 cents	70⅜
Morocco greasy, 4d (8 cents); duty, 11 cents	137
Cape greasy, 3¾d (7 cents); duty, 11 cents	113

Mr. RUCKER of Colorado. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Tennessee yield to the gentleman from Colorado?

Mr. HULL. Yes.

Mr. RUCKER of Colorado. Does not the ad valorem mode of collecting these duties afford a greater degree of fraud or greater opportunity for attempts at fraud on the customhouse?

Mr. HULL. I would like to refer again to that book that I sent up to the desk.

Mr. RUCKER of Colorado. In other words, where these goods, as I understand, are to be valued abroad at the selling price, is not a greater opportunity for fraud afforded? I heard what was read from the book at the desk, if the gentleman wants to read it again for that purpose. I will ask the gentleman, would he depend entirely upon the auction sales and the certificate given by the auction sales abroad in determining the value at the customhouse?

Mr. HULL. I would say to the gentleman that my examination of the tariff hearings when the Mills bill and the McKinley bill and the Wilson bill and the Dingley bill were framed shows incontrovertible testimony of the approximate fairness with which ad valorem duties can and would be collected on wool. In addition to that, in 1896, as I recall, the Ways and Means Committee had an extended hearing upon this very subject, and all the appraisers at New York were brought here to testify; and, with one exception, those gentlemen testified that under the ad valorem system more than 90 per cent of the wool was imported absolutely free from either fraud or undervaluation. They stated that the wool imported into this country is purchased at auction; that wool experts are thoroughly familiar with every class and kind and quality of wool. One gentleman gave an instance in which a manufacturing concern had a buyer employed who could shut his eyes and feel of 10 or 20 or 40 or 50 kinds of wool and instantly tell the kind and value of that wool.

I have here an extract from the statement of Mr. North right upon that point, and everyone will agree that that gentleman is as thoroughly familiar with every phase of the wool

industry as any other citizen in this country. In the Dingley hearings he made this statement. He was asked:

Would you not say the remedy for these inequalities would be the ad valorem rate?

That is, the inequalities of the specific and compound rates. Mr. North answered:

There is no doubt that an ad valorem rate would remedy them, sir.
The CHAIRMAN. How would it affect the question of undervaluation if it should be imposed?
Mr. NORTH. An ad valorem rate of duty on wool?
The CHAIRMAN. Yes, sir.
Mr. NORTH. I do not believe there is any commodity sold in the world of any description the market of which is more accurately, publicly, and universally known than that of wool. It is like cotton, wheat, and other staple products in that respect. All the wools of the world, practically, which reach the public market are sold at auction. This country is the only large manufacturing country where the sale of wool is not in open markets.

This is his unbiased judgment as to the fairest method of levying duties on raw wool at the customhouse. Likewise, it is the judgment of Mr. Wood, who, in strong and positive language, said this before the committee:

Briefly, I would like to suggest that the only tariff on wool, in our opinion, should be an ad valorem and not a specific one. We are the largest users of domestic and foreign wools on this continent and we speak from experience.

Mr. RUCKER of Colorado. Mr. Chairman, will the gentleman yield for another question?

The CHAIRMAN. Does the gentleman yield to the gentleman from Colorado?

Mr. HULL. Yes.

Mr. RUCKER of Colorado. I am fully aware of the fact that there is quite a difference of opinion between the importers on this subject, but, however that may be, is it not true that whatever the examination may be at the port of entry here, the certificate of sale and the price fixed abroad determine the value under which it is taken by the customs officers?

Mr. HULL. I know it has been more or less the custom to accept the invoices at the customhouses, but the gentleman should remember that in recent years they could quickly and easily make a chemical analysis of every quality of wool or woolen product that comes in there and determine the ingredients and proportions of wool.

Mr. RUCKER of Colorado. Yes; but after all, they would have to take the certificate of purchase, or else go back and get it certified from the auction block where it was sold. Now, if the gentleman will pardon me a moment further, I speak of this because a very large importer of wool informed me that this ad valorem duty afforded the greatest opportunity for fraud upon the Government, and he suggested that when it comes in per pound it is weighed and determined by the pound. If the specific duty was so much a pound, regardless of the combination that the gentleman speaks of, he believed that that would protect the Government.

Now, with reference to the bills of sale abroad, I want to say to the gentleman that I have spent some time in Europe and I have spent some time in the Orient, and it is always the custom, whoever buys anything over there, to get a bill of sale for an undervaluation to show to the customs officer, and this importer tells me that in every case there will be a certificate of sale made out by the seller abroad for a less amount than the article is really worth.

Mr. HULL. Mr. Chairman, of course, I do not controvert the statements of the gentleman in so far as he states facts which he himself knows, but it is evident that the best judgment and experience on the subject, as well as the entire weight of reason, is in favor of an ad valorem rate upon imported wool. That means that no dirt or grease or other foreign ingredient of no value would be taken into account, and no question of shrinkage, which makes a very unfair charge to the different importers, would be included. In other words, every importer of wool would pay taxes upon the exact value, whether it was in the grease or washed or scoured.

Mr. HARDY. Will the gentleman permit one question?

Mr. HULL. Yes.

Mr. HARDY. Would not an importer, if he practiced undervaluation and used false certificates, subject himself to very heavy penalties for that kind of fraud upon the Government under our import laws?

Mr. HULL. I was in the act of saying, and putting it against the information of my friend from Colorado [Mr. RUCKER], that the hearings in 1896 before the Ways and Means Committee, as I now recall them, showed, from the testimony of the appraisers in New York, whose business it was to deal directly and practically with this question, that more than 90 per cent of the wool coming in here paid taxes upon its exact value and without undervaluation or other fraud.

Mr. RUSSELL. Mr. Chairman——

The CHAIRMAN. Does the gentleman from Tennessee yield to the gentleman from Missouri?

Mr. HULL. Yes.

Mr. RUSSELL. Even assuming that it may be true that some frauds may be perpetrated on the Government under this proposed ad valorem tax, is it not true that under the present law there is an ad valorem tax upon these woolen goods?

Mr. HULL. It is a compound rate now.

Mr. RUCKER of Colorado. Will the gentleman yield for just one more suggestion?

Mr. HULL. Yes.

Mr. RUCKER of Colorado. I will say to the gentleman that this importer suggested a way of avoiding any fraud that could be perpetrated upon the Government, by having all of the wool that comes in here based upon a specific duty on washed wool, and that the value of that wool could be easily determined without any extraordinary expense to the Government by washing a portion of the wool at the customhouse. Thereby you would get uniform treatment, and the duty would be exacted upon all wool alike and therefore the difficulties that have heretofore existed in determining the difference between the washed wool and the wool in the grease would disappear, because the duty would be paid upon the washed wool.

Mr. HULL. Then no wool could be imported unless it was washed?

Mr. RUCKER of Colorado. No; it would come in in the grease, but it could be tested upon the samples washed at the customhouse with but very little cost to the Government.

Mr. HULL. Much of it comes in on the sheep, and you could not test that very well.

Another fatal objection to the present specific rate is that wool of large shrinkage is virtually shut out of the American market, as is shown by the following set of figures:

Amount of wool required to make 16-ounce cloth.

	Cloth duty.	Wool, actual.	Excess.
	Cents.	*Cents.*	*Cents.*
18 per cent shrinkage requires 1 pound 12 ounces	44	19½	24⅝
25 per cent shrinkage requires 1 pound 15 ounces	44	21 3/16	22⅝
35 per cent shrinkage requires 2 pounds 5 ounces	44	25 1/16	18 9/16
48 per cent shrinkage requires 2 pounds 15 ounces	44	32 3/16	11 13/16
60 per cent shrinkage requires 3 pounds 11 ounces	44	40 7/16	3 9/16
70 per cent shrinkage requires 4 pounds 15 ounces	44	54 7/16	.....
75 per cent shrinkage requires 5 pounds 14 ounces	44	64⅝	.....

The effect of this is that the carded-woolen manufacturer is unable to import his wool, while the worsted manufacturer, who uses the grades of lighter shrinkage, is able to bring his in, but at a price largely in excess above what purports to be the actual duty. An ad valorem rate has been thoroughly tested and proven to be the only practical method of levying duties under this schedule. As I stated, when interrupted awhile ago, an extended hearing by the Ways and Means Committee in 1896, during which the appraisers of New York testified, showed that more than 90 per cent of the imported wool paid its just amount of taxes. This method entirely eliminates all questions of shrinkage or unfairness. It has been approved even by the chief spokesmen for the woolen manufacturers, namely, Mr. William M. Wood, president of the Woolen Trust, and also by Mr. S. N. D. North, long a lobbyist and representative before Congress of the woolen manufacturers.

Mr. Chairman, if enacted into a law, this bill, while doing no injustice to the wool producer, will save the woolen manufacturer many millions of dollars in the cost of production and will result in an annual saving to the American people of at least $150,000,000 in the reduced price of woolen goods.

We boast of our liberty, our civilization, our intelligence, our manhood, our energy, our inventive ingenuity, our unsurpassed natural resources, our up-to-date machinery, our skill in all lines of industry. One hundred and thirty-five years and two great oceans separate us from the mother country, from all great commercial countries. Then, Mr. Chairman, where is the wool producer or the woolen manufacturer who, with a revenue duty of 20 per cent on the products of the former and an average of 42.55 per cent on those of the latter, or with no duty on wool, and corresponding reductions on wool manufactures, is so abject and supine and so afflicted with greed as to come to the American Congress and beg that an enormous, unconscionable tax be retained upon all the people in order to increase his profits? [Applause on the Democratic side.]

APPENDIX A.

PRESENT COMPENSATORY DUTIES ILLUSTRATED.

The so-called compensatory duties of the woolen schedule are numerous and altogether excessive. They grow out of the compound rates and are hidden in the following rates:

Articles.	Duties.	Equivalent ad valorem.
Wool and hair advanced:		*Per cent.*
Valued under 40 cents	33 cents and 50 per cent	252.20
40 to 70 cents	44 cents and 50 per cent	112.86
Above 70 cents	44 cents and 55 per cent	77.04
Tops	36¾ cents and 30 per cent	111.73
Yarns—		
30 cents and under	27½ cents and 35 per cent	159.75
More than 30 cents	38½ cents and 40 per cent	82.38
Blankets (6 rates)	22 cents and 30 per cent	95.58
	33 cents and 35 per cent	105.50
	33 cents and 40 per cent	68.19
	33 cents and 50 per cent	136.01
	44 cents and 50 per cent	122.80
	44 cents and 55 per cent	99.07

And so on through cloths, dress goods, knit goods, and all other manufactured goods in the schedule.

The specific rate of so many cents a pound is to protect the woolgrower and is the compensatory rate, while the ad valorem rate is for protection. The second column is the computed equivalent of the compound rate. In the arrangement of the schedule its manipulators have proceeded generally on the theory that it takes 4 pounds of grease wool to make 1 pound of finished cloth. The inmost stronghold of the schedule is this assumption. Some rates are based on 2 for 1 and some on 3 for 1, but the crux of the whole schedule is 4 for 1. In giving 44 cents and 50 per cent to one class of blankets, the specific rate, 44 cents, being four times the rate on 1 pound of grease wool, is given on the theory that 4 pounds of grease wool entered into every pound of that kind of blanket, and that the manufacturer paid 44 cents either as duty to the Government or enhanced price to the domestic woolgrower, and that he is entitled to this as compensation and to the added 50 per cent as protection against the competition of foreign-made goods.

It is impossible, however, to know just the exact rates between wools in the grease and in finished cloth. No two classes of wool shrink alike, nor so nearly alike as to warrant a fixed ratio or a specific rate. Woolen men of high character assert that the compensatory rates of the law are all excessive—all too high.

The following calculation showing the difference between the compensation allowed by law and the actual compensation needed appeared in the Textile World Record of January, 1909:

Eleven lots of woolens, each of 10,000 yards, were calculated as to the specific rate and the ad valorem rate, and these added and the equivalent ad valorem rate calculated. Then the actual number of pounds of grease wool used at 11 cents a pound was reduced to its equivalent ad valorem. In lot 1 the actual duties paid were 105.6 per cent of the cost and the actual duties on the grease wool used amounted to 21.1 per cent, leaving 81.5 per cent for protection. The law fixed the rates as 50.6 per cent compensatory and 55 per cent protective, making 105.6 per cent as the actual ad valorem duty. The real compensatory duty, however, was actually 24.1 per cent, thus increasing the protection of the law from 55 per cent to 81.5 per cent.

APPENDIX B.

COST OF PRODUCTION—LABOR.

Woolen and worsted goods.

[From Preliminary Report, Census Bureau, 1909.]

Number of establishments	913
Capital	$415,465,000
Cost of material used	$273,406,000
Salaries and wages	$79,214,000
Miscellaneous expenses	$21,347,000
Number of salaried officers and clerks	5,325
Average number wage earners	162,914
Total wage earners	168,239
Value of product	$419,826,000

Dividing the amount of salaries and wages by the total value of products, it is found that the labor cost of woolen and worsted goods for the year 1909 was 18.86 per cent.

The value added by manufacture to materials, $146,360,000.

Labor's share of the value added was 54.10 per cent.

Labor received 18.86 per cent of the manufactured product.

Labor received 54.10 per cent of the value added by manufacture, or $79,214,000 out of $146,360,000.

Deducting $21,347,000, miscellaneous expenses, and $79,214,000 out of the value added to material by manufacture, we have $45,799,000 gross profits of manufacture in 1909, or 11.02 per cent on the capital stock, with all its water. The water is variously estimated at from 100 to 200 per cent. The profits therefore run from 11 to 30 per cent.

The cost in England is from 14 to 24 per cent.

APPENDIX C.

Prices of washed wool.

Years.	Washed Ohio fleece wool, per pound, in Eastern markets, July 1.		
	Fine.	Medium.	Coarse.
	Cents.	*Cents.*	*Cents.*
1800			
1810			
1820			
1830	60	50	40
1840	45	39	33
1850	45	37	30
1851	47	42	37
1852	45	38	33
1853	60	53	48
1854	45	37	30
1855	50	40	33
1856	55	42	36
1857	56	50	40
1858	43	37	30
1859	56	40	35
1860	55	50	40
1861	38	30	22
1862	48	47	45
1863	75	70	65
1864	100	100	90
1865	75	73	65
1866	70	67	60
1867	55	49	45
1868	46	45	43
1869	48	48	47
1870	46	45	43
1871	62	60	55
1872	72	70	65
1873	50	48	44
1874	53	53	46
1875	52	49	46
1876	38	35	31
1877	50	44	37
1878	36	36	32
1879	37	38	34
1880	46	48	42
1881	42	44	36
1882	42	45	34
1883	39	41	33
1884	35	34	30
1885	32	31	28
1886	33	33	29
1887	34	37	34
1888	29	33	31
1889	35	39	32
1890	33	37	29
1891	31	35	29
1892	28	34	30
1893	24	26	25
1894	20	21	18
1895	18	21	19
1896	17	18	17
1897	21½	23½	21
1898	28	29	24½
1899	29	31½	27
1900	28½	31½	27½
1901	25	26	22
1902	26	26¾	25
1903	31½	31½	27
1904	32½	32½	30½
1905	36	39	36
1906	33	37	36
1907	34	36	35
1908	34	38	36
1909	35	40	37

Prices of unwashed wool.

Years.	Unwashed wool, foreign prices, per pound.			Domestic price, Ohio fine unwashed, Boston.	
	Clothing.	Combing.	Carpet.	Low.	High.
	Cents.	*Cents.*	*Cents.*		
1885	20	24	11		
1886	16	22	11		
1887	19	24	12		
1888	20	24	12		
1889	20	23	12		
1890	23	25	12		
1891	23	23	11		
1892	21	23	9		
1893	18	22	9		
1894	16	26	9		
1895	15	20	9		
1896	17	22	10	12	15
1897	17	22	11	13½	21
1898	18	20	10	18	21
1899	15	28	9	16	26
1900	21	21	9	18	26
1901	16	20	10	16½	19½
1902	12	18	9	19	23
1903	18	19	10	20	25
1904	19	22	12	21	25
1905	23	25	13	23	30
1906	24	28	14	24	28
1907	26	30	15	25	28
1908	22	27	15	19	27
1909	21	21	11	23	28
1910	23	24	9-15	20	28
May, 1911	18	24		16	19

[London News, May 10, 1911.]

Victorian greasy	23–26
Bollies	20
West Australia merino combing	20–24
Lambs	16–19
Crossbred combing	20–21
Caligiddy combing	19–20
Caligiddy clothing	18
New Zealand combing	23–24½
Half-bred	23–24½
Heatherlea crossbred combing	16–19

APPENDIX D.

LOW AND HIGH PRICES, 1890 TO 1900—WORLD-WIDE.

Sauerback's compilation of prices on 45 staples for England, Prof. Conrad's compilation for 30 staples for Germany, the Bank of Japan's compilation for 40 staples in Japan, and the compilation of the Bureau of Economic Research for the United States show the following changes of prices, 1890–1900:

Countries.	1890-1896	1897-1900
Great Britain	Fell 15 per cent	Rose 17 per cent.
Germany	Fell 23 per cent	Rose 22 per cent.
Japan	Rose 31 per cent	Rose 26 per cent.
United States	Fell 23 per cent	Rose 23 per cent.

All of these countries are on a gold basis. One of them had the advantage of Republican tariff legislation, yet all had a rise beginning in 1896. The cause of the prosperity was something other than tariff tinkering one year after the rise began. This rise in prices in England began in 1895—two years before the passage of the Dingley law. The fall in prices in three of these countries began in 1890, and the passage of the Wilson bill in 1894 had nothing to do with the decline. Japan in the first period was on a silver basis, and was therefore protected from the depression in gold-standard countries. During the second period Japan was on a gold basis, and so shared the prosperity of all gold-standard countries following the increased output of gold.

The fall in prices throughout the world from 1890 to 1896 from 15 to 23 per cent was due to the limited supply of the world's gold, and the rise followed the increased production of the world's supply of that metal—enhanced by the adoption of the gold standard by India, Russia, and Austria.

Russia in 10 years ending 1897 had called for and obtained $500,000,000 of the world's supply of gold, which she withheld from circulation and hoarded in her treasury. From 1897, when she finally took the gold standard, she began to pay out gold, and in two years had returned $300,000,000 of gold to the circulation. Austria from 1890 to 1896 hoarded gold, which returned to the circulation in 1897. France, Germany, and England, to protect themselves, increased their surplus of gold from 1887 to 1896 to a point never before known. Beginning with 1897, all this gold began to return to the circulation, with a corresponding rise in prices for all commodities.

The gold supply was further increased by a remarkable increase of production. In 1897 the product doubled that of 1890; that of 1898, $50,000,000 more than 1897; that of 1899 amounted to about $315,000,000, or an increase of $200,000,000 above the average product of 1887 to 1890. The surplus supply of gold in 1895 was $125,000,000, against an average annual deficit of $26,000,000 for the four years preceding. The average surplus for the four years 1895–1898 was $124,000,000 per annum.

The rise and fall of prices for four years before and after 1896 correspond with the rise and fall of the world's deficits and surpluses for the same quadrennial periods. The fall in prices, 1891–1895, corresponded exactly with the rise in the price of gold for the same period, and the rise in prices, 1896–1899, with the fall of the price of that commodity.

Had the Wilson bill continued to 1899 the rise in commodity prices would have been exactly the same. Prices began to rise in 1896, before the passage of the Dingley law, caused by forces entirely outside the power and force of that statute. The rise and fall of prices were world wide, while the Dingley statute was confined to the United States, distributing a world-wide prosperity to a limited number of Americans in unrighteous proportions, but not strong enough to keep the world's prosperity from helping all Americans to a remarkable degree.

The increased production of gold effected a world-wide rise in prices, while the passage of the Dingley law effected the creation of innumerable trusts in the United States, which caused a rise in American trust-made goods far in advance of the slighter world-wide advances. In Europe prices rose from 1896 to 1907—12 years—according to Sauerbeck, 27 per cent. In the same period prices, according to Dun's Review, rose in the United States 49 per cent, and in 1908, 61 per cent.

The English rise in prices may be taken as the result of the increased supply of gold, and the American increase divides as follows:

Increased prices, 12 years.

	Per cent.
Increase in United States prices	49
Increase due to gold supply	27
Increase due to tariff trusts (in 1907)	22
In 1908 had risen	34

That the Wilson free-wool bill had nothing to do with the decline in the price of sheep is shown by the following table of foreign prices of sheep from 1890 to 1909:

Market value of sheep imported into the United States in the market from whence exported, as shown by Agricultural Yearbook.

Years.	Price per head.	Years.	Price per head.
1892	$3.78	1901	$3.73
1893	3.66	1902	3.58
1894	3.25	1903	3.44
1895	3.34	1904	3.42
1896	2.65	1905	3.77
1897	2.51	1906	4.24
1898	2.82	1907	4.98
1899	3.47	1908	4.82
1900	3.58	1909	4.90

Prices of sheep have advanced all over the world from 1897 to 1909, irrespective of tariff laws.

On the other hand, sheep for export brought excellent prices.

Export prices.

Years.	Price per head.	Years.	Price per head.
1892	$3.43	1901	$6.49
1893	3.39	1902	5.41
1894	6.29	1903	6.03
1895	6.48	1904	6.49
1896	6.26	1905	6.29
1897	6.27	1906	5.64
1898	6.08	1907	5.54
1899	5.96	1908	5.83
1900	5.83	1909	5.40

Beginning with 1894 export prices for American sheep almost doubled and held their rank for 11 years, when there was a slight decline.

Prices of wool (duty 22 cents a pound).

[Foreign prices are for washed wool, duty unpaid; domestic prices, New York.]

Years.	Foreign.	Domestic. Ohio XX.
	Cents.	*Cents.*
1894	20	23½
1895	18	18½
1896	16	19
1903	46½	32½
1904	53	34
1905	29½	35½
1906	34	34½
1907	36	34
1908	31	32½

It is clear that prices of wool were as low relatively abroad for the period 1894–1897 as they were in the United States.

It is plainly evident that no duty whatever from 1894 to 1903 was needed to protect American woolgrowers, but that notwithstanding this, the duty or a part of it was added to the price. The foreign price in 1903 and 1904 was higher than the domestic. The foreigner could not compete, duty paid, in 1905. The duty, 22 cents, added to the foreign price, 29½ cents, made 51½ cents laid down in New York, against the home price of 35½ cents. Foreign wool in 1906, 1907, and 1908 was as high as domestic, irrespective of duty. During the periods of two or three years natural law fixes foreign prices as high as or higher than our prices, during which the woolgrower needs no protection.

On first-class washed wool, not on the skin, the duty is 22 cents a pound, a rate not justifiable by foreign prices. Domestic wool at all times could have held its own without a tariff of any kind. Domestic woolgrowers produce less than two-thirds of all the wool consumed in the United States; the remainder must be purchased abroad. The above table shows beyond peradventure that the woolgrowers of the United States not only have the domestic market but can always have that market for all their goods, and can stand the proposed reduction in the present tariff laws or the total repeal of the wool duties. Wool—American wool—in the markets to-day is selling low compared with what it might sell for, inasmuch as foreign wools, duty unpaid, are running at about the same price. Many

wool men agree that the woolgrowers can stand this reduction without injury.

APPENDIX E.

ANOTHER REASON FOR LOSS OF SHEEP—1893 TO 1897.

In addition to the reasons heretofore given for the loss of sheep at various periods of our history there is the further reason of sales and killings for mutton at periods when the price of mutton was abnormally high. One of these high-priced mutton periods came in 1894, 1895, and 1896, and brought about a loss of nearly 2,000,000 sheep just at the time that Republicans were charging a loss of sheep to the Wilson bill. The following is taken from the yearbook of 1896, and is another answer to misleading statements of Republicans:

British imports of sheep.

1893	62,682
1894	484,597
1895	1,065,470
1896 (9 months)	614,855

American sheep during the last three years of this period were landed in Liverpool in greater numbers than in any preceding year. The profitable market for mutton appears to have encouraged sheep growing and fattening in many of the Western States.

American yearlings and 2-year-olds commanded practically the same price as English sheep, and were sold during the year 1896 at from 14 to 16 cents a pound.

This trade might have gone on indefinitely but for the fact that the scab appeared among one lot of sheep from America in the latter part of the year, which broke up the British importation of sheep from the United States at about the same time that Republicans were passing the Dingley law. The exportation to Great Britain ceased because of British antagonism to diseased American sheep, and these sheep were retained in American folds to swell the number of sheep and indirectly aid the new tariff to make a greater showing for the American sheep industry.

But apart from this, why should 80,000,000 of people tax themselves 11 and 12 cents a pound for the sheep raisers, who produced 300,000,000 pounds of wool? Why should all industries be taxed enormously and outrageously in order to foster sheep raisers? Why should the people pay sheepmen a bounty on sheep and wool?

APPENDIX F.

PRODUCTION, CONSUMPTION, AND MANUFACTURES OF WOOL.

World's wool production in 1891, and wool and sheep in 1910, by countries—per cent of increase in wool production and in population, by continents.

Countries.	Wool.		Per cent of increase, 1891 to 1910.		Sheep and lambs.
	1891	1910	Wool.	Population.	1910
	Pounds.	*Pounds.*			*Number.*
United States	307,102,000	321,393,000	4.1	46.1	57,216,000
Other North America	18,000,000	19,210,000			6,534,000
North America	325,102,000	340,573,000	4.8	50.6	63,750,000
Argentina	[1] 310,000,000	414,465,000			67,212,000
Chile	[1] 7,500,000	20,754,000			4,224,000
Uruguay	[1] 58,470,000	129,961,000			26,000,000
Other South America	14,000,000	20,394,000			3,786,000
South America	389,970,000	585,574,000	50.2	28.6	101,222,000
United Kingdom	147,475,000	141,940,000			31,249,000
Austria-Hungary	54,301,000	41,600,000			13,974,000
France	124,503,000	78,000,000			17,400,000
Germany	54,894,000	25,600,000			7,764,000
Italy	21,385,000	35,000,000			11,100,000
Spain	66,138,000	52,000,000			16,119,000
Russia	291,500,000	152,000,000			43,000,000
Balkan States and Roumania	[1] 65,824,000	55,000,000			17,000,000
Turkey		23,000,000			7,000,000
Other Europe	26,896,000	42,000,000			13,624,000
Europe	853,216,000	646,140,000	[2] 24.3	9.5	178,290,000
British India	[1] 80,000,000	50,000,000			21,824,000
China	[1] 20,000,000	50,000,000			19,000,000
Russia	66,000,000	60,000,000			19,000,000
Turkey	39,855,000	113,600,000			34,000,000
Other Asia	[1] 5,000,000	13,146,000			5,000,000
Asia	210,855,000	286,746,000	3.6	7.7	98,824,000
Algeria and Tunis	30,425,000	36,919,000			10,148,000
South Africa	[1] 97,500,000	111,720,000			28,394,000
Other Africa	[1] 4,000,000	13,000,000			7,109,000
Africa	131,925,000	161,639,000	22.5	24.5	45,651,000
Australasia	550,000,000	833,612,000	51.6	38.7	115,526,000
Other Oceania	40,000	100,000			15,000
Oceania	550,040,000	833,712,000			115,541,000
The world	2,461,108,000	2,854,384,000			603,278,000

[1] Figures for 1894.

[2] Decrease.

Comparative summary—Number of sheep and wool clip east and west of the Mississipi River, with percentage of total fleece wool production, by decades, from 1840 to 1910.

Years.	East of Mississippi.			West of Mississippi.		
	Sheep.	Wool.		Sheep.	Wool.	
		Clip.	Per cent of total.		Clip.	Per cent of total.
	Number.	*Pounds.*		*Number.*	*Pounds.*	
1840	18,807,779	35,102,584	98.01	503,595	690,530	1.99
1850	20,095,661	50,014,074	95.23	1,627,559	2,502,885	4.77
1860	18,906,000	51,791,194	85.94	5,009,000	8,473,719	14.06
1870	21,058,684	77,384,569	77.29	7,419,267	22,737,818	22.71
1880	20,424,000	95,977,649	61.65	21,768,000	59,704,102	38.35
1890	18,344,000	70,910,611	42.86	22,532,000	94,538,628	57.14
1900	12,628,000	83,008,478	30.01	27,225,000	193,559,106	69.99
1910	11,329,000	74,020,500	26.31	27,740,000	207,342,250	73.69

APPENDIX G.

CENSUS REPORT, 1907.

Scoured wool, animal hair, shoddy, and cotton consumed in the wool manufacture, with per cent of total: 1880 to 1905.

	1905 (pounds).	1900 (pounds).	1890 (pounds).	1880 (pounds).	Per cent of total.			
					1905	1900	1890	1880
Scoured wool, including camel, alpaca, and vicuña hair and mohair	289,393,614	244,216,894	207,584,746	167,634,157	54.7	55.1	55.3	59.2
Shoddy,[1] including buffalo, cow, and other animal hair and fur	142,870,480	100,581,871	73,678,066	56,970,682	27.0	22.7	19.6	20.1
Cotton and cotton yarn	97,022,757	98,632,496	94,372,267	58,481,712	18.3	22.2	25.1	20.7
Total	529,286,851	443,431,261	375,635,079	283,086,551	100.0	100.0	100.0	100.0

[1] Includes shoddy made in mill for use therein.

Scoured wool and shoddy consumed in the wool manufacture, with per cent of total, 1890 to 1905.

	1905		1900		1890	
	Quantity (pounds).	Per cent of total.	Quantity (pounds).	Per cent of total.	Quantity (pounds).	Per cent of total.
Scoured wool	282,194,618	72.6	238,632,452	76.9	198,174,021	77.7
Shoddy purchased	35,782,056	27.4	34,496,508	23.1	56,826,475	22.3
Shoddy made	70,801,994		37,000,000			
Total	388,778,668	100.0	310,128,960	100.0	255,000,496	100.0

APPENDIX H.

MANUFACTURES NOT LANGUISHING.

The following figures, showing the growth of our export trade in manufactures, speak with irresistible eloquence not only as to our growth, but as to the fact that high tariffs are no longer needed to protect our manufacturing industries:

Exports of manufactures—per cent of all exports.

	Per cent.
1880	14.78
1890	21.18
1900	36.37
1910	44.85

First nine months of calendar year 1910, 51.34 per cent.

When more than half our exports are manufactures they certainly need no protection.

Export values.

1860	$48,000,000
1870	70,000,000
1880	122,000,000
1890	179,000,000
1900	485,000,000
1910	767,000,000

The Wilson law certainly did not bankrupt our manufacturers. When they shut down in 1894 to starve labor and to knife the Democratic Party and the country they were full-handed and ready to take advantage of the Dingley law—a law especially devised and passed for their benefit.

No hearings are needed to show that the present tariff rates can be cut downward, and cut deep.

Production.

1890	$9,372,000,000
1900	13,004,000,000
1905	16,867,000,000
1910 (estimated)	20,000,000,000

From 1890 our manufactures increased more than 100 per cent owing to the unnecessary protection—the unjust and unwarranted protection—of the Dingley law. During the same period the increase in the value of manufactures exported was 325 per cent.

Comparison of manufactured exports to exports of food products.

Years.	Manufactured exports.	Exports of foods.	Percentage of food products.
1880	$122,000,000	$459,000,000	55.77
1890	179,000,000	357,000,000	42.21
1900	485,000,000	545,000,000	39.80
1910	767,000,000	369,000,000	21.59

Protection has built up the manufacturing industry at the expense of the agricultural industry and of all other industries.

Kind of manufactures exported.

	1910	1909
Iron and steel	$179,000,000	$145,000,000
Copper	88,000,000	85,000,000
Mineral oil	94,000,000	99,000,000
Wood and lumber	75,000,000	64,000,000
Leather	52,500,000	43,000,000
Cotton	33,000,000	32,000,000
Agricultural implements	28,000,000	25,500,000
Cars and carriages	20,500,000	15,500,000
Chemicals	21,500,000	19,000,000
Naval stores	18,500,000	15,000,000
Scientific instruments	12,500,000	9,000,000

Mr. UNDERWOOD. Mr. Chairman, I yield one hour and thirty minutes to the gentleman from Massachusetts [Mr. PETERS].

Mr. PETERS. Mr. Chairman, the bill we have before us for a revision of the woolen schedule, known as Schedule K, shows the firm determination of the Democratic Party to be true to its pledges for a downward revision of the tariff. As a member of the Ways and Means Committee which reports the bill, I can testify to the efforts of the majority of that committee to bring out a bill which would meet the difficulties of this perplexing schedule. Your committee believes it has accomplished this, and it now presents H. R. 11019, which has the support of all the Democratic members of the committee, as a revision of Schedule K in the interest of the consumers.

The rate of duty on manufactured products under the Dingley bill is 89.42 per cent and under the Payne bill 90.12 per cent, and on the expected importations under this bill the estimated rate of duty will be 42.55 per cent. Can better evidence than this be given of the insincerity of the Republican pledges to revise the tariff downward and of the faithfulness with which the Democrats redeem their preelection promises?

DUTY TO PROVIDE FOR REVENUE.

In presenting a revision of this schedule your committee are obliged to keep in mind the fact that the revenues of the Government must be provided for. The total income of the Government from the imports of wool and woolens for 1910 was $41,900,693, or 12.8 per cent of total duties collected. The proposed measure is estimated to produce $40,556,200 in revenue, the importations being expected to increase sufficiently under the lower duties to furnish a sum nearly equal to the present revenue. True to its promises, the Democratic Party will without question effect great economies in the Government and will greatly lighten the burden on our people through taxation.

The reforms, however, can not be immediately effected, and as this schedule takes effect by itself, it is necessary to provide from it a revenue substantially equal to that which is now being secured from the imports which come under it. A tariff tax is not a benefit to be distributed between people, but a burden to be placed where it will rest lightest, and with this in view your committee have sought to lighten the taxes on the consumers of the cheaper goods and place the heavier burden on the more expensive products where best it can be borne.

FREE RAW MATERIALS.

To lighten the tariff burden as much as possible taxes should be placed on the finished product, and the raw materials entering into industry as basis of manufactures should be free. A reform of the present taxation tariff system must commence

as far as possible on free raw materials and a reduction of the duties to a competitive basis on the finished product.

DEMOCRATIC RULES.

Secretary of the Treasury Walker, in his report on the tariff in 1846, laid down rules which, I believe, should always guide the Democrats in the preparation of the tariff laws. His report says:

1. That no more revenue should be collected than is necessary for the wants of the Government economically expended.
2. That no duty be imposed upon any article above the lowest rate which will yield the largest revenue.
3. That below such rate discrimination may be made, descending in the scale of duties; or, for imperative reasons, the article may be placed in the list of those free from all duty.
4. That the maximum revenue duty should be imposed upon luxuries.
5. That the duty should be so imposed as to operate as equally as possible throughout the Union, discriminating neither for nor against any class or section.

PRESIDENT CLEVELAND'S MESSAGE.

The words on Schedule K are no less true to-day than when, in 1887, President Cleveland, in his famous tariff message to Congress, declared his position on the wool schedule, as follows:

When the number of farmers engaged in wool raising is compared with all the farmers in the country, and the small proportion they bear to the population is considered; when it is made apparent that in the case of a large part of those who own sheep the benefit of the present tariff on wool is illusory; and, above all, when it must be conceded that the increase of the cost of living caused by such tariffs becomes a burden upon those with moderate means, and the poor, the employed, the unemployed, the sick and well, and the young and old; and that it constitutes a tax which, with relentless grasp, is fastened on the clothing of every man, woman, and child in the land, reasons are suggested why the removal or reduction of this duty (on wool) should be included in a revision of our tariff law.

Mr. MARTIN of Colorado. Will the gentleman permit an interruption?

Mr. PETERS. Certainly.

Mr. MARTIN of Colorado. The gentleman from Massachusetts, I suppose, regards Mr. Walker as perhaps the greatest Democratic authority in the making of a tariff, does he not?

Mr. PETERS. I should say he was certainly among the greatest tariff writers we have had.

Mr. MARTIN of Colorado. Does not the gentleman think that Mr. Walker was honestly and intelligently applying his own doctrine when he levied a duty of 30 per cent on raw wool?

Mr. PETERS. I have no doubt that Mr. Walker always endeavored to carry out the principles he advocated, but in the levying of that duty at that time, as in the levying of the duty at the present time, the particular circumstances and condition of the times must be borne in mind. [Applause on the Democratic side.]

Mr. RUCKER of Colorado. Will the gentleman yield?

Mr. PETERS. Certainly.

Mr. RUCKER of Colorado. Does the statement of the gentleman from Massachusetts go so far as to say that it had no effect on the price of wool and the production of wool in this country?

Mr. PETERS. It is impossible to tell whether the Wilson Act did or did not have an effect on the prices during the period in which it was in operation.

Mr. RUCKER of Colorado. The gentleman will agree that there was less production of wool, and that the price went down, and that in 1897 there was 350,000,000 pounds of wool brought into this country, double what had been brought in before under the previous acts and more in that year than has ever been brought in since under the changed act, will he not?

Mr. PETERS. Certainly. In 1897 it was known that a duty was soon to be placed on wool, and in order to take advantage of getting wool imported free large importations were made from abroad, and the people stored up the wool in this country. While during the Wilson Act the price of wool decreased and the number of sheep in this country decreased, yet there was a corresponding decrease in the price of wool in the sales at both London and Antwerp, and the number of sheep in Australia decreased almost exactly proportionate to the decrease in this country.

If the Wilson Act caused that, free wool ought to have increased the number of sheep in Australia instead of decreasing it. But it followed about the same course as in this country. That indicated that it was a world-wide panic and hard times which brought the conditions in this country which existed under the Wilson Act, and that the Wilson Act itself was not the cause of that depression.

Mr. RUCKER of Colorado. Will the gentleman answer one more question? Why is it that since the Wilson Act went out and the Dingley Act came in there has been a constantly growing increase in the price of wool as well as in the production of wool?

Mr. PETERS. If it was the reason the gentleman seems to infer, it ought not to apply to Australia and to the London market, whereas the increase in Australia has been greater during that time than has been the increase in the United States. [Applause on the Democratic side.]

Mr. RUCKER of Colorado. Mr. Chairman, I think the gentleman will find there is a decrease in Australia in the last few years in the pounds of wool production.

Mr. ALEXANDER. Mr. Chairman, will the gentleman from Massachusetts permit me to interrupt for a moment?

Mr. PETERS. In just one minute. In the year 1893 there were 47,273,553 sheep in the United States, the largest number of sheep from 1886 to 1893, according to the figures of the Statistical Abstract. In 1897 there were 36,818,643, which is the smallest during that entire period of depression, a decrease of 10,454,910 sheep. In 1903, and I ask the attention of the gentleman to this, there were in this country 63,964,876 sheep, and in 1905 there were only 45,170,423 sheep, a decrease of 18,894,453 sheep, or a decrease during the time of a 11-cent duty on wool of nearly twice the number of sheep that there were during the Wilson bill. [Applause on the Democratic side.] The table I later submit shows an increase, not a decrease, in the Australian sheep in the last seven years. In 1902 the number of sheep in Australia was 53,668,000; in 1909, 91,676,000; a far greater comparative increase than took place in the United States in the same period.

Mr. RUCKER of Colorado. I want to ask the gentleman to continue to read on, because I stated it had been on the increase. I know there is one year there when there is a decrease.

Mr. ALEXANDER. Mr. Chairman, if the gentleman from Massachusetts will permit——

Mr. PETERS. Certainly.

Mr. ALEXANDER. I would like to ask the gentleman from Colorado, speaking about the influence of the tariff upon prices, how he would solve this situation. In 1909, in my district in Missouri, the wool clip was worth 29 cents a pound, and in 1910 it was worth 20 cents a pound. This year it is worth from 15 to 16 cents a pound. What influence has the tariff got on the price?

Mr. RUCKER of Colorado. Mr. Chairman, I would answer the gentleman from Missouri, if I may be allowed to, by saying that I believe it is a constant increase of importing wool into this country. That is my judgment about that.

Mr. ALEXANDER. Does the gentleman insist the present rates are not high enough?

Mr. RUCKER of Colorado. On wool?

Mr. ALEXANDER. Yes.

Mr. RUCKER of Colorado. No; I do not think wool is high enough. I never will think that as long as I am in the sheep-growing business. [Laughter.] Another thing I will say to the gentleman from Missouri is that the Woolen Trust has a very great deal to do with that also.

Mr. ALEXANDER. I think that is correct.

Mr. RUCKER of Colorado. But I do believe that every pound of wool that is brought in here from abroad tends to decrease the price of wool here, because every pound of wool that is brought into this country will displace a pound of wool in this country.

Mr. ALEXANDER. Can that be true when we do not raise more than half of what we use?

Mr. RUCKER of Colorado. Yes; as long as we are not consuming any more than we are consuming, and if we consume more, we will increase more; but as long as we get purer wool we will have clothing that will last longer, and there will be a less consumption.

Mr. RANDELL of Texas. Mr. Chairman, I will ask the gentleman from Massachusetts if he will yield to me for a minute?

Mr. PETERS. Certainly.

Mr. RANDELL of Texas. I would like to ask the gentleman from Colorado if he meant to say that the trust controlled in any way or affected the price of raw wool?

Mr. RUCKER of Colorado. I do not mean that. I mean that the trusts controlling the product, the finished product, as it has its natural effect upon the wool as well.

Mr. RANDELL of Texas. Controls the price of wool in this country, does it not?

Mr. RUCKER of Colorado. The trust?

Mr. RANDELL of Texas. Yes.

Mr. RUCKER of Colorado. I really do not know. I do not know; but I would like to have that answered.

Mr. RANDELL of Texas. I would like to ask the gentleman from Colorado to explain why it is that western wool in 1900, after three years of the effect of the Dingley tariff of 11 cents a pound on raw wool, why the price was but 10 cents, 1 cent less than the tariff, if it was not controlled by a trust?

Mr. RUCKER of Colorado. I do not know what market the gentleman speaks about.

Mr. RANDELL of Texas. I speak about the market of San Antonio, San Angelo, and southwest Texas.

Mr. RUCKER of Colorado. Your rate is about 2½ cents a pound from that place in Texas, as it is from my place in the West, in Denver.

Mr. RANDELL of Texas. Then 2½ cents a pound from 11 would leave only 8½ cents a pound, and the price there was only 10 cents a pound, 1 cent less than the tariff.

Mr. RUCKER of Colorado. Well, I want to say to the gentleman that he illustrates just what I have been trying to show—that unless you have a central market you can only get the price minus the freight that is placed upon it to bring it to the central market.

Now, I have been selling wool at 11 cents and never did get the price they got either in Liverpool or in Boston, because you have got to determine what is the freight upon it. You can send wool from New York to London, and vice versa, for one-half of a cent a pound, and we pay 2½ cents a pound from Denver to Boston.

Mr. PETERS. The gentleman from Colorado seems to have mistaken the purposes of this revision. This bill is a revision of the schedule under our promises to lift the burden from the backs of the consumers of woolen goods [applause on the Democratic side], and in carrying out that purpose the Democratic Party means to redeem its pledges, and the duties on one product as well as another will be looked on from that point of view and from the point of view of revenue, and not from the point of view of giving special privileges to any class of people in the United States. [Applause on the Democratic side.]

Mr. RUCKER of Colorado. Will the gentleman just yield for one more question?

Mr. PETERS. With pleasure.

Mr. RUCKER of Colorado. The gentleman realizes that in fixing the duty upon products of wool you are putting the manufacturers of Massachusetts and New England upon a competitive basis with the foreigner, are you not?

Mr. PETERS. Yes.

Mr. RUCKER of Colorado. Well, now——

Mr. PETERS. That certainly was our intention in drafting this bill.

Mr. RUCKER of Colorado. Was it your intention to put the woolgrower upon a competitive basis with the foreign woolgrower?

Mr. PETERS. Our intention in drafting this bill is to collect sufficient revenue to run the Government and distribute the burdens where they may fall the lightest and not to distribute the duties as a benefit to be handed to one person or to be given to one manufacturer or one part of the country.

Mr. RUCKER of Colorado. Therefore the question never entered into the minds of those who framed this bill to make the woolgrower upon a competitive basis with the foreign woolgrower.

Mr. PETERS. The woolgrower is on a competitive basis with the foreign woolgrower.

Mr. RUCKER of Colorado. In this bill—does the gentleman think that is so in this bill?

Mr. PETERS. The fact of their competing in the same market puts them on a competitive basis——

Mr. RUCKER of Colorado. But can he compete with the foreign grower of wool under this bill? Does the gentleman think that he can do it?

Mr. PETERS. I am absolutely certain he can.

Mr. RUCKER of Colorado. I want to say to the gentleman that I am just as absolutely certain that he can not.

Mr. LONGWORTH. Will the gentleman yield for a question——

Mr. PETERS. With pleasure.

Mr. LONGWORTH (continuing). In line with the question asked by the gentleman from Colorado? Has a majority of the Ways and Means Committee made any estimate as to how much the price of raw wool will be decreased by this bill?

Mr. PETERS. I do not think any such estimate has been made, as the price of raw wool depends on so many factors and fluctuates through so many causes that it would be impossible to come to any fairly accurate estimate as to what it would be in another year or under other conditions.

Mr. LONGWORTH. It has been the intention of your committee, has it not, to depreciate the price of raw wool?

Mr. PETERS. It has not been the intention of the committee to depreciate; rather, it has been the intention of the committee to enable the manufacturer to obtain the imported wool cheaper, so that the tax on the finished product may be made less.

Mr. LONGWORTH. Oh, but the gentleman I do not think answered my question. Of course, if this bill is as the gentleman says, solely in the interest of the consumer, it must be the intention of the committee to depreciate the price of raw wool and of manufactured wool. Now, my question relates solely to the price of raw wool, and I ask the gentleman if it is not the intention of the committee to depreciate the price of raw wool.

Mr. PETERS. It is expected the price of raw wool will be lower, if this bill passes, than if the present duty of 11 cents a pound should remain on it.

Mr. LONGWORTH. You mean that the committee has no idea at all as to how much that price will be depreciated?

Mr. PETERS. That is absolutely impossible to determine.

Mr. LONGWORTH. Then I will ask the gentleman——

Mr. PETERS. If the gentleman will just allow me, it is expected that the increased use of wool will stimulate the demand by the mills so that there will be more wool used in this country than at the present time, and it is expected that that will, at least in a measure, compensate for the change in the rates of duty.

Mr. LONGWORTH. I do not think that the gentleman has yet answered my question. I will put it in this form: How much is it hoped that this bill will depreciate the price of raw wool?

Mr. RANDELL of Texas. Will the gentleman yield to me to answer that question?

Mr. PETERS. I first promised to yield to the gentleman from Missouri [Mr. ALEXANDER].

Mr. ALEXANDER. I just wanted the gentleman from Ohio to answer the question I asked the gentleman from Colorado, namely, if under the existing law he can account for the fluctuation in the value of wool, perhaps he can answer how much the price of wool will be depreciated by the bill under consideration. In 1899, in my district, wool was worth 29 cents, in 1900 it was worth 20 cents, and this year it is worth 15 to 16 cents. Now, if the gentleman can solve that fluctuation in price under the Payne law, perhaps he can tell what the depreciation will be under the pending bill. It does not seem that the law itself controls the price.

Mr. LONGWORTH. I will say to the gentleman that I am not assuming to say how much the price of raw wool will be depreciated by this bill. I am asking a member of the majority of the Ways and Means Committee to state how much it is hoped or expected the price of raw wool will be depreciated.

Mr. RANDELL of Texas. Will the gentleman permit me?

Mr. PETERS. Certainly.

Mr. RANDELL of Texas. I would like to say to the gentleman from Ohio that it is impossible for the committee to know exactly what the changes in the price of wool may be; but, as one of the committee, I know that the calculation of at least a large majority of the members of the committee is that the price of wool will be enhanced by this bill. This bill is in favor of the woolen industry by being in favor of the people, and there will be a largely increased demand for wool. To illustrate how much will be the difference, we will say, when taking the testimony of the manufacturers in the East and, say, our western woolgrowers, it shows that they get about 2 cents a pound now of the 11 cents that the Republicans have levied on raw wool? If the doctrine of division would come in, and no difference in the consumption, why it would be then a difference of about two-thirds of a cent a pound. In other words, the producer would get about two-thirds of a cent a pound. He is now getting 2 cents a pound. But our contention is that the woolen industry will be so stimulated and put upon such a rational basis that the American people can get their goods at a reasonable price, and therefore the price of wool will be enhanced and the price of woolen goods will come down.

Mr. LONGWORTH. I think I understand the gentleman. He differs, then, substantially from his colleague?

Mr. RANDELL of Texas. I do not think——

Mr. LONGWORTH. Pardon me; the gentleman's colleague has just stated in reply to my question that it was expected that the price of raw wool would be depreciated, but the gentleman himself thinks it would be enhanced.

Mr. RANDELL of Texas. I do not wish to take the time of the gentleman from Massachusetts, but I did not understand

him to say that, except in this way, that so far as the tax was concerned there would be a less number of things to bring up the price. In other words, the revenue tariff would not raise the price of wool as much as the 11 cents that is now on it. That would be true if it had affected it at all. But our contention is, it is now controlled by a trust, and the growers get almost nothing from it and, under this bill, if it has the effect the Democrats think it will, the trust will not have the control of the market as now, and wool will be back on its normal base and the woolgrower will get the benefit and the consumers of this country will get the benefit.

Mr. LONGWORTH. I want to understand clearly what is the opinion of the Ways and Means Committee. The gentleman from Massachusetts says this bill will depreciate the price of raw wool, and the gentleman from Texas says it will increase it. Now, what I would like to know is, what is, we will say, the average opinion of the majority of the members of the Ways and Means Committee as to the effect that this bill will have on raw wool? It is probably asking too much, but it seems to me that this House——

Mr. RUCKER of Colorado. Mr. Chairman——

The CHAIRMAN. To whom does the gentleman yield?

Mr. PETERS. I yield to the gentleman from Ohio.

Mr. LONGWORTH. I simply want to state that we, the Republican members of the Ways and Means Committee, not having had an opportunity to acquire the views of the majority until now, when the bill is being explained by the members of the majority——

Mr. RUCKER of Colorado. Take them up one by one——

Mr. LONGWORTH. We ask these questions in good faith and for information, and I will now ask the gentleman from Massachusetts what, in his opinion, is the opinion of the majority of the Ways and Means Committee as to the effect that this bill will have on the price of raw wool, either by way of enhancing it or depreciating it?

Mr. PETERS. I wish to answer the gentleman's question fairly. It depends upon factors which it is impossible for any set of men thoroughly to estimate. The gentleman will see that in 1903 the wool from his own State was quoted in the market at 28 cents a pound. In 1909 it was 36 cents. In the meantime it had been subject to very many fluctuations, depending on the chances of the crop, the demand for woolen goods, the state of the woolgrowing industry in Argentina and Australia and New Zealand and general commercial conditions, and it would be impossible to state with any sincerity that we can foretell the price of raw wool under this bill.

Mr. HAMILTON of Michigan. I would like to ask the gentleman a question.

The CHAIRMAN. Does the gentleman yield?

Mr. PETERS. Certainly.

Mr. HAMILTON of Michigan. The gentleman from Texas [Mr. RANDELL], in endeavoring to elucidate the question for the gentleman from Ohio [Mr. LONGWORTH], referred to a trust. I do not know whether he referred to the same trust that was referred to yesterday by the gentleman from Kansas [Mr. MURDOCK], but I assume that the Ways and Means Committee must have given very careful consideration to the question whether there is such a thing as a Worsted Trust, and I wanted to inquire of the gentleman from Massachusetts if it is a fact that there is a great corporate combination known as the Worsted Trust which controls the price of goods to the consumer and arbitrarily fixes prices?

Mr. PETERS. There is a resolution which has been introduced in the House, and is now pending before one of the committees for consideration, looking toward an inquiry into that matter, and the gentleman will be given every opportunity to present evidence before that committee.

Mr. HAMILTON of Michigan. No; what I wanted to inquire is whether such a trust exists; that is, whether the committee of which the gentleman is a distinguished member has had its attention called to the existence of such a trust. Is it true that such a trust exists?

Mr. PETERS. There is claimed to be a combination of the producers of textile goods; there is some evidence of a combination among the producers of textile goods, but——

Mr. HAMILTON of Michigan. Is there a trust known as the Worsted Trust—commonly known as the Worsted Trust?

Mr. PETERS. I never heard of one called that.

Mr. HAMILTON of Michigan. Is there a corporation known as the American Woolen Co.?

Mr. PETERS. Yes.

Mr. HAMILTON of Michigan. Is that company referred to as the Woolen Trust?

Mr. PETERS. I understand it operates both woolen and worsted mills.

Mr. HAMILTON of Michigan. The gentleman from Kansas [Mr. MURDOCK] referred to it yesterday as a trust?

Mr. PETERS. Yes.

Mr. HAMILTON of Michigan. Is that trust protected under this bill?

Mr. PETERS. The product of that company is affected under the present law, as are all the producers of textiles.

Mr. HAMILTON of Michigan. Under this bill also is it protected?

Mr. PETERS. Every producer of textiles would come under this bill.

Mr. HAMILTON of Michigan. Exactly. Then this bill does protect this great combination known as the Woolen Trust?

Mr. PETERS. Not at all. It is not sought to give protection to any particular concern. It is intended to place the finished products on a revenue basis. Whether or not there is in existence a combination called a trust at this date is something which other departments of the Government can take up, but there has been no evidence submitted to the committee to warrant it in coming to that conclusion.

Mr. FOSTER of Illinois. I would like to ask the gentleman a question.

Mr. PETERS. Yes.

Mr. HAMILTON of Michigan. Just a moment. The gentleman from Kansas [Mr. MURDOCK] stated that this bill protects an iniquitous trust to the extent of 45 per cent, did he not, or did not the gentleman from Massachusetts hear him? Did he state the truth about that, as you understand it?

Mr. PETERS. The gentleman from Michigan wants to know what the gentleman from Kansas had in his mind. As they are both members of the same party and take a similar view of these public questions, I suggest that the gentleman from Michigan go to the gentleman from Kansas to ascertain that. [Applause on the Democratic side.]

Mr. HAMILTON of Michigan. Very well. Has your party declared that the best way to destroy the trusts is to remove protection from articles made by trusts?

Mr. PETERS. Certainly.

Mr. HAMILTON of Michigan. But you do not seem to be executing that policy in this bill.

Mr. PETERS. Certainly we are carrying out that policy. The gentleman assumes the existence of a Woolen Trust.

Mr. HAMILTON of Michigan. I do not assume the existence of anything. I asked the gentleman from Massachusetts, and he stated that there exists a Woolen Trust, and that his party is protecting it 45 per cent.

Mr. PETERS. I did not say so. The gentleman says that the gentleman from Kansas [Mr. MURDOCK] said so.

Mr. HAMILTON of Michigan. And the gentleman from Massachusetts said that the gentleman from Kansas had correctly stated it.

Mr. FOSTER of Illinois. I should like to ask the gentleman from Massachusetts if he does not think that 42 per cent, or whatever there is in this bill, is much less protection than what is contained in the bill the gentleman from Michigan voted for when the Payne-Aldrich bill passed?

Mr. PETERS. Certainly. [Applause on the Democratic side.] And as the same economic conditions existed in the woolen trade at the time the Payne-Aldrich bill passed that exist now, it is strange that the gentleman should have voted for a rule at that time to prevent his offering any amendment to meet this situation which, in his mind, exists.

Mr. FOSTER of Illinois. The gentleman from Michigan did not offer any objection at that time, did he?

Mr. HAMILTON of Michigan. Will the gentleman from Massachusetts yield for another inquiry?

Mr. PETERS. Certainly.

Mr. HAMILTON of Michigan. The gentleman's party, in the framing of this bill, is proposing to levy a tariff on the tariff-for-revenue-only basis, as I understand. Has the gentleman considered whether under his theory, not mine, he could reduce the duty still lower on raw wool, thereby more nearly approximating the view of his great party leader, Mr. Bryan, and at the same time increase importations and increase revenue? Has he considered whether that could be done?

Mr. PETERS. Yes; and I may say to the gentleman that we would have had free wool, and the duties on woolen goods would have been made lower, had it not been for the necessity of raising sufficient revenue to pay for the extravagances which have been imposed on the Government by the gentleman's own party, in which, as he is in a very prominent position in that

party, he may consider himself entitled to a great deal of responsibility. [Applause on the Democratic side.]

Mr. HAMILTON of Michigan. However, the Treasury statement seems to indicate that we are increasing our revenue and that there is no real reason, even from your standpoint, on which to base this measure.

Mr. PETERS. Does not the gentleman know that there is a bond sale pending?

Mr. HAMILTON of Michigan. On the gentleman's theory, could he not still further increase his revenue by reducing the duty on raw wool?

Mr. PETERS. No.

Mr. HAMILTON of Michigan. And also more closely approximate the views of his great leader, Mr. Bryan?

Mr. PETERS. I wish to say that putting the bill on the basis of raw wool——

Mr. HAMILTON of Michigan. Could he not reduce the duty still further, even on his own theory, and still raise more revenue?

Mr. PETERS. Certainly not. If that could have been done, we would have done it. [Applause on the Democratic side.]

Mr. HAMILTON of Michigan. That is, even to the point of free raw wool?

Mr. PETERS. Most certainly.

Mr. HAMILTON of Michigan. That would be the gentleman's idea?

Mr. PETERS. That would be my idea, that I would have as little a burden as possible placed on the consumer.

Mr. HAMILTON of Michigan. Of course that would be somewhat deleterious to the sheep-growing industry, but that would make no difference from the gentleman's standpoint.

Mr. PETERS. I will go into the question of wool and sheep at a later point in my remarks.

In regard to the question as to whether or not there is a trust in the woolen or worsted trade, there was a total production of $419,826,000 in the United States in 1909, and in the last annual report which I looked up of the American Woolen Co. their sales amounted to about $45,000,000, or something over 10 per cent of the total.

Mr. COX of Indiana. Will the gentleman yield?

Mr. PETERS. Certainly.

Mr. COX of Indiana. I would like to ask the gentleman from Michigan whether or not he will vote for this bill?

Mr. HAMILTON of Michigan. I have not thought it likely that I would.

Mr. COX of Indiana. Does not the gentleman from Michigan agree with his own great leader, President Taft, when he said that Schedule K was absolutely indefensible?

Mr. HAMILTON of Michigan. I think Schedule K ought to be revised, but not in the way that the Democrats are revising it.

Mr. COX of Indiana. What kind of a bill would the gentleman vote for?

Mr. HAMILTON of Michigan. I am not going to frame up a bill now, and I do not think this bill suits you gentlemen.

Mr. PETERS. The gentleman from Michigan says he is not going to frame up a bill. I trust that he will not try to make a speech on one in my time. [Laughter.]

Mr. RUCKER of Colorado. Will the gentleman from Massachusetts yield for me to ask the gentleman from Texas a question?

Mr. PETERS. Mr. Chairman, I feel that the gentleman from Colorado has already taken up a good deal of my time, and I must go on.

Mr. RUCKER of Colorado. The gentleman from Texas asked me a question.

Mr. PETERS. I shall have to ask the gentleman from Colorado to excuse me now.

DEMOCRATIC PROBLEM.

The Democrats in their last national platform said that "graduated reductions should be made in such other schedules as should be necessary to restore the tariff to a revenue basis." In framing a revision the committee are faced by the necessity of providing substantially an amount of revenue equal to that now derived from Schedule K. A revision of the tariff as a whole might allow the decrease in revenue from one schedule to be made up in another, but where the tariff is reduced one schedule at a time substantially the same revenue must be provided. Your committee believes this revision to be an important step forward, as it places on the consumer less duties than have ever been placed on him before, but we recognize that there is still left an opportunity to reach a point in the future where a schedule can be drawn on the basis of free wool, accompanied by a further reduction in the finished product. The following table shows the duties collected under the present Payne Act and those estimated under the act herewith submitted:

Items.	Present act.—Results for year ending June 30, 1910.	Proposed act.—Estimated results for a 12-month period.
Raw wool:		
Imports	$47,687,293.20	$66,991,000.00
Duties	$21,128,728.74	$13,398,200.00
Average unit of value ..... per pound	$0.186	.....
Equivalent ad valorem rate ..... per cent	44.31	20.00
Manufactures of wool:		
Imports	$23,057,357.78	$63,831,000.00
Duties	$20,775,820.76	$27,158,000.00
Equivalent ad valorem rate ..... per cent	90.10	42.55
Total revenue	$41,904,549.50	$40,556,200.00

The woolen schedule, the backbone of the tariff, has had the public attention centered on it in most of the tariff revisions, and in taking it up now it is of interest to briefly review the history of that schedule in the previous tariffs.

BRIEF HISTORY OF SCHEDULE K.

The tariff on woolen goods appeared in one of the first tariff bills of the country in 1798, and in all succeeding bills the woolen schedule carried substantial duties. The present schedule on articles manufactured from wool came into existence in 1867, and as it exists to-day it does not differ greatly from the law imposed at that time. Not only has this schedule been in existence for a long term of years, but it was made originally under abnormal conditions. The public debt during the war between the States had accumulated to dangerous proportions, and the tariff act of 1867 was drawn for the purpose of providing revenues to meet the enormous expenses which the country was facing. At the time of this act there were also heavy internal-revenue taxes which the manufacturer had to endure. To meet these revenue taxes high compensatory duties were created and were added to the protective duties to enable the American manufacturer to compete with the importer. The internal-revenue taxes existing at that time have long been removed, but Schedule K still carries with it the compensatory duties. The only change has been to raise the ad valorem rate, designed originally to give protection in the acts of 1883, 1890, 1897, and 1909 from 25 to 60 per cent. The passing of the Wilson bill by the Democrats in 1894 marked the only time when the high compound duties of Schedule K were not in effect. This bill removed the duty on wool and simplified the duties on manufactures of wool by abolishing the specific rates.

THE WILSON ACT.

It is difficult to determine the effect of the Wilson Act. In speaking of the tariff act of 1894, Prof. F. W. Taussig, in his Tariff History of the United States, says (p. 319):

> It (the Wilson Act) went into effect shortly after an acute commercial crisis, and in the worst stage of a period of depression. The crisis and the depression were due, in this case as in others, to a long and complex set of causes, some of them still obscure even to the best informed and most skilled observers. That the tariff act played any serious part in bringing them about would not be maintained by any cool and competent critic.

The Wilson Act went into effect during times of great depression. The next presidential election was contested, not on the tariff grounds, but on other issues. At the time of the election of 1896 there had been no opportunity to fairly judge the effects of the Wilson law commercially and politically. The people of the country decided that campaign on issues entirely apart from those involved in the tariff discussion. The failure or success of the Wilson bill in the public mind was not the paramount issue of the campaign and received but little attention. The general depression had decreased both importations and internal revenue, and when the Republicans in 1897 took up the tariff, they took advantage of the lack of public attention on the subject and of the opportunity which the need of greater revenue presented to draw a high-protective bill.

THE DINGLEY ACT.

The Dingley bill, which in 1897 repealed the Wilson Act, was the highest protective measure the country had yet seen, and as enacted the bill was practically a raise of about 10 per cent on the McKinley Act of 1890.

The Spanish War, following immediately after its passage, diverted public attention and presented new issues to the people, and a wave of great prosperity and industrial activity overswept the country. At this same time there also appeared a general increase in the prices of commodities. The high-protective tariff, in many instances prohibitive, had enabled the

American manufacturers to combine and form monopolies and extort unusual prices from the American consumers. The issues of the Spanish War and commercial problems largely distracted public attention with the result that the tariff entered little into the discussions of the presidential campaign of 1904.

THE PAYNE ACT.

The demand, however, for a lower tariff, which those in control of the Republican Party successfully struggled against, became more and more insistent until, in the platform of 1908, this demand was recognized, and a promise by the Republicans to revise the tariff was inserted. That this promise would not be carried out was freely predicted by the Democrats, and to-day the words of the Democratic platform seem to have been singularly prophetic of what occurred:

We welcome the belated promises of tariff reform now affected by the Republican Party in tardy recognition of the righteousness of the Democratic position on this question, but the people can not safely trust the execution of this work to a party which is so deeply obligated to the highly protected interests as is the Republican Party. We call attention to the significant fact that the promised relief was postponed until after the coming election—an election to succeed in which the Republican Party must have that same support from the beneficiaries of the high protective tariff as it has always heretofore received from them; and to the further fact that during the years of the uninterrupted power no action whatsoever has been taken by the Republican Congress to correct the admittedly existing tariff iniquities.

We favor immediate revision of the tariff by the reduction of import duties. Articles entering into competition with trust-controlled products should be placed upon the free list, and material reductions should be made in the tariff upon the necessities of life, especially upon articles competing with such American manufactures as are sold abroad more cheaply than at home, and graduated reductions should be made in such other schedules as may be necessary to restore the tariff to a revenue basis.

REPUBLICAN REVISION UPWARD.

On the issue stated in their own platform to be "unequivocally" for tariff revision, which revision was explained by all the Republican speakers, including the candidate for President, to mean a revision downward, the Republicans were elected. A revision was undertaken, but in open defiance of the most solemn and specific pledges made to the people of this country the Republicans revised the tariff not downward, but upward, and as a result of their work the total tariff duties which, in the previous year had been imposed at a net ad valorem rate of 44.16 per cent, were estimated by the framers of the Payne-Aldrich bill at 45.72 per cent. Schedule K, among the most important schedules of the tariff, as it affected cloth and clothing entering into the cost of living of every person in the country, was, except in some small and unimportant details, left untouched, and as a result of this solemn pledge of downward revision the duties which, under the Dingley Act, had been 58.19 per cent ad valorem in 1908 under this act were made 59.23 per cent ad valorem in 1910.

CRITICISM OF THE SCHEDULE.

The President does not attempt to support this schedule in the bill, and himself said at Beverly, Mass., "The woolen schedule is indefensible, and I propose to say so," and in explanation of why this schedule was not revised in accordance with the promises made in the Republican platform, he said, at Winona, Minn., "It (the failure to revise Schedule K) is the most important defect in the Payne tariff bill and in the performance of the promise of the platform to reduce rates to a difference in the cost of production with reasonable profit to the manufacturer." In this same address he also said:

With respect to the woolen schedule, I agree that it is too high, and that it ought to have been reduced, and that it probably represents considerably more than the difference between the cost of production abroad and the cost of production here. The difficulty about the woolen schedule is that there were two contending factions early in the history of the Republican tariff, to wit, woolgrowers and wool manufacturers; and that finally, many years ago, they settled on a basis by which wool in the grease should have 11 cents a pound, and by which allowance should be made in the shrinkage in the differential upon wool manufactures. The percentage of duties was very heavy—quite beyond the difference in the cost of production, which was not then regarded as a necessary or proper limitation on protective duties.

CONGRESSIONAL ELECTION, 1910.

Faced with an ever-increasing cost of living and betrayed by the promise to reduce the burdens of the tariff, the people turned to the Democrats and at last appreciated the soundness of the words of our platform of two years before. The rebuke which was administered to the Republican Party is too well known for me to dwell on. A Republican majority of 45 was turned in one election to a Democratic majority of 63. [Applause on the Democratic side.]

IMPORTANCE OF SCHEDULE K.

A revision of the tariff schedule by schedule forbids a sweeping reduction in Schedule K until some of the now prohibitive duties in other schedules have been lowered to a revenue basis. The importance of the revenues from Schedule K are shown by the following table, which indicates the percentage of the total revenues derived from the various schedules of the tariff:

Per cent of revenue derived for year ending June 30, 1910.

1. Schedule E.—Sugar, molasses, and manufactures of	16.26
2. Schedule J.—Flax, hemp, jute, and manufactures of	15.23
3. Schedule K.—Wool and manufactures of	12.83
4. Schedule N.—Sundries	8.92
5. Schedule G.—Agricultural products and provisions	7.70
6. Schedule F.—Tobacco and manufactures of	7.39
7. Schedule C.—Metals and manufactures of	6.84
8. Schedule H.—Spirits, wines, and other beverages	5.55
9. Schedule L.—Silks and silk goods	5.21
10. Schedule I.—Cotton and manufactures of	4.17
11. Schedule B.—Earths, earthenware, and glassware	3.82
12. Schedule A.—Chemicals, oils, and paints	3.39
13. Schedule M.—Pulp, papers, and books	1.62
14. Schedule D.—Wood and manufactures of	.98

SCHEDULE K PROHIBITIVE.

Despite the fact that Schedule K furnished a very considerable part of the revenue derived from duties on imports into this country it is practically prohibitive. In the first place, Schedule K, which in 1892 provided 24.1 per cent of the revenue, now furnishes but 12.8 per cent; secondly, we imported in 1909 but $18,102,416 of woolen manufactures, or but slightly over 3 per cent of the production at home, which amounted for the same year to $514,732,000 worth.

The following table will show how restricted we are to our home market compared with the United Kingdom:

Foreign commerce in wool manufactures (yarns excluded), 1909—United States and United Kingdom compared.

Countries.	Value of imports.	Value of exports.
United States	$17,707,000	$1,971,000
United Kingdom	35,459,000	100,474,000

It will be noted, first of all, that our exports of wool manufactures are merely nominal. Secondly, that the United Kingdom, which exports heavily, imports twice as much of woolen goods as we do, despite the fact that the variety of wool at the disposal of the manufacturers of the United Kingdom far exceeds that available in the United States.

DEMOCRATIC PROMISES.

The Democratic Party was elected on a promise to revise downward in the interest of the consumer. A study of this bill will indicate that this promise has been faithfully carried out by your committee, and I submit herewith a comparison showing the reductions in each paragraph made by the present bill from those of its two immediate predecessors:

Comparison of reductions made in Schedule K by the Payne and the Underwood bills.

[All paragraphs marked (*a*) were not changed by Payne bill; (*b*), no data.]

Paragraph of Schedule K and classification.	Tariff act 1897 (for year 1907). Equivalent ad valorem duty.	Tariff act 1909 (for year 1910). Equivalent ad valorem duty.	Tariff act proposed (ad valorem duty).
	Per cent.	*Per cent.*	*Per cent.*
Raw wool, 360-371 (*a*)	40.93	44.31	20
Total rags, 372-374 (*a*)	47.05	38.96	20
Combed wool or tops, 375:			
Valued not more than 20 cents per pound	(*b*)	(*b*)	.....
Valued more than 20 cents per pound	(*b*)	111.73	25
Wool and hair, advanced beyond scoured, n. s. p. f., 376 (*a*):			
Valued not above 40 cents per pound	149.00	252.20	25
Valued from 40 to 70 cents per pound	(*b*)	112.86	25
Valued over 70 cents per pound	93.70	77.04	25
Total yarns, 377, 378 (*a*)	87.26	82.38	30
Total clothes	95.36	97.27	40
Total knit fabrics	96.89	95.76	40
Total plushes	96.81	102.34	40
All other manufacturing:			
Over 40 cents per pound	140.45	151.88	40
From 40 to 70	128.11	131.44	40
Over 70, 379 (a)	79.47	86.91	40
Total blankets	82.64	73.42	30
Total flannels, 380-383	105.94	103.87	30
Total dress goods, 382 (a) n. s. p. f.	102.07	102.85	45
Total wearing apparel, 383 (a)	82.74	81.31	45
Webbing, braids, ribbons, laces, etc., 384-394	80.83	87.06	35
Total carpets and carpeting	60.20	60.66	40 35 30 35 30 30 25 30 25 25
Total of unmanufactured wool	40.93	44.31	20
Total manufactures of wool	89.42	90.12	[1] 42.55
Total wool and manufactures of wool	58.19	59.23	[1] 31.00
Wilson bill manufactures of wool	.....	.....	47.84

[1] Estimated.

CHANGES IN BILL.

The inequalities and defects in the present Schedule K are not the least of the objections to the act as passed. Taxes should be levied justly and equitably, and no bill should seek either to hide from the people the rate of taxation which it levied or to give in disguise, under the power of taxation, an advantage to one person or one producer over another. Specific duties have been employed continuously in the high tariffs for both of these purposes, and in no bill is it more difficult to determine the exact amount of tax imposed on the consumer or the protection given to the manufacturer than under the present law in the mixed and ad valorem duties in Schedule K. To meet these difficulties and to present an absolutely fair method of levying the duties, your committee has adopted ad valorem in place of specific rates.

AD VALOREM RATES.

A specific duty of so much per pound and so much per yard always bears hardest on the less expensive articles, and so the poor are taxed on a higher ad valorem rate than those who are more well to do or those who are better able to bear it. The textile schedules, more than any others, present characteristics of this nature. This was well recognized in the past and commented on by Mr. Mills in reporting the Mills bill to the House in the Fiftieth Congress, first session. The report of the Ways and Means Committee accompanying that bill, H. R. 901, says:

In the woolen schedule we have substituted ad valorem for specific duties. The specific duty is the favorite of those who are to be benefited by high rates, who are protected against competition, and protected in combinations against consumers of their products. There is a persistent pressure by manufacturers for the specific duty, because it conceals from the people the amount of taxes they are compelled to pay to the manufacturer. The specific duty always discriminates in favor of the costly article and against the cheaper one, and therefore it imposes a heavier burden as it goes down from the highest-priced articles to the lowest. This discrimination is peculiarly oppressive in woolen and cotton goods, which are necessaries of life to all classes of the people.

DISADVANTAGES OF THE INEQUALITIES OF THE PRESENT SYSTEM.

Objection to this form of duty adopted in the proposed bill is based on the temptation to undervaluation which it is supposed to produce. It is hard to see why ad valorem duties should be more difficult to apply in this schedule than they are in other schedules of the tariff act in which they abound. As to the duty on raw wool, much of it is sold abroad at public auction, the value of which may be ascertained or standard of values established by the sales, which should make the ascertaining of its values perfectly practicable. The present schedule offers the greatest inducement to undervaluation, because while it not only has the ad valorem duties in addition to specific duties, it also divides the schedules into classes based on their valuation, which classes vary greatly as regards their import duties. Wool of class 3, valued at 12 cents or less a pound, comes in at a rate of 3 cents per pound, while above 12 cents such wools pay 7 cents per pound. In many of the paragraphs on cloths there is a division into classes, based on differences in value, and varying rates of duties are levied on the different classes. By thus dividing the commodity into different classes the greatest incentive to undervaluation is offered; for an importer by a slight variation in the value may change the class under which the importation comes, and thus save a large amount: the prospect of great gains from comparatively little change in valuation is the strongest incentive to fraud. Such excessive incentive to undervaluation would be removed by this bill.

CHANGES IN THE ACT—RAW WOOL.

The specific duty of 11 cents a pound on raw wool is altered in this bill to an ad valorem duty of 20 per cent. A specific duty has been the cause of great injustice to the manufacturers who use heavy shrinkage wool. Variations in shrinkage of wool are very great, extending from 20 per cent of its weight to 80 per cent, the average American wool shrinking about 60 per cent. This specific duty means that the importers of heavy shrinkage wool are at a great disadvantage, and that the manufacturers who might use it bear so high a tax as to largely prevent its use or to stimulate the adoption of shoddy and cheaper materials.

The year 1910 showed that of raw wool there was imported $47,687,293.20, on which was collected a revenue of $21,128,728.24, at an ad valorem rate of 44.31 per cent. It is expected that the importations of wool will be sufficiently stimulated under the present law to increase it to $66,991,000, on which, at the rate of 20 per cent provided in this bill, there will be collected in revenues the sum of $13,398,200.

NOILS, SHODDY, AND WASTE.

Shoddy, waste, and rags have placed on them the same duty as that on wool—20 per cent. Many of these articles are the raw materials for certain mills, and their lowering in price from an ad valorem rate under the Payne bill of 38.96 per cent to 20 per cent should greatly lessen the tax on the consumer. The present duties on importations of shoddy are practically prohibitive. In this last year only 30 pounds of shoddy were imported which bore an ad valorem duty of 375 per cent, a return to the Government of the magnificent revenue of $7.50.

On the entire importations under this schedule, amounting in 1910 to $203,509.25, duties were paid of $79,293, at an ad valorem rate of 38.96 per cent. Under the proposed act it is estimated that the importations will reach $890,500, which, at the rate of 20 per cent, will produce a revenue of $178,100.

COMBED WOOL AND TOPS.

Tops constitute the second process in the manufacture of cloth. One of the few changes in the act of 1909 is the insertion of a special paragraph on the duty on tops. Prior to this enactment tops were not separately reported. It is to be expected that the ad valorem rate on tops would be low, as they are one of the raw materials entering into manufacture. The present duty, however, is practically a prohibitive one, and last year there were imported only $1,129.80 worth, which resulted in an equivalent ad valorem rate of 105.19 per cent. This is reduced to 25 per cent. The imports of tops have been so insignificant and the present duty is so largely prohibitive that it has been very difficult to obtain a point for a revenue rate. Even under the present rate, however, it is estimated that the present importation will not be extensive.

YARN.

The present act provides a compound and ad valorem duty for yarns, of which in the last year there were imported $326,886.02 worth, which resulted, under the tariff, in an equivalent ad valorem rate of 82.38 per cent. This duty is practically prohibitive. This is especially so of the duties on cheaper yarns. While the act of 1901 made a slight change in the rates, it amounted to nothing, as the imports were still absolutely insignificant. The imports of yarns, valued at not more than 30 cents per pound, for the fiscal year June 30, 1910, consisted of only 127 pounds, worth $28, on which was paid a duty amounting to 159.75 per cent ad valorem. As with the yarns used in the cheaper form of cloths, their prohibitive duties added greatly to the expense of the finished product. As practically all the yarns imported were over 30 cents per pound, the specific duty became a constantly diminishing burden as the class of yarns grew more expensive.

CLOTHS AND KNIT FABRICS.

On cloths and knit fabrics a duty is placed of 40 per cent. This is the section on which occurred the largest importations in the present act, except the section providing for women's and children's clothing. The results for the year ending June 30, 1910, show importations of $6,658,288.07, on which the Government collected a tax of $6,465,884.31, or an ad valorem rate equivalent to 97.11 per cent. It is estimated that the decrease in duty of 40 per cent contemplated by this act will produce an increase in importation of $24,062,400, from which will be collected a revenue of $9,624,900.

This schedule at present is one of those to which is applied the compound duties as well as the division into classes. The cloths are divided into three classes—those valued at not more than 40 cents per pound, those valued between 40 and 70 cents per pound, and those valued at over 70 cents per pound. The first class have a duty of 33 cents per pound specific and 50 per cent ad valorem; the second class, 44 cents per pound and 50 per cent ad valorem; and the third class, 44 cents per pound and 55 per cent ad valorem.

In 1910 the importations under the first class amounted to only $2,111, on which was collected a tax of $3,040.88, or an ad valorem rate of 144.05 per cent. In the second class there were imported $274,246.50, on which were cleared a duty of $338,831.44, at an ad valorem rate of 123.55. In the third class were imported $5,827,776.89, on which were collected duties of $5,595,877.18, at an ad valorem rate of 96.02 per cent.

The present arrangement contains the double objection of having a compound rate and also of having a classification which stimulates to undervaluations. In addition to this, it would be seen by these tables that the highest tax is levied on the cheapest clothing. The more expensive cloths coming in under the highest schedule are imported under the least rate of duty, whereas the cheaper cloths, which clothe the poorer people, have imposed on them practically a duty which is almost 50 per cent greater than that on the more expensive fabrics, and the duty on such lower fabrics is practically prohibitive, as only the trifling amount of $2,000 were imported.

No better illustration could be given of the inequalities of this tariff bill than this schedule on cloth, and it effects the double purpose of hiding the real protection and of placing the highest burden of taxation on the poorest people. The table, as appears by the wording of the act, consists of an ad

valorem duty of 50 per cent, plus a compensatory duty of 44 cents, which is supposed to compensate for the duty of 11 cents per pound on raw wool. That a much larger rate is really imposed a glance at the cost of manufacture will show.

DUTY ON ORDINARY CLOTH.

A piece of ordinary cloth, such as is used in men's clothing, is taken as an illustration. The price per yard on this cloth is 70 cents in England, on which the freight to New York or Boston is 1 cent per yard. At the rate at which it is imported the duty is 44 cents per pound, which is 23 cents for each yard placed, an ad valorem duty of 50 per cent, or 38 cents for each yard. This makes the total duty amount to 61 cents per yard, which is 78 per cent of the import price. Three and one-half yards of cloth are required to make a man's suit; hence the tariff tax on one suit made out of this cloth amounts to $2.14, and the price of the American or competing fabric is increased by the exact amount of this tariff. The cost of production of this article in America is divided as follows:

	Per cent.
Labor	25
Material	60
Interest and depreciation	7½
All other charges	7½

The protection given this article is not, therefore, actually 50 per cent, but is 78 per cent, which is more than three times the entire labor cost and only slightly below the total cost of labor and material.

On the estimate of 5 persons to a family of the 92,000,000 of people in the United States, there must be 18,400,000 who would be men using a suit of clothes of this nature. Estimating an equal number of women with men, and that the remaining three-fifths of the people are children who use one-fifth as much cloth, there would be used in the United States 171,200,000 yards of cloth. This tariff tax, therefore, of 61 cents per yard means a tax of $104,400,000 paid by the people yearly under this provision of the tariff. The cutting of this schedule from its present ad valorem rate of 94.11 per cent to 45 per cent should be a boon to every consumer in this country.

The following figures show how the present duty on woolens bears heaviest on the cheaper grade of goods and so places on the wage-earner the heaviest tax, e. g., cloth and knit goods:

The average article costing 40 cents per pound pays a duty of	$0.53
The average article costing 80 cents per pound pays a duty of	.88
The average article costing 99 cents per pound pays a duty of	.99
The average article costing $1.20 per pound pays a duty of	1.10

Note that at 40 cents per pound the duty is in excess of the cost of the article, but that at $1.20 the duty is less than the cost.

BLANKETS AND FLANNELS.

Blankets and flannels have a present rate of duty imposed on them amounting to 95.57 per cent, the total importations of which in the last year amounted to $168,889.82, on which was collected an import duty of $161,412.70. The proposed act cuts the present rate of duty to 30 per cent, except on flannels above 50 cents per pound, on which the duty shall be 45 per cent. The duty under the present act on the cheaper class of blankets is practically prohibitive. The two classes together imported during the last year only $1,162.50, at an ad valorem rate of from 93.58 to 105.50 per cent. The only importations were those of the highest-class blankets, and even they did not reach a large amount.

The new paragraph applies only one ad valorem duty to blankets and two different ad valorem rates to flannels. The more expensive flannels are practically a different sort of fabric than the cheaper ones, and it was thought that a greater tax could fairly be levied on their consumption. Of this class in the last year, June 30, 1910, 89.44 per cent of all the imports of flannels were valued at over 50 cents per pound.

WOMEN'S AND CHILDREN'S DRESS GOODS.

The duty is placed on women's and children's dress goods at 45 per cent ad valorem. In the previous year importations of $9,218,374.10 paid duties amounting to $9,481,206.75, equivalent to an ad valorem rate of 102.85 per cent. It is estimated that the bill under consideration will raise from this section a revenue of $11,433,800 on importations of $25,408,500, and at a rate of 45 per cent. The new paragraph places only one ad valorem duty on all classes of goods and takes the place of a complicated and intricate system of rates applied under the Payne Act, which divided the importations into classes and applied to each class a specific rate and compound rate. The Payne bill made little or no change in this paragraph over the Dingley Act, except to slightly raise the duties in one particular and impose on them duties averaging 102.85 per cent.

READY-MADE CLOTHING.

The Payne tariff left this section as it was in its predecessor, and last year there was collected from it a revenue of $1,444,296.87 on imports of $1,176,236.34, or equivalent to an ad valorem rate of 81.31 per cent. The bill under consideration estimates to raise from this act a revenue of $2,279,900 on estimated importations of $5,066,400, and applies to everything in the section a rate of 45 per cent. This lowering of the rate cuts the rate down on the more expensive clothing about one-half and on the less expensive clothing much more than that.

WEBBINGS AND SUSPENDERS.

Webbings and suspenders have placed on them by this act a duty of 35 per cent, and the intricacies of compound duties and division into classes existing in the present law are done away with. This rate at present is nearly prohibitive, and last year importations of $77,161.70 furnished the Treasury of the Government with a revenue of $67,174.54 on an ad valorem basis of duties of 87.06 per cent. It is estimated that the importations will increase to $160,900 under the present bill, on which will be collected duties of $56,300, and result in a slight loss of revenue in this paragraph.

CARPETS AND CARPETING.

The duties are placed at from 25 to 50 per cent, and take the place of duties ranging from 60.57 to 76.29 per cent. The present classes and complicated schedules are done away with and the duties are arranged so as to place on the cheaper forms of carpet the lightest proportion of taxes, a duty of 50 per cent being placed on carpets woven for rooms, or rugs of the most expensive character. The figures for last year show total importations of carpets and carpeting of $4,619,169.68, on which was collected the sum of $2,802,211.52. It is estimated that the proposed act will produce a revenue of $2,887,565 on estimated importations of $5,877,420. The following table shows the revenue derived from the McKinley, Wilson, and Payne Tariff Acts and those estimated for a 12-months' period under the proposed law:

Wool and manufactures of—Duties on and per cent of total revenue of the United States, 1890–1910.

Years.	Wool.				Per cent of revenue from Schedule K to the total tariff.
	Unmanufactured.		Manufactures of.		
	Ordinary duty.	Average ad valorem rate of duty.	Ordinary duty.	Average ad valorem rate of duty.	
	Dollars.	*Per cent.*	*Dollars.*	*Per cent.*	
1890	5,460,886	33.7	37,440,051	69.1	18.9
1891	6,552,268	38.3	34,857,453	80.6	19.0
1892	7,799,086	44.0	34,293,606	95.8	24.1
1893	8,147,220	44.2	36,451,552	98.5	22.4
1894	2,132,492	41.0	19,061,936	97.2	16.3
1895	224,621	39.2	20,702,923	56.8	14.0
1896	.....	.....	23,121,474	47.8	14.6
1897	.....	.....	22,693,027	46.4	13.1
1898	2,406,841	47.0	10,150,323	76.6	8.6
1899	3,959,572	47.3	13,270,581	94.9	8.5
1900	7,352,642	48.9	14,284,782	91.4	9.4
1901	8,125,699	50.8	13,449,306	91.3	9.2
1902	10,845,599	59.1	15,548,240	91.5	10.5
1903	11,631,042	54.7	17,564,694	91.0	10.3
1904	10,923,485	48.9	16,329,034	92.6	10.5
1905	16,529,787	46.6	16,547,592	91.9	12.7
1906	17,783,646	43.4	20,185,049	90.3	12.0
1907	16,502,748	40.9	19,992,068	89.4	11.9
1908	11,420,511	42.7	17,424,734	91.2	10.2
1909	17,082,990	49.1	16,278,828	90.2	11.3
1910	21,128,728	44.3	20,771,964	90.1	12.8
1912	[1] 13,398,200	20.0	[1] 27,158,000	[2] 42.55	[3] 12.0

[1] Estimated for a 12-month period under the proposed law.
[2] Estimated.
[3] Approximately.

The people of our country have in most instances to face such climatic conditions as to make woolen clothes a necessity, and the protection from the weather which they afford is as needful as food or any other article of necessity. The results of the present law, as can be seen by the comparisons which I have given of the importations and revenues collected, show the enormous burden of taxation which the present high duties place on the shoulders of the people. Should the law we propose be enacted, it will be to our people a tremendous saving.

INCREASE IN COST OF CLOTHING.

The exactions of Schedule K can be escaped by no one, and the Massachusetts House report No. 1750, made in 1910, on the cost of living, treats so thoroughly the subject that its conclusions and opinions are regarded as authority. In its report this commission shows the percentage of total expenditure of a family for clothes ranges from around 7 to 20 per cent, increasing with the income up to a certain point. The average expenditure for clothes would seem to be about 12 to 14 per cent, or

about one-eighth of the total. A reduction of 52 per cent, as contemplated by this bill, would mean a reduction of approximately from 6 to 7 per cent in the expenditures of every wage earner of our country on this basis, according to the basis of this commission. The report further states, page 148:

The general conclusion is that in the past five years the advance * * * in woolen clothing has been at least 20 per cent, and besides the retailer has taken a less margin of profit.

BURDEN LIFTED.

To indicate what a burden this will lift from the shoulders of every man, woman, and child in the United States let us see what saving there would have been to the people of the United States had the present rates been applied to the importations during the last year.

The total importations in 1910 of dress goods amounted to $9,218,374.10, on which was collected a duty of $9,481,206.75, the duty collected under the Payne Act. Had the rates of duty imposed by this bill been in effect the duty on these goods would have been $4,148,268.34, a total saving to the people in the cost of dress goods of $5,332,938.41.

In wearing apparel there was imported $1,776,236.34 worth, on which was collected a duty of $1,444,296.87. Had the proposed rates been in effect there would have been collected $799,206.35, a saving under this provision of $645,090.52.

Of the total cloths of woolen and worsted, there were imported $6,104,140.39, on which was collected the sum of $5,937,753.72. Had the present rates been in effect there would have been collected $2,441,656.15, a saving of $3,496,097.57.

On the item of raw wool the importations were $47,687,293.20, on which was collected $21,128,728.74. At the present rate of 20 per cent there would have been collected $9,537,558.64, a saving of $11,591,170.10 to the consumers.

Mr. LONGWORTH. Now, Mr. Chairman, will the gentleman yield?

Mr. PETERS. Certainly.

Mr. LONGWORTH. The gentleman has referred to the number of sheep in the various sections. Will he state, if he has the figures, the number of sheep in Ohio the year prior to the enactment of the Wilson law, and the number of sheep one year after?

Mr. PETERS. With pleasure. I have not the table which gives the number of sheep in the gentleman's State. The total number of sheep in 1894 was 45,048,000. In 1898 the total number of sheep was 37,657,000.

Now, the total number of sheep in Australia during this same year, 1894, was 100,411,461, and in 1898 it had decreased to 79,237,002 sheep. There was no duty on wool in Australia, which shows even a greater decrease than do the statistics for the United States at that time.

Mr. LONGWORTH. I regret very much that the gentleman has not the figures that I asked of him. I can not state accurately from memory, but, generally speaking, the number of sheep in Ohio fell from 4,000,000 the year before the passage to about 1,000,000 the year after the passage of the Wilson law.

Mr. PETERS. Yes; as they did all over the world. I will insert in my speech the number of sheep in Australia during the successive years:

Number of sheep in Australia, 1890 to date.

1890	97,881,221
1891	106,421,068
1892	103,272,068
1893	99,539,889
1894	100,411,461
1895	90,689,727
1896	90,615,847
1897	82,643,578
1898	79,237,002
1899	72,347,509
1900	70,602,995
1901	72,040,211
1902	53,668,347
1903	56,932,705
1904	65,823,918
1905	74,403,704
1906	83,687,655
1907	87,650,263
1908	87,043,266
1909	91,676,281

This shows also that the sheep in Australia with no duty have increased enormously from 1901 to 1909, while they have decreased from 59,757,000 in 1901 to 57,216,000 in 1910 in the United States, though protected by a heavy duty.

Mr. RUCKER of Colorado. Will that bring it up to the last year?

Mr. PETERS. Yes.

Mr. HARDY. Will the gentleman yield?

Mr. PETERS. I will yield to the gentleman from Texas.

Mr. HARDY. Is it not true that the sheep business has been traveling westward not only before the Wilson bill was passed but ever since?

Mr. PETERS. Without doubt. It is conclusively shown that the duty on wool does not prevent the decrease or growth in the number of sheep in the Eastern States, where other forms of farming prove more profitable. There are other circumstances than the tariff which account for the change in the number of sheep and for the moving of the sheep industry westward.

Mr. LONGWORTH. At least, however, the gentleman will admit the tariff was probably a significant circumstance at that time, inasmuch as the number of sheep fell within less than two years from 4,000,000 to 1,000,000 and the price of sheep fell, in round numbers, from about $5 to $1 and the price of wool, according to the gentleman's own statement, about 50 per cent, from about 28 cents a pound to about 17 cents a pound. I will state further that immediately after the enactment of the Dingley law the number of sheep immediately increased in Ohio and the price of wool nearly doubled, so that the tariff must have had, even according to the gentleman's statement, a good deal to do with that.

Mr. PETERS. Mr. Chairman, the main factors in the price of wool are not the tariff, but the change in the industry, the increase or decrease in the value of the land which makes sheep raising more or less profitable, and if it were only the tariff and not the general commercial circumstances and conditions which were prevalent over all the world at that time—if it were not for that, we should see differences instead of similarity between this country and Australia in the sheep raising during the nineties.

Mr. RUCKER of Colorado. Mr. Chairman, will the gentleman yield for one question?

Mr. PETERS. Certainly.

Mr. RUCKER of Colorado. Then, following out that line of thought, has the gentleman figured how soon we will come to that point when we will not be raising any wool at all?

Mr. PETERS. Mr. Chairman, I have not the time to go into an exhaustive discussion of the raising of sheep. I presume sheep will always be raised as an incidental farm product in much of our country. They may be the principal product in certain parts of our country, where it will not be profitable on account of transportation facilities or of the rocky condition of the soil or for other reasons to engage in agricultural or of farming other than sheep raising.

Mr. RUCKER of Colorado. Does it not follow we will finally have to come to some other fabric than wool for clothing?

Mr. PETERS. I do not see that it does at all. It will mean our farmers will take up and devote their attention and capital to forms of agriculture which will be more profitable, and that is the reason woolgrowing has declined, in the face of a duty—owing to the fact that more and more profitable fields of agriculture have opened out and that the man who owned sheep found that it was more profitable to use his land and put his capital into raising other animals or into some other form of agriculture. The Wilson bill can not be held responsible for the reduction of the number of sheep, for during the nineties the number of sheep in Australia decreased by 30,000,000, and, also, there is no reason to suppose that the reduction of the present duty to 20 per cent will deplete our flocks. During the last 20 years we have increased in North America 50 per cent in population, while the number of sheep has increased only 4.8 per cent.

Mr. RUCKER of Colorado. I agree with the gentleman there has been a decrease in the number of sheep, except in the United States we have increased the number nearly 50 per cent in the last 14 years, but the point I am making is this: The gentleman says that the sheep industry has been moving westward. Now, there is a limit to westward, and therefore will not the sheep industry have to get out, unless something is done to foster the sheep industry in this country, and will we not be forced finally to wear something else than woolen clothes?

Mr. PETERS. Mr. Chairman, the sheep industry is given up where it is more profitable for the farmer to enter into some other form of agriculture, and it is a saving to the people at large to have the other more intensive and more profitable forms of agriculture cultivated in this country rather than to have a tax on the consumers of wool, to foster an industry on certain parts of the country where the soil could be more profitably employed. While the raising of sheep may move westward, it does so very largely, as I understand, because the industry in certain Western States has been developed, and, at the same time, in the East the more profitable forms of agriculture have displaced the raising of sheep.

Mr. LONGWORTH. Will the gentleman yield for another question?

Mr. PETERS. Yes.

Mr. LONGWORTH. In the report, on page 11, submitted by the majority of the Ways and Means Committee, stress is laid upon the fact that the cost of producing sheep in Ohio is larger than in other districts in the country.

Now, I will ask the gentleman this question: If he knew that a 20 per cent duty, as provided in this bill, was less than the difference in the cost of production of wool in Ohio and abroad, and therefore necessarily under the 20 per cent rate it will be impossible to raise sheep profitably in Ohio, would he, nevertheless, vote for the 20 per cent rate?

Mr. PETERS. Certainly not. I do not believe the people of this country who consume the woolen goods should be taxed in order to make an industry profitable where it would not naturally exist, and I——

Mr. LONGWORTH. I do not think the gentleman answered my question exactly as he intended. He said, "Certainly not"—that is to say, that he would not vote for the 20 per cent duty. Perhaps the gentleman misunderstood my question, which was this: That if he knew the 20 per cent duty was not sufficiently high to equalize the difference in the cost of production of wool in Ohio and abroad, would he, nevertheless, vote for the 20 per cent duty?

Mr. PETERS. The cost of production of sheep would have nothing to do in determining what I should vote for as a duty on raw wool.

Mr. LONGWORTH. The cost of production would be no element whatever in the gentleman's mind?

Mr. PETERS. No; none. I did not at first hear the gentleman's question clearly. I would answer "Certainly" instead of "Certainly not" to his previous question.

RAW WOOL.

We are now importing 46 per cent of the wool we produce. In the last 20 years the production of wool in this country has increased but 4.8 per cent in North America, while the growth in population has been 50.8 per cent. Even the duty of 11 cents on wool has failed to prevent a decrease in the number of sheep in practically all the sections of the country, except the Rocky Mountain States, there being 59,757,000 sheep in 1901 and 57,216,000 in 1910.

The fact that the duty of 11 cents has failed to stimulate the growing of wool to keep pace with the ever-increasing demand shows it is not fitted to the economic circumstances of this country except in a few localities, which are totally inadequate to furnish sufficient wool for general consumption, and the added cost of a tariff brings little into the hands of the wool growers while it places on the backs of our people a much greater added cost in all the garments which they consume.

The only groups of States in which the number of sheep have increased are the West North Central, which, in 1880, had 3,096,000 sheep as compared with 3,566,000 in 1910. The other group of States that saw an increase was the "Mountain States," which, in 1880, reported 7,098,000 sheep, in 1910, 18,338,000 sheep.

In all the States east of the Mississippi the number of sheep decreased from 21,058,684 in 1870 to 11,329,000 in 1910.

NUMBER OF SHEEP IN UNITED STATES UNDER WILSON AND DINGLEY TARIFFS.

It is claimed, as we have heard on the floor of this House today, that the hardships of the woolgrowers in 1894 and the years following were all owing to free wool, but I repeat that the Wilson bill can not be held responsible for the reduction of the number of sheep in this country, for during the nineties the number of sheep in Australia decreased by 30,000,000. And, also, how do those who criticise the present bill on the ground that the reduction of the duty on wool to 20 per cent will deplete our flocks, and who claim that if it had not been for the Wilson law we would now have sufficient sheep in this country to supply all our demands for raw wool—how, I ask, do these critics reconcile the fact that the decrease in the number of sheep while the Wilson bill was in effect was only about half the decrease that took place in one-half the time under the Dingley law? I append the following table to show the decrease in the number of sheep in the United States from 1893–1897 and 1903–1905.

[Statistical Abstract, 1909.]

1893. Largest number from 1886 to 1893	47,273,553
1897. Smallest number from 1886 to 1893	36,818,643
Decrease in number of sheep	10,454,910
1903	63,964,876
1905	45,170,423
Decrease in number of sheep	18,894,453

The producer of wool who, with a protection of not less than 44 per cent, has been unable to produce to within 44 per cent of the raw wool needed to supply the American manufacturer can not complain of the reduction in the duty on wool to 20 per cent—a duty that is still unique.

The producers of woolen manufactures will be placed on an equal footing by this bill. The closed home market—one that has come to import but 3 per cent of its woolen goods—will be opened up to a wholesome foreign competition, and the reduction in the cost of raw materials will make it possible for the American manufacturer to extend his market; and there is every reason to believe that the insignificant exportation of manufactures of wool in this country will materially grow far beyond the present exports, which are but two-fifths of 1 per cent of our production of woolens.

The two following tables show our dependence on foreign wools and the practically closed market in this country for woolens produced abroad and the pitifully small demand for our woolen goods by other countries; also the contrast is shown between the policy of the United States in this matter compared with the other leading producers of woolens.

Years.	Raw wool imported.	Consumption foreign.	Woolen goods produced in United States.	Woolens imported.	Per cent foreign consumption of home product.
	Pounds.	*Per cent.*			
1880	(1)	(1)	$238,085,000	$33,911,000	13
1885	70,596,000	18.0	.....	35,776,000	.....
1890	105,431,000	27.0	270,527,000	56,582,000	20
1891	129,303,000	30.8	.....	41,060,000	.....
1892	148,670,000	33.1	.....	35,565,000	.....
1893	172,433,000	35.7	.....	38,048,000	.....
1894	55,152,000	14.2	.....	19,439,000	.....
1895	206,033,000	40.0	.....	38,539,000	.....
1896	230,911,000	45.9	.....	53,494,000	.....
1897	350,852,000	57.8	.....	49,162,000	.....
1898	132,795,000	32.8	.....	14,823,000	.....
1899	76,736,000	19.2	.....	13,832,000	.....
1900	155,928,000	34.4	296,990,000	16,164,000	5
1905	249,135,000	45.5	380,934,000	17,895,000	4
1909	266,409,000	44.5	514,732,000	18,102,000	3

[1] Abnormal year.

Comparative import and export trade in wool manufactures, year 1909.

Countries.	Domestic production.	Per cent of domestic production imported.	Per cent of domestic production exported.
		Per cent.	*Per cent.*
United States	$514,732,000	3	⅜ of 1
United Kingdom	308,356,000	15	43
Germany	215,294,000	17	34
France	223,500,000	5	24

DEMOCRATIC PLATFORMS.

The Democratic Party has stood always for a tariff for revenue only. Let me quote you from past Democratic platforms:

SOME QUOTATIONS FROM DEMOCRATIC PLATFORMS.

1880. * * * and a tariff for revenue only. (Only mention made of the tariff in this platform.)

1884. * * * We demand that Federal taxation shall be exclusively for public purposes.

1892. We declare it to be a fundamental principle of the Democratic Party that the Federal Government has no constitutional power to impose and collect tariff duties, except for the purpose of revenue only. * * *

1896. We hold that the tariff duties should be levied for purposes of revenue. * * *

1904. We favor a revision and a gradual reduction of the tariff by the friends of the masses and for the common weal and not by the friends of its abuses, its extortions, and its discriminations, keeping in view the ultimate end of "equality of burdens and equalities of opportunities" and the constitutional purpose of raising a revenue by taxation, to wit, the support of the Federal Government in all of its integrity and virility, but in simplicity.

All straightforward utterances, which constitute a pledge to the people of this country that the Democratic Party will perform to the letter.

REPUBLICAN TARIFF.

The basic principle which underlies any tariff which the Republican Party supports is that "the measure of protection should at least equal the difference in the cost of production at home and abroad" (quoted from the Republican platform, 1908), and to be sure to give full measure to the manufacturing interests of this country it is generally added that the tariff should also insure a "reasonable profit" along with equalizing cost of production.

This policy, in fact any tariff policy other than one for revenue only, is as absurd as it is indefinite; it is absurd, for it must result in one of two things, either absolutely prohibitory duties against foreign goods that would compete with us, or it must result in discrimination and favoritism. The Republican tariff policy is indefinite and unsatisfactory, for it is impossible

to estimate with any degree of accuracy the difference in the cost of production here and abroad. And what political party can be intrusted with the commission of seeing that all of our manufactures receive uniform profits? For such would be the result if the term "reasonable profits," which the Republican Party uses so glibly, had any real significance.

Let me quote you several authorities on this question of the impracticability of determining the difference of costs here and abroad.

The President of the United States, in a letter to the chairman of the Republican congressional committee last August (1910), after the Tariff Board had begun its inquiry, said:

> Moreover, when we understand that the cost of production differs in one country from that in another, and that it changes from year to year and from month to month, we must realize that the precise difference in cost of production sought for is not capable of definite ascertainment, and that all that even the most scientific person can do in his investigation is, after consideration of many facts which he learns, to exercise his best judgment in reaching a conclusion.

Similar statements have been made by members of the Tariff Board. Chairman Emery, in a speech before the Chicago Association of Commerce, December 3, 1910, said:

> It is unfortunate that so much emphasis has been laid on the question of getting relative costs, since many people have assumed this to be both an easy task and a complete solution of the question. Any practical man knows that both these assumptions are faulty. One of the most difficult problems which a manufacturer has to solve in his own business is to determine the cost of any individual article which he produces. In fact, it would not be unreasonable for a manufacturer to respond to a request from such a body as ours for his costs of production, "I would give them to you if I could get them, and I am willing to pay you a good sum if you will find them out for me."

ASCERTAINING COST OF PRODUCTION IMPOSSIBLE.

The fact that the Republicans are unable to get at the basis of the cost of production on which they would place the tariff rates is sufficient to condemn their program, even if they were not working upon a theory that is contrary to all the principles of economics and good sense. According to the Republican idea, "the less able we are to produce an article, the more duty is levied" in order to encourage the industry by equalizing differences of cost here and abroad. The result is that the things that we are fitted to do economically are left to themselves to prosper as best they can, while the industries that we are least able to run economically under normal conditions are encouraged by the highest duties, leading to an increased cost for the consumer and to a bad commercial adjustment.

ABSOLUTELY PROHIBITIVE TARIFF THE CONCLUSION.

Should it be attempted to raise a tariff sufficient to meet the difference in cost at any point of production in the United States of articles, long before this point is reached the tariff will be so high as to be absolutely prohibitive, and its logical application would mean that there would be no importations whatever, or, if some limitation is made, what section of the country and what industries are to be given the rates required to stimulate production within its borders and give its manufacturers "a reasonable profit."

COST OF LIVING.

There has been an ever-increasing cost of living, which has made it more and more difficult for the wage-earner to meet with his income the needs of his family. The Democratic Party, true to its promises, has taken a most important step by passing the reciprocity agreement with Canada, which, in effect, should tend to lessen the cost of the food products in our cities. To further carry out its pledges this bill is proposed, which will remove a tax from the shoulders of every man, woman, and child in our country. It is hoped that more schedules may be taken up at a later date to further carry out the lowering of the tariff and the arranging of the taxes on a basis fair to all. The revenue basis to which the tariff will be lowered and the removal of taxes on raw materials should place our manufacturing on a sound basis, enlarge its markets, and by increasing the demand for labor give the wage earner steady employment at just rates. To the consumer a lowering of the tariff duties must bring an ever-increasing benefit.

CONCLUSION.

Mr. Chairman, this country's trade has, up to the present time, been largely in the export of products from the soil, exports which show only in a small way the value of our people's industry, but which draw each year more and more on the resources of our country. We have seen the exportation of agricultural products decrease as the demand for them at home increased. To stimulate our trade, to provide employment for our people, to provide cheaper living to the wage earners of this country is a problem to which the parties must address themselves, and to lower the cost of living is the problem to which the Democratic Party has devoted its attention. We do not believe in a tariff as a benefit. We believe in it as a tax. The Democratic Party stands squarely for a tariff for revenue only, a tariff which will lay on the consumers the least burden and arranges its rates, not as gifts for favored supporters of any party, but as taxes to be so placed that the revenues of the Government may be collected with as little burden as possible to its people. [Loud applause.]

Mr. PAYNE. Mr. Chairman, I yield one hour to the gentleman from Washington [Mr. WARBURTON].

Mr. WARBURTON. Mr. Chairman, I desire to show that the proposed law is in the main in accord with the Republican national platform in reference to a revision of the tariff; that the proposed law is more nearly a compliance with our platform than the existing law.

That the oft-repeated statement that we can not lower the tariff, as demanded by the people and as promised to the people by both parties, is wholly untrue in point of fact; that we can get all the needed revenue from tobacco alone, which is clearly a luxury, the present tax on which being insignificant compared with the tax on other luxuries, and even with such necessaries of life as sugar, wool, and woolen goods, and so forth.

That if we were to restore the internal-revenue tax on tobacco contained in either the law of 1879 or the law of 1875, the Government would get ample revenue to more than supply all the revenue that we would lose by a proper revision of the tariff and by placing sugar on the free list. If the law of 1879 had been in force last year, our receipts from the internal-revenue tax on tobacco would have been $138,050,930, as against $58,118,457 we actually received. If the law of 1875 had been in force last year the revenue would have been $178,094,457, as against $58,118,457, the revenue actually received. The tax provided by these laws was reduced solely because we did not need the revenue.

That our tax on tobacco is only one-fifth to one-fifteenth of the tax assessed by the leading European countries, who consume the major portion of all the tobacco we export.

That if we were to increase the tax on tobacco it would not affect the farm price of tobacco or affect anyone interested in the tobacco business, but would affect the consumers, who should pay the tax.

I shall vote for the proposed bill, and desire to state, briefly, the reasons that prompt me to do so. The tariff affecting wool and woolen goods remains, I am informed, about the same as that adopted 43 years ago. It was established, in the first instance, and for many years maintained on the ground that it was essential in order to build up and promote this industry. For the past few years its friends have urged and insisted that it should be maintained in order to protect this great industry from foreign competition. When first enacted, its friends claimed that the time would come, and at no great distant date, when the tariff could be materially reduced, if not entirely taken off. It would seem as though the time ought to be at hand when these industries having enjoyed this large tariff for more than 40 years should be in a condition to permit a very material reduction of the tariff, such as we have before us.

But it is urged that if we reduce this tariff to the point proposed in the bill we will bring financial disaster to those engaged in this industry. I do not believe that any such results will follow from the enactment of this bill into law. I do not believe that there is any such difference between the cost of manufacturing woolen goods here and abroad as contained in our present tariff. I regret exceedingly that we have not before us the report of our so-called Tariff Board on this question, so that we could get from an entirely disinterested body the real facts about this very important matter.

The essential facts relative to the comparative cost of manufacturing woolen goods here and abroad can be ascertained by a tariff board, and I have felt as though this matter might go over until next session in hopes that we might get a report from the Tariff Board by that date, when we could reach a more intelligent conclusion. I would feel much more strongly in favor of this procedure if it were not for the fact that these manufacturers have for years consistently fought the establishment of a tariff board. If it had not been for their opposition, we long before this would have had a properly constituted tariff board, and would have at hand all necessary information.

If the friends of the present tariff on this schedule had been one-half as active in urging heretofore the passage of a proper Tariff Board law as they have been active in opposing it, or if they had exerted their influence in trying to secure a report of our present so-called Tariff Board, we would have, at least, some of the essential facts before us to revise intelligently this schedule and to enable us to be certain that we were enacting a law fair and just alike to the consumer and to the manufacturer.

There is no inclination on the part of the people of this country to reduce the tariff to a point where the laboring man of the country can not be employed in the industries affected by

this bill and receive a fair return for his employment. There is no demand for a reduction of the tariff to a point where the manufacturer can not continue to operate his factory and pay the wages that he has been accustomed to pay. But there is a widespread and, I think, a well-founded belief that the present tariff is very much in excess of the amount necessary to do this, and a very urgent demand that a reduction on the woolen schedule be made.

The people of this country are not in the mood to take the statement of those vitally interested parties as to what the tariff should be. They want to get the information from men of ability and skill who are entirely disinterested in the conclusions they reach.

I want to warn those interested in this schedule, as well as other schedules, that if they resist the creation of a Tariff Board with ample powers, with sufficient inducements to obtain men of excellent ability and experience as commissioners, they may get a tariff law that will write the schedules too low and bring real, not imaginary, hardships upon them. Our great industries have nothing whatsoever to fear from the conclusions of such a Tariff Board, and when they resist the creation of such a board it must occur to every man of experience that there is something about the operation of this tariff law in their favor that they desire to conceal.

It is wholly incomprehensible to me that the manufacturers of wool have not been able to keep pace with the manufacturers in other lines of industry and are not more able to cope with foreign competition than they claim they are. The cost of manufacturing in every other line of industry has grown cheaper year by year as improved methods and improved machinery have been adopted, and it would seem more than passing strange if those engaged in the woolen manufactures have not had the same experience. We can much more nearly compete with European manufacturers in everything else than we could 40 years ago. Why not in woolen goods? Our production and consumption of woolen goods have increased enormously in the past 40 years. Should not the same law prevail there as works elsewhere in the manufacture of goods that the larger the production the less the cost of production?

If we are not able to materially reduce the tariff enacted 43 years ago, when may we expect to arrive at the point where we may reduce it? We can not afford to maintain indefinitely these enormous rates. Those interested in the schedule we are considering fight the reduction of it even a penny. They fight the reduction of the tariff on this schedule even more strongly than they fought for its original enactment. I do not know how the conduct of these beneficiaries of our high tariff impresses others, but they impress me as a lot of freebooters who are bent on maintaining this unnecessarily high tariff regardless of right or wrong, regardless of the hardships it works on the great mass of our people. They have enjoyed this tariff so long, they have exacted tribute from every person so long, that they seem to regard it as a vested right to continue to do so. When they tell us it can not be materially lowered, or lowered at all, they convince me of their insincerity. They persuade me that their statements are wholly unreliable.

But it is my duty to vote for or against this measure. If we defeat this measure, our present existing tariff law will remain in force. It is encumbent upon me to decide whether the proposed law more nearly complies with that we promised the country in our national platform than the existing law. I believe that the present tariff on wool and woolen goods is entirely too high. If it was fair in 1867, it is altogether too high now. I do not believe that there is any justification for a tariff on any necessity of life, such as clothing, as high or anywhere near as high as 90 per cent ad valorem. I do not believe there is anything like 90 per cent difference between the cost of manufacturing woolen goods in this country and elsewhere. I do not believe there is one-half of that difference. The best information that I have been able to obtain goes to show that there is no such difference.

I believe that the proposed law comes very much nearer complying with our national platform than our existing law. I do not mean to say that the proposed law is exactly correct. I do not know whether it is or not, and I do not believe there is a man in this House who does know exactly what the rate should be, or ever will know, until we get such reliable information as we could obtain if we had a proper Tariff Board, that had given full and ample time to the obtaining of the necessary information.

My people are in favor of a very material reduction on woolen goods. They believe that the tariff on this schedule has been maintained at too high a figure for many years. I promised my people in every speech that I made that if I had the opportunity I would vote for a bill reducing materially the tariff on our woolen schedule, and I am going to keep my word. [Applause on the Democratic side.]

I favor the bill because I believe it is strictly a protective measure. None could have been drawn that in every particular recognizes the essential doctrine of a protective policy more than this bill does. Republicans may disagree as to whether the rate is too high or too low, but all will admit that it is a bill based on protective principles. I shall vote for it because it is protective in its nature, and, as nearly as I am able to judge, it meets as nearly as possible the doctrine of protection as announced in the Chicago platform of three years ago. [Applause.] I believe it more nearly fixes this schedule on wool and woolen goods in accordance with our Republican doctrine than our present existing law. It certainly is not drawn with any reference to free trade or with any reference to the doctrine of tariff for revenue, if that doctrine means anything else than our protective doctrine under a different name.

THE OLD EXCUSE, "I CAN NOT VOTE FOR THE BILL BECAUSE THE GOVERNMENT CAN NOT AFFORD TO LOSE THE REVENUE."

Many Members are going to give as an excuse or as a reason for opposing this bill the old lame excuse that we have so often heard when a man is called upon to vote on bills affecting revenue—that he can not support them because the Government can not afford to lose the revenue. Others there are who say they would gladly favor a lower rate of duty on this schedule, but they can not because the Government can not afford to lose the revenue. Some free traders will say that they are in favor of placing wool on the free list, but not now, because the Government can not afford to lose the revenue.

Every time it is proposed to revise the tariff laws, or proposed to extend the rural free delivery of mail, or to enact any progressive legislation, the objection is at once raised that the revenues of the Government will not permit it. I will show in a moment that there is no basis for these claims.

I understand that some of our Democratic friends claim that they would be in favor of a still lower tariff on the articles mentioned in this bill but can not do so because the Government can not afford to lose the revenue. They are quite loud in their grief over the fact that the loss of revenue stands squarely in their path and will not permit them to vote as their judgment dictates, and such as they have long and loudly proclaimed they would do if ever given the opportunity. They assure us that the loss of revenue is the one thing that prevents them from writing into law the pure Democratic doctrine.

There are some of my Republican colleagues who feel that this bill is probably right from the standpoint of the last Republican platform, but this loss of revenue prevents them from supporting this bill. I do not want to challenge the good faith of these persons, but I want to say none the less positively that this is an excuse which has been made by every party in the last 30 years for failure to keep its promises in reference to revenue laws and a revision of the tariff. Whenever a party has failed to make good its promises and has been driven to the last ditch in defending its conduct, it has always made the plea that it could not have done otherwise and provided the Government with the essential revenue. There never has been a day in 30 years when any party could not have completely fulfilled its promises in the revision of our tariff or revenue laws, made every reduction promised the people, and yet supplied the Government with abundant revenue. I want to help uncover every man who is hiding behind any such defense. I want to show how utterly absurd such statements are. If there should be anyone who is going to defend his conduct by this flimsy, worn-out, threadbare excuse and vote on this bill contrary to the promises which he made to his people, contrary to the platform on which he was elected, whether he be Republican or Democrat, I want to assist in uncovering him. I want to show him he can not do it on the pretext of loss of revenue.

The question is not the loss of revenue—that must have been taken into consideration before our platforms were written—but is, Are we living up to our platforms? The Democratic Party, when it proclaimed its policy of free wool, proclaimed it on the theory that it could enact such a law and still supply the Government with the needed revenue. They knew then just as well as now that they would have to provide this revenue from some other source. They must have had this in mind when they made the declaration. This can not be changed by Gov. Wilson or any other Democratic candidate for President approving a different course at this late date. Does Gov. Wilson want the people of the United States to understand when the Democratic Party at its next convention declares its platform on the tariff that there is an unwritten proviso attached to it to the effect that it will carry out that plank only providing it can get the necessary revenue, or does he want the people to understand that the platform will mean exactly what it will say? I can not think that Gov. Wilson approves any such doctrine. It is contrary to his conduct in office and his record as governor in fulfilling party pledges. I am not advocating free wool. I believe in the protective policy.

I am only insisting in honesty in party platforms. I think this bill complies with the Republican and not the Democratic platform.

When the Republican Party announced the doctrine that it was in favor of a tariff on all manufactured articles which would equal the difference between the cost of production here and abroad, its leaders knew just as well then as now that in carrying out this policy all the revenue that would be lost by such a law would have to be supplied from some other source.

When the great leaders of the Republican or Democratic Party assemble and announce their policy with reference to a tariff law, or any other legislative matter, the people have the right to assume that they can fulfill every obligation that they voluntarily undertake, and that they make such promises with the full knowledge as to the effect it will have on the revenue, and that they can carry out their policies and provide for the loss of revenue elsewhere. So it is no excuse, it is an admission of bad faith, either in the making of the promise or in the fulfillment of it, for a party to say that it can not carry out its platform on account of a loss of revenue.

TOBACCO IS TAXED ONLY A SMALL PERCENTAGE OF OTHER LUXURIES.

Our Government has been throwing away millions upon millions of dollars annually that it ought to have and which it could easily get, and which would at once enable us to place sugar and rice on the free list and provide funds which would permit us to reduce the tariff on the woolen, cotton, and steel schedules to a point that the Republican Party promised that it would do in the last national platform.

A proper tax on tobacco would easily do this. Tobacco is not a necessity of life, but it is clearly and undisputably a luxury. Nothing that man consumes is more so. All civilized countries tax luxuries and tax them heavily. In raising the revenue of the Government the luxuries should be first taxed heavily, and then, if enough revenue can not be provided, other articles should be taxed; and lastly and least of all should the necessary food products, and especially those products that can not be raised in our country to a profit and advantage, be taxed.

No food product should be taxed which this country does not easily and naturally raise, and in sufficient quantity for the needs of the people. This is one phase of taxation that all governments and all political economists are agreed upon, and yet we tax this admitted luxury, tobacco, less than almost any other commodity in comparison with its actual value when sold on the market. It bears but a slight tax when compared with other luxuries. The internal-revenue tax on fermented liquor is the same to-day that it was at the highest point during the Civil War. It has never been lowered one penny. It was doubled during the Spanish War, but when that war was over the tax was restored to the point of the Civil War. Our war tax on distilled spirits was for a short time reduced from an average of about $1.50 to 60 cents a gallon in 1868.

In 1872 it was raised to 70 cents a gallon; in 1875 it was again raised to 90 cents a gallon; and in 1894 it was raised to $1.10 a gallon, and the tax has remained at the last figure ever since 1894. The tax on distilled liquors since 1894 has been about as high as the average tax during the Civil War. The tax on tobacco from its highest point during the Civil War has been lowered from year to year until it is now but a small fraction of that tax. The changes have been quite numerous, and I have prepared a table showing the rate and date of each law reducing the same. Smoking and chewing tobacco and snuff in each law are fixed at the same rate, there being one or two exceptions in relation to snuff, which I will not notice, so I will speak of them as tobacco. Cigars and cheroots have been taxed by each law at the same rate, and I will speak of them together as cigars. Cigarettes by each law have borne about one-half of the rate of cigars, so I will not especially mention them. I am discussing only the internal-revenue tax. I am not taking into consideration at all import or tariff duties.

Date of enactment.	Tobacco (per pound).	Cigars (per thousand).
	Cents.	
1864	15-35	[1] $8.00-$40.00
1865	30-40	10.00
1866	30-40	4.00
1868	32	5.00
1872	20	5.00
1875	24	6.00
1879	16	6.00
1883	8	3.00
1890	6	3.00
1898	12	3.60
1901	9.6	3.00
1902	6	3.00
1909	8	3.00

[1] According to value.

Mr. PAYNE. What kind of tobacco is the gentleman talking about?

Mr. WARBURTON. Smoking tobacco and chewing tobacco. I stated that. I am not dealing at all with import duties; I am dealing with the internal-revenue tax. Now, we will observe that from the highest point during the war, 40 cents a pound, tobacco has been reduced to 8 cents a pound. Cigars at the highest point of the Civil War were $8 to $40, according to the value, per thousand; they were reduced to $3 a thousand in 1883, and they have remained at that point all the time, except during the Spanish War, when they were slightly raised.

Mr. PAYNE. Will the gentleman kindly state what the ad valorem was in addition——

Mr. WARBURTON. I am not taking into consideration the import duties; I am simply talking about the internal revenue.

Mr. PAYNE. Oh, the internal revenue.

Mr. WARBURTON. Yes. So it clearly appears, while the tax on whisky or distilled spirits is about the same as that of the Civil War tax, and the tax on fermented liquors, beer, and ale is equal to that of the highest Civil War tax, our tax on tobacco has been reduced from time to time until it is but a fraction of the Civil War tax. Our present tax is not one-fourth of what it was during the Civil War and up to 1872; two-fifths of what it was from 1872 to 1875; one-third of what it was from 1875 to 1879; one-half of what it was from 1879 to 1883.

Mr. LONGWORTH. Does the gentleman again refer to internal revenue only?

Mr. WARBURTON. I say so in all my speeches.

Mr. LONGWORTH. The gentleman is discussing the schedules of everything else but tobacco, and only the internal-revenue tax on tobacco?

Mr. WARBURTON. Yes; we will call it the internal-revenue tax on tobacco. That is what I am discussing.

Mr. GARRETT. Will the gentleman yield?

The CHAIRMAN. Does the gentleman from Washington yield to the gentleman from Tennessee?

Mr. WARBURTON. Yes.

Mr. GARRETT. Do I understand the gentleman to advocate an increase in the internal-revenue taxes on tobacco and liquors, in order to decrease the duties on wool and the various other schedules?

Mr. WARBURTON. Yes. I say you can provide all the revenue you lose on all such reductions by increasing the internal-revenue tax on tobacco alone. I am not referring to the tax on distilled spirits or liquors. That is as high as it was during the Civil War.

Mr. GARRETT. The gentleman advocates an increase in the internal-revenue taxation on tobacco, in order to lower the duty on wool and other products?

Mr. WARBURTON. Yes; and to lower the duty on steel and cotton, and to get it all off of sugar.

Mr. GARRETT. The gentleman is not a protectionist. [Laughter.]

Mr. WARBURTON. I am.

Mr. GARRETT. Did the gentleman get his time from the gentleman from New York [Mr. PAYNE] or from the gentleman from Alabama [Mr. UNDERWOOD]? [Laughter.]

Mr. WARBURTON. The gentleman from New York was good enough to give me some of his time.

Mr. PAYNE. I want to say to the gentleman from Tennessee——

The CHAIRMAN. Does the gentleman from Washington yield to the gentleman from New York?

Mr. WARBURTON. Yes, sir.

Mr. PAYNE. I wanted, Mr. Chairman, to say to the gentleman from Tennessee [Mr. GARRETT], if the gentleman from Washington will yield a moment, that I might consume all my time by yielding to men who are honestly opposed to this bill, though they are sitting on the other side of the aisle, but who dare not speak against the edict of the Democratic caucus. [Applause on the Republican side.]

Mr. GARRETT. If the gentleman from Washington will permit, I do not suppose the gentleman from New York meant to indicate by that that I had requested of him any time on that ground?

Mr. PAYNE. Oh, no. [Laughter.]

Mr. WARBURTON. Now, gentlemen, if you will follow me closely, I shall not need to answer these questions again. I am simply discussing the increase of the internal-revenue tax on tobacco. The tax on sugar, for instance, controls absolutely, and is of the same effect as an internal-revenue or consumption tax on sugar. That might not prevail as to cotton and woolen goods. I will not undertake to say that it does. But I am

simply calling your attention to the fact that you have not reduced the duties on woolen goods and cotton goods practically since the Civil War. You have not reduced the internal-revenue tax on beer. You have not reduced the internal-revenue tax on distilled spirits.

Now, tobacco is as much a luxury as any of those, and yet you have reduced it down to only 20 per cent of what it was in the Civil War. I have some illustrations for you, or will have in a moment, which, if you have not examined the subject, I think will be rather astounding to you.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, will the gentleman yield for a question?

Mr. WARBURTON. Yes.

Mr. HUMPHREYS of Mississippi. I would like to ask the gentleman if he has made any investigation as to the amount of revenue produced under the old rates and the amount produced under the subsequent rates after the tax was reduced?

Mr. WARBURTON. Yes. I will cover that in just a moment, if the gentleman will wait that long. I had one of the experts of the Internal Revenue Bureau figure it out for me.

While the foregoing table shows that our tax on tobacco is but a pittance compared with what it was during the 20 years following the Civil War, and the tax is insignificant compared with the tax on other luxuries, it does not give one a full idea of what a small ad valorem tax it really is. For instance, this morning I bought a quarter of a pound of Edgeworth smoking tobacco. This is a common, ordinary smoking tobacco, which cost me 25 cents. The Government tax on this was 1½ cents. If the tax was doubled it would have cost me 26½ cents; if the tax was trebled, it would have cost me 28 cents; if it had been quadrupled, it would have cost me 29½ cents.

The Government tax on a 10-cent cigar is three-tenths of 1 cent; if it was doubled, a 10-cent cigar would cost 10.3 cents; if it was trebled, it would cost 10⅜ cents; and if it was quadrupled, it would cost less than 11 cents.

The tax on a 25-cent cigar is likewise three-tenths of 1 cent; if this tax were doubled, a 25-cent cigar would cost 25.3 cents; if it were trebled, it would cost 25⅜ cents; and if it were quadrupled, it would cost 25.9 cents.

If we were to increase our tax on tobacco 100 per cent, it would equal the tax in effect from 1879 to 1883; if we were to increase it 300 per cent, it would equal the tax in effect from 1875 to 1879; if we were to increase it 250 per cent, it would equal the tax in effect from 1872 to 1875; and if we were to increase it 400 per cent, it would then equal the tax in effect from 1864 to 1872.

Mr. NORRIS. Will the gentleman yield there?

Mr. WARBURTON. Yes.

Mr. NORRIS. In giving the price of a cigar, the gentleman is assuming that each time the consumer of the cigar would have to pay the tax. As a matter of fact, I presume it would not make any difference. He would get a 10-cent cigar for 10 cents just the same.

Mr. WARBURTON. He probably would. It would probably have one-fiftieth less of tobacco in it.

Mr. NORRIS. And that would do the smoker just that much more good.

Mr. PAYNE. We might better tax it all out.

Mr. NORRIS. I think it might be a good thing, although I smoke as much as anybody.

Mr. WARBURTON. If we were to double the tax on a 50-cent cigar, it would then cost 50.3 cents; if it were trebled, it would cost 50⅜ cents; if it were quadrupled, it would cost 50.9 cents. It can be readily seen that to double or even to increase the tax 300 or 400 per cent the price to the consumer would not be materially increased. Even if we were to quadruple the price, the per cent of the tax on tobacco would not equal that which we have on a great many necessaries of life.

Our present rate on smoking tobacco, taking Edgeworth as an example, is 8 per cent of the selling price; if doubled, it would be 16 per cent of the selling price; if trebled, it would be 24 per cent; and if quadrupled, it would be 32 per cent of the selling price.

Our present tax on a 5-cent cigar is 6 per cent of the retail price; if doubled, it would equal 12 per cent; if trebled, it would equal 18 per cent; and if quadrupled, it would equal 24 per cent.

Our present tax on a 10-cent cigar equals 3 per cent of the retail price; if doubled, it would be 6 per cent; if trebled, it would equal 9 per cent; and if quadrupled, it would equal 12 per cent.

Our present tax on a 25-cent cigar is 1.2 per cent of the retail price; if doubled, it would equal 2.4 per cent; if trebled, it would equal 3.6 per cent; and if quadrupled, it would equal 4.8 per cent of the retail price.

Our present tax on a 50-cent cigar equals six-tenths of 1 per cent at retail price; if doubled it would equal 1.2 per cent; if trebled it would equal 1.8 per cent; and if quadrupled it would equal 2.4 per cent of the retail price.

Our tax on sugar represents about 36 per cent of the price of retail sugar in the city of Washington. The tariff is almost five times as much on a dollar's worth of sugar as the tax on a dollar's worth of smoking tobacco or on a dollar's worth of 5-cent cigars, 12 times as much as the tax on a dollar's worth of 10-cent cigars, 30 times as much as the tax on a dollar's worth of 25-cent cigars, and 60 times as great as the tax on $1 worth of 50-cent cigars.

When one of our millionaires buys a dollar's worth of 50-cent cigars he pays the Government six-tenths of 1 cent revenue; when he buys a dollar's worth of 25-cent cigars he pays the Government a revenue of 1.2 cents; when he buys a dollar's worth of two-for-a-quarter cigars he pays the Government in revenue 2.4 cents. When his gardener buys a dollar's worth of nickel cigars or of smoking tobacco he pays the Government a revenue of 8 cents; when his washerwoman buys $1 worth of granulated sugar at the market price in Washington—5½ cents a pound—she pays the Government a revenue of 36 cents; or, 36 cents is exacted from her on account of our tariff on that necessary of life. [Applause on the Democratic side.]

Mr. HARDY. Will the gentleman submit just to an interruption?

Mr. WARBURTON. Yes.

Mr. HARDY. I do not know that I differ with the line of argument the gentleman is making, but it seems to me he omits to draw the distinction. If these cigars are imported, how much does the Government get?

Mr. WARBURTON. They would get——

Mr. HARDY. What is the import tax?

Mr. WARBURTON. I think it is $4.50 a thousand.

Mr. HARDY. Now, then, as to sugar, you are speaking of the import tax alone, and there is no indirect revenue tax on sugar.

Mr. WARBURTON. I do not know whether the gentleman read it or not, but the other day I showed conclusively, I think, that your tariff of $1.90 does, as a matter of fact, cost every consumer of sugar 2 cents a pound.

Mr. HARDY. I think you are exactly right, but this tax that you are speaking of tobacco paying to the Government direct is in addition to the protection given by the protective tariff on tobacco?

Mr. WARBURTON. The only place where my illustration would be at all faulty would be in the case of a 25 or a 50-cent cigar.

Mr. HARDY. Any cigar that is imported?

Mr. WARBURTON. Any cigar that is imported.

Mr. HARDY. In other words, this is an additional tax to the import tax?

Mr. WARBURTON. Now, I did not have time, and I can not go into that now, but from what little investigation I have made I am very free to say that I do not think that that would increase a 25-cent cigar 3 per cent.

Mr. HARDY. I want to say to the gentleman that I believe we can get revenue elsewhere without imposing these outrageous burdens.

Mr. WARBURTON. Snuff—common, ordinary snuff—sells for about 75 cents a pound and pays a tax of 8 cents a pound or a tax equal to 10 per cent of its retail price. Would it not be good, decent legislation to tax this not altogether delicate and refined luxury 36 cents per pound and thus raise our revenue $10,000,000 a year, and take this amount off of the tax on sugar and thus save about 20 per cent of our tax on sugar? This sum would almost equal the revenue we will lose on wool by the proposed bill.

That is exactly what would have been raised last year if we had had that tax on snuff; if we had raised it up to the price that it costs the poor woman when she has to buy a dollar's worth of sugar. Let the woman or man who wants to use snuff pay as large a percentage on the retail price as the poor woman does who has to buy sugar for herself and her children. This sum on snuff alone, raising it back to the Civil War tax, would pretty nearly provide all the revenue you lose by the passage of this bill.

For the fiscal year ending 1910 we received on our internal revenue from tobacco the sum of $57,889,000. If we were to double the internal-revenue tax, it would increase our revenue $57,889,000. If we were to treble it, it would increase our revenue $115,778,000.

If we double it, we make 25 cents' worth of smoking tobacco cost us 27 cents; a 5-cent cigar would cost us 5.3 cents; a 10-cent cigar would cost us 10.3 cents; a 12½-cent cigar would cost us 12.8 cents; and a 25-cent cigar, 25.3 cents.

If we treble it, it would make 25 cents' worth of smoking tobacco cost 29 cents; a 5-cent cigar cost 5.6 cents; a 10-cent cigar cost 10.6 cents; a 12½-cent cigar cost 13.1 cent; and a 25-cent cigar cost 25.6 cents.

If we were to double the tax on tobacco and cigars, we could place sugar and rice on the free list and have $6,000,000 to spare. If we should treble the tax on cigars and tobacco, we could take care of every possible loss that we would suffer by means of any proposed revision of the tariff and place sugar and rice on the free list.

The Commissioner of Internal Revenue, at my request, has given me in detail the amounts of smoking and chewing tobacco and snuff, cigars, and cigarettes that were withdrawn for consumption last year, so that I might determine what the revenues of the Government for the fiscal year ending 1910 would have been if the internal-revenue law of 1875 and the internal-revenue law of 1879 were in force. I shall add a table showing the results on each item as well as total results.

The internal revenue that we would have received for the amount of tobacco consumed last year if the internal-revenue tax of April, 1879, had been in force would have been, in round numbers, $138,000,000, as opposed to $58,000,000 actually received under our existing law. If the internal-revenue law of 1875 had been in force on the tobacco consumed last year, instead of the Government getting $58,000,000 it would have collected $178,000,000. It must be borne in mind that the tax in this law of 1879 was not reduced because it was too high, because there was any demand for the reduction of it by anyone interested in the industry or by the consumer, but because the Government found it necessary to reduce its income—to check its increasing surplus.

One can not make that too strong. The law of 1875, which, if it had been in force last year, would have increased our revenues $120,000,000, was never taken off at the request of any man who grew tobacco, at the request of any man who handled tobacco, or at the request of anyone. I do not doubt there are many of you here who will remember that it was taken off solely because we had more money coming into the Treasury than we knew what to do with, and we wanted to reduce the revenue.

The law of 1875 reduced the war tax 25 per cent; the law of 1879 further reduced the tax to about 50 per cent of the war tax. So there could be no excuse for the third reduction of 1883, which again reduced the tobacco tax to one-fourth of the Civil War tax, except the desire to still further reduce the revenue.

If the internal-revenue law of 1879 had been in force last year we would have received $80,000,000 more in revenue than we actually received. This would enable us to put sugar on the free list, the revenue of which amounted to $53,000,000 last year; put rice on the free list, the revenue of which amounted to $1,458,000 last year; and enact the present law, which it is admitted will cause a loss of $13,000,000, and still have $13,000,000 left.

If the internal-revenue law of 1875 had been in force last year we would have received $178,000,000 as opposed to $58,000,000, or we would have received $120,000,000 more than we actually did receive. This would enable us to place sugar and rice on the free list, reduce the revenue from wool and woolen goods one-half, which would amount to more than $21,000,000; cut off one-half of the tariff on cotton goods, which would amount to $19,000,000 in revenue; place iron and steel on the free list, which would cause a revenue loss of about $12,000,000, making a total reduction in revenue of about $107,000,000 and leave still a surplus of $13,000,000. It must be remembered in this connection that when we place sugar on the free list that we not only make a saving to the great masses of people of $53,000,000, the amount of revenue, but that we save them at least $85,000,000 more which is exacted of them by reason of the tariff.

The law of 1875, which fixed the tax I have just mentioned, reduced the war tax 25 per cent. So, when the law of 1875 was enacted, the rate on tobacco then was 75 per cent of what it was at the close of the war and for five years afterwards.

Mr. Beveridge, in his great speech on tobacco in the United States Senate in 1899, and to whom I am indebted for much information, said:

> To bring home to us more clearly the grotesque littleness of our present tax compared with that of other countries, I have had computed a table which I shall insert in my remarks, showing what our revenue would be if we taxed tobacco as these other countries taxed tobacco.
>
> For example, if we taxed tobacco at the same rate that England taxes tobacco, we would get $380,086,000. If we taxed tobacco at the rate that Austria taxes it, we would get $202,884,000 every year; at the rate that Hungary taxes it, $169,498,000 every year. If we taxed tobacco at the rate that France taxes tobacco, we would get $436,585,000 of revenue every year from that single source of taxation. If we taxed tobacco at the rate that Italy taxes tobacco, we would get $447,675,000 every year.

Our internal-revenue tax on tobacco yielded last year $57,889,000.

Over one-half of the tobacco consumed in Great Britain is imported from this country and bought in the open market, and when it reaches England it is taxed 74 cents a pound, which the consumer pays; we furnish France with over half of the tobacco consumed by the French people, and this tobacco pays a tax when it reaches France of 85 cents a pound; we furnish Italy with practically all the tobacco that country consumes, and when it reaches Italy it pays a tax of 93 cents a pound.

If we would tax tobacco as England taxes the tobacco she imports from us, we would have $96,000,000 more than all the duties that we collect by reason of the tariff on everything except wines, liquors, cigars, and tobacco. If we taxed our tobacco at the same rate France taxes the tobacco she buys from us and raises herself, we would receive from this source $142,000,000 more than all the duties levied on everything that we import except wines, liquors, cigars, and tobacco. We could take import duties off everything but wines, liquor, tobacco, and cigars, and still have this surplus over what we now get. Of course, this would not be a wise thing to do, but it simply shows the possibilities of this tax. But it might be well to observe that probably the French and English people pay no tax which is less felt and about which there is less complaint.

Mr. HUMPHREYS of Mississippi. Mr. Chairman, will the gentleman yield for a question right there?

The CHAIRMAN. Does the gentleman from Washington yield to the gentleman from Mississippi?

Mr. WARBURTON. Yes.

Mr. HUMPHREYS of Mississippi. Has the gentleman any statistics showing the consumption of tobacco in the countries he has just mentioned, as compared with the consumption in America per capita?

Mr. WARBURTON. I have those figures at my office, but have not the figures here. The consumption is much less in those countries. England is the next largest consumer.

Mr. LONGWORTH. The taxes that the gentleman refers to, that are imposed by England, Germany, and France, are all tariff taxes, are they not?

Mr. WARBURTON. No; I think not. I am very positive of that. I took those statements of the amount of the tax from the remarks of Mr. Beveridge, and I did not verify the figures.

Mr. LONGWORTH. But the gentleman undoubtedly refers to the tariff tax.

Mr. WARBURTON. Oh, no.

Mr. LONGWORTH. The gentleman has mentioned the importations into England from this country.

Mr. PAYNE. I think the gentleman is mistaken, because in England they do not permit the raising of tobacco at all. All of it is imported, and must pay a tariff tax.

Mr. WARBURTON. In France the tobacco goes in free. It goes in free and is a government monopoly, and is taxed as an internal-revenue tax. Of course, it is immaterial whether it is an internal-revenue tax or a tariff duty.

Mr. LONGWORTH. It is only material as illustrating the gentleman's point, of our internal-revenue taxes as compared with other taxes.

Mr. WARBURTON. What difference would it make whether we got it from internal revenue or got it from duties? The fact is the consumer pays it, and he will pay that amount of tax.

THE TAX ON TOBACCO WAS REDUCED IN 1879 AND AGAIN IN 1883 BECAUSE THE GOVERNMENT DID NOT NEED THE REVENUE.

It may be asked by those who do not recall the history of the reduction of the tax on tobacco in 1879 and 1883 why these reductions were made. I want to recall the fact that they were made in order to prevent a large surplus in our Treasury. I think, Mr. PAYNE, you were in Congress at that time.

Mr. PAYNE. I was not in Congress at that time, but I know that reductions have frequently been urged in the tobacco tax by the raisers of tobacco since I have been in Congress.

Mr. WARBURTON. During the preceding years the income of the Government had been exceeding its expenditures by a large amount. The Government was collecting more revenue than it needed to meet its fixed charges, and the question was, What tax should the Government reduce in order to prevent a further accumulation?

Our protected interests objected to a reduction of duty on imports and were successful in preventing a reduction of the tariff. The internal-revenue tax on tobacco was adopted as the easiest and most satisfactory way of reducing our large and then growing surplus. This was the sole reason for the reduction made in this tax at both of these dates. It was not because the Government or Congress regarded the tax as too high; it was not because the consumers of tobacco were objecting to the tax; it was not because the farmers who raised the tobacco demanded or requested it. It was done in each instance solely for the purpose of cutting down the revenue. It was cut down for this express purpose, and this amounted to a notice to the world

that it would be and should be restored whenever the Government's needs required. No man can complain if the Government restores this tax when it should be restored.

Who would complain if the tax of 1883 or 1879 on tobacco were restored and the whole tax on sugar could be removed? Sugar is a prime necessity; tobacco a luxury. Tobacco is bought by those who desire, but who do not need it. Sugar is a necessity on every man's table. The Government gets all the tax it levies on tobacco. The Government gets only 52 cents out of every $1.39 that is exacted of the consumer of sugar on account of tariff, 52 cents going to the Government and most of the remaining 87 cents going to the Sugar Trust and our island planters.

The Hon. Green B. Raum, then Commissioner of Internal Revenue, protested against the reduction of the internal-revenue tax on tobacco in a special report to Congress. After stating the amount of money required by the Government and the amount of its revenue, he showed that we were collecting from $70,000,000 to $80,000,000 more than we needed, and then says:

"It is an old and sound maxim that no more revenue should be raised than is necessary for an economical administration of the Government and a gradual reduction of the public debt.

"Therefore it becomes obvious that a reduction of from seventy to eighty millions in the annual revenues of the country could be safely entered upon; and, in my judgment, such a reduction is urgently called for. I respectfully offer some suggestions for your consideration in this regard.

"The great bulk of internal-revenue taxation is derived from distilled spirits—about nine-tenths of which are used as a beverage—malt liquors, tobacco, and cigars. These are not articles of necessary consumption, but are articles of luxury, the taxes upon which are readily paid by the consumers, and no one need consume them.

"I am strongly of the opinion that so long as the principle of deriving part of the revenue of the Government from internal taxation is retained, these articles and the dealers therein are proper subjects for taxation. There is no demand on the part of consumers of these products for the remission of the taxes imposed upon them; there is no public sentiment calling for their repeal. On the contrary, the general current of public opinion seems to be in favor of their retention."

This is a strong argument against the reduction of the tax in 1879. His advice was not heeded, and the tax on tobacco was reduced from 24 to 16 cents a pound.

In the annual report of Gen. Raum for the fiscal year ending June 30, 1879, the report bearing date November 24, 1879, referring to the reduction of the internal-revenue tax on tobacco in this report, he says:

"Experience has shown that no material advantage has inured to the consumer (of tobacco) in the reduction of price by reason of the reduction of the tax."

What is more unequal and unjust; what is more of a pitiable parody on our taxing system than a law that taxes 25-cent cigars at 1.2 per cent of its retail price and sugar 36 per cent of its retail price? Is it not wickedly unfair? Let us remember when we come to revise these laws that these charwomen who on their knees scrub the floors of our Office Building and our Capitol Building, who work late at night and early in the morning and perform work of the most menial and laborious character, and at a small wage, pay 12 times as much tax for every dollar's worth of sugar they buy as we pay for every dollar's worth of 10-cent cigars that we buy. [Applause.]

WOULD AN INCREASE IN THE INTERNAL-REVENUE TAX INJURE THE FARMER?

One of the arguments that has been raised against increasing the internal-revenue tax on this luxury is that it will injure the farmer who raises it. The opponents of the increase of this tax—those who do not desire the Government to obtain any other large source of revenue which will enable Congress to reduce the tariff—warn us solemnly and with great unction that if we raise the tax on tobacco the farmer will be greatly affected if not ruined. To one who has not made a study of this question this argument may seem very plausible, but in fact nothing is further from the truth. History shows us over and over again that a large or small tax on a luxury of this kind has no effect on the price of the raw ingredients used in the production of such luxuries or on the amount consumed.

The history of tobacco since America was discovered, when tobacco came into use, shows conclusively that the tax on tobacco has nothing whatever to do with the price paid to the farmer. The average price of tobacco on the farm has been quite as high when our internal-revenue tax has been one, two, three, four, five, and six times as high as our present tax. Whenever we have made the heaviest reduction in our internal-revenue tax on tobacco the price of tobacco on the farm has not been increased a fraction of a cent.

In 1879 we took off 8 cents a pound. The farm price of tobacco prior to that time was 8 cents per pound. Did the farmer get this 8 cents that was removed from the internal-revenue tax? Not at all, though the tax removed was equal to the price of the farm product.

In 1883 we again reduced the internal-revenue tax on tobacco 8 cents per pound, the then prevailing price of tobacco on the farm was about 8 cents a pound. Did this increase the value of the tobacco on the farm? Not a particle. The farmer did not receive one penny advance, nor a fraction of a penny advance, for his tobacco.

The average price of tobacco from 1875 to 1883 was 7.7 cents per pound. The internal-revenue tax on tobacco for the first four years of this time was 24 cents a pound; for the last four years it was 16 cents a pound.

The average price of tobacco from 1885 to 1895 was 8 cents a pound, while the internal-revenue tax on tobacco was only 6 cents a pound as compared with 24 cents and 16 cents a pound from 1879 to 1883.

The average price of tobacco from 1895 to 1905 was 7.2 cents a pound, with an internal-revenue tax of only 6 cents a pound, the farm price was one-half a cent a pound less than from 1875 to 1883, when the tax was 24 and 16 cents a pound.

The average price of tobacco on the farm from 1900 to 1905 was 7.1 cents per pound.

It will be seen that the farm price during these five years was six-tenths of a cent less a pound than it was from 1875 to 1883, when the revenue tax was 24 cents and 16 cents a pound.

From 1865 to 1872 the tax on tobacco was 32 cents a pound, the highest tax ever placed by the United States on tobacco. During these years while this tax was in force the average price of tobacco was 9.8 cents per pound on the farm, the highest average price in the history of this country except during the war.

From July, 1898, until May, 1901, the tax on tobacco was doubled; that is to say, it was raised from 6 cents to 12 cents a pound. In 1901 it was reduced from 12 cents to 9 cents a pound, and in 1902 it was restored to the pre-war tax of 6 cents a pound.

The farmer received as large a price during the years the Spanish-American War tax was in force as he did the three years preceding the war or the three years following the war.

If we compare the prices of tobacco for the years mentioned it will be observed that the farm price of tobacco was as high and even higher when the revenue taxes were the highest.

We ship our enormous surplus abroad. The price of tobacco raised in this country is controlled by the price abroad, as is our cotton. The price is fixed by the law of supply and demand. The tax of 74, 85, and 93 cents levied by the countries who consume the major portion of tobacco that we export no more determine the price of the raw article than does our tax of 6 cents a pound.

AN INCREASE IN THE TAX ON TOBACCO OR AN INCREASE OF THE COST OF TOBACCO DOES NOT REDUCE THE AMOUNT CONSUMED.

As I have already said, an increase of the tax on tobacco, or any other luxury, will not affect the amount consumed. Ordinary smoking tobacco, like Edgeworth's, retails for $1 a pound. If we were to double the tax, a pound of this tobacco that now sells for $1 a pound would then sell for $1.08, and a pound of this tobacco lasts the ordinary smoker a month. Do you think that the adding of 8 cents to a pound of this tobacco, so as to make it retail for $1.08 a pound, would affect the amount of tobacco consumed? I do not believe that the purchasers of this tobacco, with the tax on it doubled as suggested, would ever realize the difference in cost, and it is too clear to need argument to support the proposition that such an increase in the tax would not affect the amount consumed.

A man who cares for his pipe and tobacco would pay no attention or give a thought to this additional tax. To double the tax on a 10-cent cigar would increase the cost to 10.3 cents; to treble it would increase it to 10.6 cents. Do you think that a man who buys and smokes 10-cent cigars would notice the increased cost or would smoke any less number of cigars if the price was increased this much?

If you double the tax on a 25-cent cigar, the price would be increased to 25.6 cents. Would this in any manner decrease the number of 25-cent cigars that are smoked? Our statistics will prove conclusively that taking off the revenue tax does not increase the consumption of tobacco. It is likewise true that increasing the tax, as I have suggested, will not in any manner decrease its consumption. Even though increasing the revenue tax should decrease the consumption somewhat, would this in any manner be a calamity? Would the brain and health of our people be at all injured if less tobacco were consumed? But our experience shows that this is not the result. The consumption of tobacco never increased as rapidly in this country per capita as it did from 1876 to 1884, when the tax was from 400 to 166 per cent larger than it is at the present time.

I think I have clearly shown that the question of the loss of revenue to the Government ought not to deter any man or any

party from writing a revision of this schedule exactly as he or it believes it ought to be written. The same majority that can pass the proposed bill revising this schedule or any other schedule can on the same day or succeeding days enact another law raising our internal-revenue tax on tobacco to a point that will supply all the loss of revenue that will be sustained by such a revision. Such a revenue law as I have suggested will not only provide abundant revenue, but will place a proper tax on this luxury that it ought to bear.

There can be no good reason offered why the tax on this luxury should only be from six-tenths of 1 per cent to 8 per cent of the retail price, when we tax a necessary of life like sugar 36 per cent; woolen goods, on an average, more than 90 per cent; and cotton goods at 53 per cent. I am convinced that the rate in the proposed law is fixed as it is, not to avoid loss of revenue but is fixed at the point it is because the Democratic Party dare not write it lower.

While the Democratic Party preaches placing raw wool on the free list and a very low tariff on the manufactured articles, when it comes to the test it is compelled to adopt the Republican doctrine of a protective tariff and write in its proposed law a protective rate. You do not dare write a lower rate, because you fear the consequences at the next general election. You know that the industries of this country can not prosper if you write into the law the theories you have preached.

TABLES REFERRED TO.

The following tables show the quantity of cigars, cigarettes, snuff, chewing and smoking tobacco that was consumed this last year in the United States.

The first table shows the rate of tax and the amount that would have been collected if the tax on March 3, 1875, had been in force. The second table shows the amount of tax that would have been collected if the act of March 1, 1879, had been in force:

Amount that would have been collected if the tax of 1875 had been in force for the year 1910.

Kind.	Quantity.	Rate of tax.	Collections.
Cigars.....No..	8,213,356,504	$6 per thousand...	$49,280,139.02
Cigarettes.....No..	7,884,748,515	$1.75 per thousand	13,798,309.90
Snuff.....lbs..	31,969,111	32 cents per pound.	10,230,115.52
Tobacco, chewing and smoking, pounds.	436,608,898	24 cents per pound.	104,786,135.52
Total.....	.....	.....	178,094,699.96

Amount that would have been collected if the tax of 1879 had been in force for the year 1910.

Kind.	Quantity.	Rate of tax.	Collections.
Cigars.....No..	8,213,356,504	$6 per thousand...	$49,280,129.02
Cigarettes.....No..	7,884,748,515	$1.75 per thousand.	13,798,309.90
Snuff.....lbs..	31,969,111	16 cents per pound.	5,115,057.76
Tobacco, chewing and smoking, pounds.	436,608,893	.....do.....	69,857,423.68
Total.....	.....	.....	138,050,930.36

The act of March 1, 1879, taxed at 16 cents per pound manufactured tobacco of all kinds, except cigars, cheroots, and cigarettes, and on these the tax provided for by the act of March 3, 1875, prevailed.

Statement showing "withdrawals for consumption" of manufactured tobacco during the fiscal year 1910, the rate of tax thereon, and the collections therefrom.

Kind.	Quantity.	Rate of tax.	Collections.
Cigars.....No..	7,140,229,337	$3.....	$21,420,639.51
	1,073,126,667	54 cents and 75 cents.	580,748.40
Total.....	8,213,356,504	.....	.....
Cigarettes.....No..	7,863,215,808	$1.08, 54 cents, and $1.25.	7,326,194.48
	21,532,707	$3 and $3.60.....	659,760.54
Total.....	7,884,748,515	.....	.....
Snuff.....lbs..	[1] 31,969,111	6 cents.....	1,920,602.65
Tobacco, chewing and smoking, pounds.	[1] 436,608,898	.....do.....	26,210,461.45
Aggregate collections.....	.....	.....	58,118,457.03

[1] A very small amount bore the rate of 8 cents per pound, but the amount was so small it is not worth while to mention it. It is all included in the amount of collections made.

It is not the loss of revenue that stands in the way of this revision even lower if desirable. It is not the loss of revenue that stands in the way of any progressive legislation. It is simply because we, either through fear or some other motive, fail to write the law that in duty we ought to write. [Applause.]

Mr. UNDERWOOD. I yield one hour to the gentleman from Arkansas [Mr. ROBINSON].

Mr. ROBINSON. Mr. Chairman, an unusual question has arisen, as to whether the Legislature of the State of Arkansas has ratified the income-tax amendment to the Federal Constitution. Senate concurrent resolution No. 7 passed both branches of our general assembly, was presented to the governor after the regular session of the general assembly had adjourned, and was by him vetoed—that is, he issued an alleged veto message. Immediately upon ascertaining that the governor had taken this action I telegraphed him that in my opinion the veto power of the governor of a State does not extend to the ratification of amendments to the Federal Constitution, that his action was void, and urged upon him the wisdom of withdrawing his alleged veto.

The governor replied, seeking to justify his power under article 6, section 16, of the constitution of Arkansas, which I will quote in a few moments.

I then wired the secretary of state of Arkansas, the Hon. Earl W. Hodges, requesting him to forward an authenticated copy of the record showing the action of the Arkansas Legislature in this regard, and, if he desired, also a verified copy of the governor's alleged veto. I am in receipt of a telegram from him stating that the record has been forwarded and will be received here to-morrow.

I also introduced in this House, for the purpose of testing the opinion of the House, in order that the alleged precedent might not go unchallenged, a resolution declaring, in effect, that the governor of a State has no power to veto a ratification by the general assembly of a State of an amendment to the Federal Constitution.

I admit, in the beginning, that in many instances governors of States have signed the resolutions of ratification. I admit that since this session of Congress began four States have reported ratification, and in three instances the resolutions appear to have been signed by the respective governors. But upon that point it must be clear to any mind, especially to the mind of any lawyer, that the governor of a State can not create for himself a power by the attempted exercise of that power. The executive approval is unnecessary, his veto is void.

I have introduced the following resolution, for the purpose of having this body express its opinion as to whether the veto power of the governor extends to the ratification of amendments to the Federal Constitution:

Resolved, That the article of amendment proposed by Congress to be added to the Constitution of the United States respecting an income tax, having been ratified by the Legislature of the State of Arkansas, was improperly submitted to the governor of that State, and it is hereby declared that such action was unnecessary; that the approval by the governor of said State is not required to give effect to the ratification of said amendment; that the alleged veto of said governor is inoperative and is null and void; and that said amendment has been duly ratified by the legislature of said State, notwithstanding said attempted veto.

IMPORTANCE OF THE QUESTION.

No one can be unmindful of the importance of this issue. If the veto power of a governor is held to apply to the action of State legislatures in ratifying amendments to the Federal Constitution, it is manifest that the difficulty in adopting amendments is greatly increased if it be not rendered practically impossible. The number of votes necessary to pass a measure over the governor's veto differs widely in the States. In some a simple majority is required; in others, as in Arkansas, a majority of all members elected. In many of the States a two-thirds vote must be secured, while in some three-fifths must be obtained. There is no veto power in North Carolina. The issue is a new one. There is no precise precedent. The Supreme Court of the United States has never been called upon to determine the exact question here raised.

I maintain with confidence that the veto power of a governor has nothing to do with constitutional amendments; certainly it does not extend to the ratification of amendments to the Federal Constitution. The act of ratification is not a legislative function in the proper sense of that term; that the act of ratification of a proposed amendment to the Federal Constitution is a special and extraordinary power, arising solely under the fifth article of the Federal Constitution; that State constitutions and statutes can neither add to nor detract from this solitary source of power; that the constitution and the statutes of the State of Arkansas do not attempt, either expressly or impliedly, to modify, regulate, or restrict the power of the legislature to ratify proposed amendments to the Federal Constitution; that if anything contained in the constitution or statutes

of Arkansas can be construed as an attempt to limit, restrict, control, or in any wise interfere with the power of the legislature derived from the Federal Constitution to ratify amendments to that instrument, it is void. That the State legislature can not draw a legislative power from the Federal Government and the power to ratify is beyond the control of the State. That the clause in the Arkansas constitution, under which the governor seeks to justify his exercise of the veto in this case, providing that every order, resolution, or vote requiring the concurrence of both houses of the general assembly shall be presented to the governor for his approval, and if vetoed repassed by a majority of the members elected to both houses, relates to the exercise of legislative power proper by the general assembly, and does not extend to the power to ratify amendments to the Federal Constitution any more than the similar provision in the National Constitution, which is uniformly held to relate only to ordinary legislation.

THE CONTROLLING PROVISIONS OF THE CONSTITUTION.

Article V of the Federal Constitution is as follows:

The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution, or, on the application of the legislatures of two-thirds of the several States shall call a convention for proposing amendments, which, in either case, shall be valid to all intents and purposes, as part of this Constitution, when ratified by the legislatures of three-fourths of the several States, or by conventions in three-fourths thereof, as the one or the other mode of ratification may be proposed by the Congress. * * *

The power to propose amendments to the Constitution is clearly vested in "Congress" and requires the action of two-thirds of both Houses. Two methods of ratification are provided, namely, by the legislatures of three-fourths of the several States or by conventions in three-fourths thereof. It is competent for Congress to prescribe the method of ratification; that is to say, whether the proposed amendment shall be ratified by the legislatures or by conventions.

Article I, section 7, paragraph 3, of the Federal Constitution is as follows:

Every order, resolution, or vote to which the concurrence of the Senate and House of Representatives may be necessary (except on a question of adjournment) shall be presented to the President of the United States, and before the same shall take effect, shall be approved by him, or being disapproved by him, shall be repassed by two-thirds of the Senate and House of Representatives, according to the rules and limitations prescribed in the case of a bill.

A provision identical with this last paragraph is also contained in the Arkansas constitution as to the veto power of the governor and the passage of measures, except that the Arkansas constitution provides that a majority of all the members elected to both houses of the general assembly may pass a measure over the governor's veto, instead of two-thirds of a quorum, as required to pass a measure through Congress over the President's veto. The provision in the Arkansas constitution, however, is perhaps not material.

It could not affect amendments to the Federal Constitution, because the manner of their adoption is prescribed and governed solely by the Federal Constitution. If it were competent for the States to control this, as many different and conflicting methods might be provided as the whole number of States in the Union, and endless confusion would arise. Besides, this would be contrary to the fundamental principles of our Government. That the States can not modify the manner of submitting or ratifying amendments to the National Constitution seems clear. It follows that no provision in the constitution or statutes of a State in conflict with the Federal Constitution relating to the submission or adoption of amendments to the fundamental law can be effective. As a matter of fact and of law, there is nothing in the constitution or statutes of Arkansas which either expressly or impliedly add to or detract from or in any wise modify Article V of the Federal Constitution, which has been quoted:

The power of a State legislature to participate in amending the Federal Constitution exists only by virtue of a special grant in that Constitution. It is a power which it could not assume under any notion of a general right to legislate, for that right is confined within State limits and to the enactment of ordinary laws. An act of Congress, even, would not give it the power. The power, moreover, can not be enlarged by implication or by reason of any supposed but unexpressed intention of those who granted it, but must be strictly pursued. So, when the State legislature has done the act or thing which the power contemplated and authorized—when the power has been exercised—it, ipso facto, ceases to exist, unless it be one of the terms of the grant that it shall continue with a view to its further exercise, which in this case is not pretended. * * * (Jameson on Const. Amendments, 4th ed., p. 631, sec. 583; In re senate, File 31, 25 Nebr., p. 877; Koehler et al. *v.* Hill, 60 Iowa, 558; Green *v.* Weller, 32 Miss., 650.)

This eminent text-writer seems to express the accepted doctrine on this subject. February 22, 1870, in a debate in the Senate arising over the question as to whether the Legislature of New York, having once ratified the fifteenth amendment, could subsequently rescind its action, Senator Conkling said:

To see the question clearly, and to see it all, is to see the answer also. The ratification of a constitutional amendment is not the exercise of legislative power derived from the people of a State. It is not a power reserved by the States or inherent in the States; it is a specific function derived entirely from the Constitution of the United States. This is its origin. What is its nature and extent? It is the option to do or not to do a given thing.

In the course of the same debate he said, referring to the power to amend the Federal Constitution:

In the case before us the power from the beginning is wholly different. It is an artificial and limited power. It is a special function delegated in few and restricted words. It is a chartered permission, an elective opportunity. Conferred by an enabling clause of the Constitution, it can draw to its aid nothing from other sources and nothing of intendment, even from its solitary source. * * * The whole truth lies in the statement that the Constitution does give the power to ratify and does not give the power to cancel a ratification. This absence of power is fatal to the attempt to undo a ratification, whether the attempt be made before three-fourths of the States have ratified an amendment or afterwards. At all times such an attempt is usurpation, not because it is unreasonable, not because it is inexpedient, not because it is illogical, but because it is unauthorized, because no warrant for it exists.

The whole process of adding to or taking from the organic law of the Nation is from its inception special and peculiar. The submission of amendments by Congress is not the exercise of legislative power. * * * On the contrary, the whole right and authority in the case begins and ends with the fifth article of the Constitution. (Cong. Globe, Feb. 22, 1870, pp. 1477–1478.)

This applies with equal force to the question now under consideration. The position taken by Senator Conkling was not controverted, but was specifically approved by others who replied to his argument on other questions.

Senator Davis of Kentucky said:

I agree with the honorable Senator from New York that the power of a State to ratify an amendment to the Constitution of the United States is not a legislative power. It is an extraordinary, special, and unique power; it exists wholly and solely by the words which created it, the words of the Federal Constitution, and it is to be exercised as it is there organized, and in no other mode. (Cong. Globe, Feb. 22, 1870, p. 1479.)

Thus it is clear that the State legislatures can not derive a power to legislate from the Federal Constitution. Since the power to ratify amendments to the Federal Constitution must be derived solely from that instrument itself, the act of ratification is not properly a legislative function, but is in the nature of a special and extraordinary function, the exercise of which is authorized and governed solely by the Federal Constitution. The act of proposing an amendment to the Federal Constitution by the Congress, and the act of ratifying the same by the legislatures of the several States, or by conventions, is not a bill, nor is it an order or resolution, within the meaning of the Constitution, requiring the approval of the executive. Such provisions relate to the ordinary cases of legislation and have nothing whatever to do with the proposition or adoption of amendments to the Constitution. (Willoughby on the Constitution, p. 520, sec. 226.)

This doctrine found unmodified expression and unqualified assertion in a decision by the Supreme Court of the United States, February term, 1798, in the case of Hollingsworth et al. *v.* Virginia (3 Dall., 378). For more than a century this has been the accepted doctrine. In the Hollingsworth case the question as to whether the eleventh amendment had been legally submitted was directly before the court. The proposition to submit the amendment had passed both Houses, but had not been approved by the President, and it was claimed that the amendment was therefore void. The court unqualifiedly held that the President's approval was unnecessary, that his veto applies only to the ordinary cases of legislation, and that he has nothing to do with the proposition or adoption of amendments to the Constitution. The doctrine of this case has been unquestioned for more than a century and finds almost unbroken support in the decisions of the presiding officers of this body and of the Senate. (Hinds' Parliamentary Precedents, vol. 5, sec. 7040, p. 1016.)

On February 25, 1869, in the third session of the Fortieth Congress (Globe, p. 1563), the Speaker, in a case involving this identical point, held that, notwithstanding the provisions of Article I, section 7, paragraph 3, requiring that every order, resolution, or vote in which the concurrence of both Houses of the Congress may be necessary, and so forth, shall be presented to the President, and so forth, citing the precedent of the Senate of the United States in 1803, relating to the amendment concerning the mode of electing a President and Vice President, and the Hollingsworth case from which I have quoted, also a case arising in 1865 in which a resolution very similar to that which I have introduced was under consideration in the Senate, held that the question is settled, not only by the practice of Congress, but by a decision of the Supreme Court of the United States. A resolution to the effect that the antislavery amendment, Article XIII, was improperly submitted to the President

for his approval, and that such approval was unnecessary, was agreed to without division. (Jameson on Constitutional Conventions, p. 517.)

The analogy between the Hollingsworth case and the question there determined and the issue here presented is striking.

The power to propose amendments is vested in Congress. The power to ratify amendments is vested by the Constitution in the legislatures of the several States or conventions thereof called by Congress. The executive veto does not apply to the proposition of amendments by Congress, and there is no reason in principle why the executive veto of the governor should apply to the ratification of amendments.

Even if the provisions in the Arkansas constitution, to which reference has been made, are applicable, they are substantially the same as those in the Federal Constitution, and if, as all the authorities show, these provisions do not extend to the President's veto, which is expressly created and authorized by the Federal Constitution, by no stretch of legal fancy can they be held to authorize the veto of the executive of a State who derives his power not from the Federal Government, but from the constitution and laws of the State itself. This would seem conclusive, even if the governor be considered a component part of the legislature and vested with the power of ratification. It could not be held by any fair construction that the constitution authorized his veto.

The veto power of the governor is not derived from the Federal Constitution, but since the provision relating to ratification is a special authority conferred by the Federal Government on the legislature of the State, it must be construed strictly. Nothing can be written into it. Nothing can be added to it or taken from it. It does not refer to the veto power, and I think it is clear that the governor has nothing to do with the ratification of amendments. Even if such were the case, it could not be held that he has the implied power to veto, which is a very different thing in this connection from the power to ratify.

THE GOVERNOR IS NOT A COMPONENT PART OF THE LEGISLATURE.

It appears conclusively that the President is not a component part of Congress in the sense of Article V of the Federal Constitution prescribing the manner of proposing and ratifying amendments to that instrument. This is conclusively settled. The President has nothing to do with the proposition of amendments to the Constitution. It is clear, also, that since the power of ratification is not a legislative function, and arises solely under the Federal Constitution, and can draw "nothing to its aid from other sources and nothing of intendment from its solitary source," the approval of a governor is unnecessary to effect ratification, and his veto is void unless it appears clearly that the governor is embraced within the word "legislature." It has been held in a closely analogous case that the President is not a part of Congress. It is true that in one sense the lawmaking power of a State embraces its governor, because he has the power of approval or veto concerning ordinary legislation. It is also and equally true that the President is a part of the lawmaking power of the Nation. He too, has the power of approval and of veto over ordinary legislation passed by Congress. In the ordinary acceptation of the terms, the President is no part of Congress, and it is only when Congress is referred to as the lawmaking power that the President can be impliedly embraced. The same rule applies to the use of the word "legislature." It does not include the chief executive of a State except in the same sense that the word "Congress" sometimes includes the Chief Executive of the Nation. So it by no means follows that the word "legislature" in Article V means the general assembly and the governor. The word "legislature" in the Federal Constitution usually means the general assembly of a State and excludes its chief executive.

ART. I, SEC. 2. * * * and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

Here the governor is excluded.

ART. I, SEC. 3, PAR. 32. The Senate of the United States shall be composed of Senators from each State, chosen by the legislature thereof * * *

The language in this paragraph is almost identical with that used in Article V. No one ever claimed that the governor had the right to approve the election of a United States Senator or to veto the action of a legislature in choosing a Senator.

ART. I, SEC. 3, PAR. 34. * * * and if vacancies happen by resignation or otherwise during the recess of the legislature of any State, the executive thereof may make temporary appointments. * * *

No argument is required to show that the word "legislature" as here used excludes the governor and means the general assembly.

Under Article I, section 4, authorizing the State legislature to prescribe the times, place, and manner of holding elections for Senators and Representatives, it is perhaps competent for the general assembly to fix the time, place, and manner of holding elections without the approval by the governor, unless it chooses to exercise its legislative power by the passage of a bill. The word "legislature" as used in this paragraph has been held to embrace a constitutional convention as well as a general assembly. It has even been held that a State constitution can not control the State legislature in the exercise of its power under this section of the Federal Constitution.

Article IV, section 4, uses the word "legislature" in a sense which excludes the governor—

* * * and on application of the legislature, or of the executive (when the legislature can not be convened) * * *

It is used in the same sense in Article VI, paragraph 3, section 228:

The Senators and Representatives before mentioned, and the members of the several State legislatures, and all executive and judicial officers, both of the United States and of the several States, shall be bound by oath or affirmation to support this Constitution; * * *

The word "legislature" as used in the amendments heretofore adopted to the Constitution refers to the general assembly and excludes the governor.

Article XIV, section 2, relating to apportionment, says:

But when the right to vote at any election for the choice of electors for President and Vice President of the United States, Representatives in Congress, the executive and judicial officers of a State, or the members of the legislature thereof is denied to any of the male inhabitants of such State * * *

This expressly excludes the governor from the meaning of the word "legislature." The same is true of section 3 of the same article, relating to disabilities of Senators, Representatives, and electors—

who having previously taken an oath as a Member of Congress, or as an officer of the United States, or as a member of any State legislature, or as an executive or judicial officer of any State * * *

If the word "legislature" is used in the Constitution or in any of its amendments so as to mean the legislative power or lawmaking machinery of a State and to include the governor, it is perhaps in Article II, section 168, where express power is granted to appoint in such manner as the legislature thereof may direct, a number of electors. Under that the legislature usually proceeds by the passage of a bill. It is by no means clear that it might not proceed even under this grant of power independent of the governor in some other way than by the passage of a bill.

It is therefore clear that the word "legislature" as used in the Federal Constitution generally, if not always, means the general assembly of a State and excludes the governor. It is well to remember, in this connection, that the governor is not, properly speaking, a legislative officer. That while he sometimes performs quasi legislative acts in the approval of measures or in the exercise of the veto, this in only a special sense constitutes him a part of the legislature.

The word "legislature" has been held (State *v.* Gear, 5 Ohio Dec., 569) to be synonymous with the words "general assembly."

In Brooks *v.* Fisher (4 L. R. A., 429, 79 Cal., 173) it was held that the word "legislature" as used in the California constitution, providing that the charters of cities shall be submitted to the legislature for its approval or rejection, and if approved by a majority vote of the members of each house it shall become effective, does not include the governor, as he is not in fact a part of the legislature. In this case the court distinguished between the legislature and the lawmaking power.

That the governor is not a legislative officer and is vested with only quasi legislative powers in the sense of the constitution of Arkansas is clear from that instrument itself, although it is also probably true that the word "legislature" is frequently used to include the entire lawmaking power. Constitution of Arkansas, article 5, section 1, declares:

The legislative powers of this State shall be vested in a general assembly, which shall consist of the senate and house of representatives.

The power of approval and of veto is not strictly a legislative power. But this, I think, sufficiently discloses that Article V, providing that an amendment may be ratified by the legislatures of three-fourths of the States, uses the word "legislature" in the sense in which it is usually used in the Constitution, and does not require the approval of the governor to effect the ratification.

THE SAME GENERAL RULE APPLIES TO THE AMENDMENT OF STATE CONSTITUTIONS—THE GOVERNOR'S APPROVAL IS RARELY NECESSARY.

Most of the State constitutions contain provisions authorizing the legislature to submit for the ratification of the voters constitutional amendments. Except in some instances where the passage of formal bills is required under peculiar provisions

of State constitutions, or has occurred, it has never been held that the governor's approval is necessary or that his veto is valid. The governor of Arkansas has no power to either veto propositions submitting constitutional amendments or the ratification of the same by the voters. This is true both as to amendments submitted to the voters by the general assembly of the State and amendments which may hereafter be initiated by the voters themselves under the constitutional amendment recently adopted authorizing the initiative and referendum.

While, of course, the governor could not exercise the veto power as to amendments to the Federal Constitution under any authority, express or implied, derived from the constitution or the statutes of the State, still it may not be improper to observe that as to Arkansas there is no provision in either which seeks to authorize him to veto an amendment to either the Federal Constitution or the State constitution.

The governor of Kentucky, March 1, 1865, in a message to the general assembly relating to the antislavery amendment to the constitution, which had been rejected by the legislature of that State and submitted to him, expressed the opinion that executive action is not required in such cases, and that the action of the legislature was complete without his approval; that his veto or dissent would accomplish nothing. He also asserted the doctrine, which is now generally accepted, that until ratified the question would remain open; that nothing but ratification forecloses the right of action.

"When ratified," all power is expended. Until "ratified," the right to ratify remains.

He advanced the opinion that the governor was not embraced in the authority authorized to ratify, namely, the "legislature."

Jameson on Constitutional Conventions and Willoughby on the Constitution recognize the distinction as to the veto power between acts which are not legislative in nature and those which result from the exercise of the legislative power proper.

In State ex rel Morris *v.* Secretary of State (43 La. Ann. Repts., p. 590), in a voluminous and well-considered decision, it was held, following the doctrine of the United States Supreme Court in the Hollingsworth case, that a provision in the constitution of Louisiana relating to the veto power of the governor, identical with that contained in that of the Federal Constitution as to the veto power of the President, and identical with that contained in the Arkansas constitution, except as to the number of votes necessary to pass a resolution, order, or vote requiring the concurrence of both houses, only applies to ordinary legislation, and does not apply to constitutional amendments. In Louisiana the veto can only be overcome by a two-thirds vote of the members, while in Arkansas the number required is a majority of both houses elected and qualified.

At page 649 the court said:

> Our conclusion is that the signature of the governor to the proposition for the amendment to the constitution under discussion is not required by the constitution, and that his disapproval of it did not affect its validity.

Another equally conclusive case, Commonwealth *v.* Griest (196 Pa. Stat., 396), announced the same doctrine, strongly approving the Louisiana case above referred to, and cited in re Senate File No. 31, Twenty-fifth Nebraska, page 864; Green *v.* Weller, Thirty-second Mississippi, page 650; and Koehler *v.* Hill, Sixtieth Iowa, page 543; quoting with approval the last opinion:

> It will be conceded that under our constitution it is unnecessary to submit a proposition to amend the constitution, only passed by each branch of the legislature, to the governor for his approval, as such proposition is not ordinary legislation.

In the Griest case (196 Pa. Stat.) the court said that the governor had no authority to approve or disapprove of the proposed amendment, and therefore his action in withholding his approval was void. The constitution of Pennsylvania was identical with that of the Federal Government and of the State of Arkansas, requiring every order, resolution, or vote of the two houses to be submitted to the governor. It was expressly held that this applied to the lawmaking power in its usual sense and not to constitutional amendments.

The only case sometimes cited as in conflict with this doctrine, Hatch *v.* Stoneman (66 Cal., 632), is clearly distinguished in the Griest case. In the California case referred to, it was held that while propositions for amendments passed by the senate or assembly by two-thirds of all the members elected to each house did not require the governor's approval, under the peculiar provision of the California constitution the amendment could only be submitted to the people by a law to that effect, and in the enactment of the law the governor's approval is necessary.

Warfield *v.* Vandiver (101 Md., 78) is likewise conclusive. The court stated the issue as follows:

> The primary and fundamental question is this: Does a proposal to amend the constitution, after having been adopted by the general assembly in accordance with the provisions of article 14, require the approval of the executive, or must it be passed over his veto if he disapproves it?

In this case it was contended at great length that the general assembly includes the executive; that the legislature of 1904 had proceeded to submit the question by bill, which required the governor's signature, and that the mere fact that the same number authorized to pass a bill, three-fifths of the members of each house, is also authorized to repass it over the governor's veto was immaterial; and that in New York, if the form of the proposal is a resolution, it is not submitted to the governor, but if by bill, it is submitted; and that the practice in Minnesota and Michigan is to present amendments, accompanied by clauses submitting them to the people in a single act, to the governor for his approval; and that, as a matter of fact, the legislature had combined the proposed amendment with the method of submission—for all these reasons the governor's signature of approval is required. The court said:

> In every jurisdiction where the right of the President of the United States and of the governor of a State to sign or to veto a proposed constitutional amendment has been drawn in question the courts have, without a single exception, denied the existence of such a right (p. 116).

Further:

> The thirteenth amendment to the Federal Constitution was by inadvertence submitted to the President, but when it was learned that this had been done a resolution was introduced in the Senate asserting that such presentation was improper and unnecessary, and that it ought to be so declared in order that it might not thereafter be treated as a precedent.

From all these authorities, and from the very nature of the subject, I reach the conclusion that the action of the governor of Arkansas in attempting to veto the ratification of the income-tax amendment is a nullity, and that the ratification is effective in so far as Arkansas is concerned in spite of the pretended veto.

Only the profound interest which I feel in this subject has prompted me to present the matter at such great length. The people of the United States believe that there should be a power in the Federal Government to levy an income tax. Aside from my own personal convictions on the subject, which are emphatic and uncompromising, I believe that when public opinion has been well matured on any question it is our duty to give expression and effect to that opinion, and certainly unless a moral objection is conscientiously felt.

It is well known and almost universally recognized that the decision of the United States Supreme Court holding unconstitutional the attempt to collect an income tax by the Government was and is a distinct disappointment to the country. That decision did not increase the great respect generally felt for our highest judicial tribunal. It is regarded by many eminent lawyers as in conflict with both precedent and policy, and in some sense as a usurpation of legislative power by the judiciary. Congress recognized that public opinion concerning this question was well matured when we submitted the amendment for ratification. For 15 years sentiment throughout the country in favor of the adoption of such an amendment has been gathering volume and crystallizing. Arkansas has not lagged. She has not followed. She has rather led in this advance. In my opinion 90 per cent of the people of that State are unqualifiedly in favor of the amendment and would vote to ratify it if the same could be submitted to them. I conceive it to be my duty as a Member of this body to do all that is in my power to make effective their desire to amend our Federal Constitution so that the wealth of the Nation may not remain immune from responsibility in defraying the expenses of our Government. This duty is an agreeable one, because of my personal convictions, well matured, that the amendment is wise and its adoption necessary, and because of the repeated platform declarations of my party in favor of it.

In justice to the governor of my State it is fair to say that he justifies, or seeks to justify, his veto on the ground that the condition of the State treasury makes it necessary and desirable that Arkansas levy an income tax, and that it is impracticable to levy such a tax for both State and national purposes.

While I have no objection to the exercise by the States of the power to levy a tax on incomes, and do not feel that granting the Federal Government this power by the adoption of the proposed amendment necessarily precludes any State from availing itself of revenue from incomes, I am convinced that if a choice must be made, which I do not concede, it is preferable that the power be exercised by the Federal Government.

A State can not effectively tax incomes of citizens where the source of the income, as frequently occurs, is beyond the jurisdiction of the State. It is only through the Federal power that great incomes can probably be reached and made to yield fair tribute. This is true for two reasons. First, in the States which are the sources of the greatest incomes influences ex-

erted by those enjoying the incomes will probably prevail to prevent the levy of the tax. A State like New York, for instance, would be slow to levy an income tax, especially when other localities which are the centers of great wealth decline to do so and remain beyond the reach of its jurisdiction. For it must be known to everyone that if New York levied an income tax and New Jersey refused to do so, much of the wealth of the first State would be removed to the second, and the inevitable result would be still greater concentration of wealth in the States declining to levy the tax. This is too obvious to require argument; it is quite self-evident.

Experience has not justified the theory that taxation of incomes by States is preferable to national taxation of incomes. As stated by the Saturday Evening Post of June 3, 1911, five States, and only five, now have income-tax laws. In 1910 Virginia collected a little more than $100,000; North Carolina's annual receipts from the income tax is less than $40,000; South Carolina receives but $11,000; while Oklahoma obtains but about $3,000. Massachusetts' revenue from the income tax levied under her laws is inconsiderable. It therefore seems clear that in practicable benefits a Federal income tax is to be chosen rather than one collected under State law, if either is to be excluded.

At an early future day I shall ask this House to consider and adopt the resolution declaring in effect that the governor of a State has no power whatever to veto the ratification of an amendment to the Federal Constitution. The question is too important; the precedent might be too far-reaching and enduring to permit it to go unchallenged. [Loud applause.]

Mr. UNDERWOOD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. ALLEN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 11019) to reduce the duties on wool and the manufactures of wool, and had come to no resolution thereon.

LEAVE OF ABSENCE.

Mr. BOWMAN, by unanimous consent, was given leave of absence for five days, on account of important business.

Mr. POWERS, by unanimous consent, was given leave of absence indefinitely, on account of the serious illness of his mother.

STEEL-TRUST INVESTIGATION.

Mr. STANLEY. Mr. Speaker, I ask unanimous consent for the present consideration of the following resolution.

The Clerk read as follows:

House resolution 199.

Resolved, That there shall be printed 10,000 extra copies of testimony taken in each of the hearings before the special committee appointed under House resolution 148 to investigate violations of the antitrust act of 1890, and other acts.

Mr. MANN. Mr. Speaker, reserving the right to object, I will say that I am not at all sure that the resolution will effect the purpose the gentleman desires. The law provides that the House by simple resolution may order printing to the extent of not over $500.

Mr. STANLEY. This will not exceed that.

Mr. MANN. The gentleman assumes that each day's hearings are under a separate order. Here is one order for a great many hearings. It will not take long to get more than $500. I shall not object to the resolution, whether it is effective or not.

I sympathize with the efforts that the gentleman from Kentucky has made in connection with the new Joint Committee on Printing. I myself took some time to-day on the subject, but unfortunately found the chairman on the House side was not present. I do not blame him for that. The clerk of his committee was not present. I do not blame him for that. I did get hold, finally, of the clerk of the joint committee, and found, apparently, that they had adopted a policy, contrary to the practice and authority of the law, for the purpose of forcing the House to pass resolutions for printing. It has been the custom under the law where a committee had hearings to order the hearings printed to the extent of 1,000 copies, which is the authority of the original committee, and the joint committee, on request, would order additional copies printed, the limit being $200 in each case. The practice at the other end of the Capitol has been that some Senator would ask for the passage of a simple Senate resolution for printing. The practice in the House has been to follow the law, leaving to the joint jurisdiction of the Committee on Printing to say as to the number of additional copies which were required. That practice, which has been followed in the House in the past, has been the economical practice. The practice which the House will now be forced to resort to under this apparent ruling of the Joint Committee on Printing will be that we will be forced to pass resolutions for printing, and in such cases will almost invariably pass resolutions to print a larger number than are actually required. In this case the proposition is to print 10,000 copies of each of these hearings. I imagine that 5,000 copies of those in the end will be sold as waste paper, yet the gentleman from Kentucky [Mr. STANLEY], in presenting the resolution, knowing there is a great demand for these hearings, can not estimate in advance the number of copies which will be required, while if the Joint Committee on Printing would perform its functions it could order a sufficient number to-day, and if additional copies were required a week or a month from now, can order them then from plates which are preserved in the Printing Office.

Mr. STANLEY. If the gentleman wishes, I will be perfectly willing to have him amend this resolution, so that it would say not to exceed 10,000 copies. I do not want to print more than is necessary to satisfy the demand.

Mr. GARRETT. Mr. Speaker, if the gentleman will yield——

The SPEAKER. Does the gentleman yield?

Mr. STANLEY. Certainly.

Mr. GARRETT. I would like to ask the gentleman what the demand has been?

Mr. STANLEY. Mr. Speaker, I wrote a circular letter to each Member of the House—I had had so many of these requests—asking each Member to tell me what number of these hearings they cared for. A few requested less than 8 or 10, and any number of them requested 40 or 50, and some wanted to have a hundred or two. Of course, I could not send that many.

Mr. MANN. I take it those requests do not cut much figure, because the man who requests 50 or 100 copies of these hearings soon will be throwing them in the wastebasket.

Mr. STANLEY. I am not going to send that number to anybody.

Mr. MANN. The proper method for the gentleman to pursue is to take a list and send them according to the list sent to his committee, which has the facilities for doing that; but if the joint committee were performing its functions under the law it could order under the estimate which I had made at the Printing Office 8,000 or 9,000 copies of these hearings each day, if required, or it could order less at one time or more at a later time. It is possible that the House is as nearly abolished as it can be, but apparently we are absolutely under the thumb of the distinguished gentleman who is the chairman of the Joint Committee on Printing.

Mr. FOCHT. Mr. Speaker, will the gentleman yield?

Mr. STANLEY. Certainly.

Mr. FOCHT. Mr. Speaker, as a member of the Printing Committee, the minority member, I feel it only just to repeat what the gentleman from Illinois has said, and that is that the two majority members of that committee happened to be absent at their homes; and I am of the opinion, rather than that there is any disposition on the part of that committee, joint or otherwise, to assume any prerogatives not belonging to them, that his failure, or the failure of the gentleman from Kentucky [Mr. STANLEY], to have the proper number of those hearings is due to the absence of these gentlemen, and I am certain that upon their return there will be no delay in furnishing the House with whatever printing is desired which will be within the law and common sense and reason.

Mr. MANN. Mr. Speaker, if I may be permitted one more suggestion, it would be that the trouble is not due to the absence of the majority members of the Committee on Printing from the House at all.

Mr. CLARK of Florida. Mr. Speaker, will the gentleman yield?

Mr. STANLEY. Certainly.

Mr. CLARK of Florida. Mr. Speaker, I would like to ask the gentleman a question. How are these hearings to be distributed?

Mr. STANLEY. By the committee.

Mr. CLARK of Florida. Upon the request of Members or by any rule?

Mr. STANLEY. If a Member sends in a request for hearings, I will send them to him; or I will say this, if Members of the House will send me a list of the persons that want these hearings, I will send them under their frank, and if I find there is not a demand for all of these hearings, that any of them are accumulating, I will myself either introduce a resolution asking that the number be decreased or will suggest to the Printer that he do not print so many. I have no objection to having the resolution amended to, say, not to exceed 10,000.

Mr. MANN. Oh, I assume the gentleman does not need to order 10,000 if he does not want them.

Mr. STANLEY. I shall not order one copy more than there is a positive demand for.

Mr. CLARK of Florida. I was going to suggest this resolution provides only for the printing of about 25 copies for each Member of the House. I believe that is true, is it not?

Mr. STANLEY. Yes.

Mr. CLARK of Florida. Does not the gentleman think that the average Member will want more copies than that to distribute among his constituents?

Mr. STANLEY. I hardly know. There has been a demand for more than that, but I believe that as the hearings progress that this demand will not be so great. I would hesitate to print over 25 copies to a Member and take the chance of having them accumulate somewhere.

Mr. CLARK of Florida. Just one more question. Does the gentleman intend, or is it the purpose of the committee—these are daily hearings?

Mr. STANLEY. Yes.

Mr. CLARK of Florida. After the hearings are concluded, is it the purpose of the committee to ask that a certain number of bound volumes of the hearings be printed for distribution among Members?

Mr. STANLEY. I know of no purpose of the committee one way or the other. We have never talked about that. My personal opinion is that bound copies of the hearings are comparatively useless, except a few copies to keep as archives and as a record. These copies are like the daily paper—the people want to see what these witnesses said before the committee. This investigation has attracted a good deal of attention in the papers. The magazines, the newspapers, the boards of trade, and things of that kind write to me and ask to be put on the list and to send them those hearings as they appear. I believe they will be of interest to the people generally, like any paper, and they will be read by the people who receive them; but I believe if we should bind them up—of course you can send them to some fellow as a compliment, but they will never be read and serve the purpose for which they were intended.

Mr. CLARK of Florida. I want to say this: I have in my district 18 counties. If I send only one copy of these hearings to a county it would only leave seven. I have in my district some sixty-odd newspapers. Each one of those newspapers would unquestionably like to have a copy of those hearings. I shall not object to the request of the gentleman, but I certainly shall object if the number is to be reduced. I would like to see it increased.

Mr. STANLEY. I made it as small as possible. I figured on it, and if anybody will take the time and knew the demand made upon the committee they would see that 10,000 copies is a very reasonable request. I will say here those copies will be distributed by the committee and I shall not send more than a single copy to any Member of the House, unless he requests it.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The question was taken, and the resolution was agreed to.

ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 24 minutes p. m.) the House adjourned to meet to-morrow, Saturday, June 10, 1911, at 12 o'clock noon.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 8552) granting a pension to Mary Reilly; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 8695) granting a pension to Andrew Brandeberry; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 8836) granting a pension to Will H. Carpenter; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 11338) granting a pension to Daniel W. Setzer; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 9618) granting an increase of pension to John C. Caldwell; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 9632) granting an increase of pension to Henry B. Hoffman; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS,

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MORRISON: A bill (H. R. 11412) granting pensions to certain persons on account of military and naval service rendered to the United States; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11413) to provide for the payment of service pensions to the soldiers and enlisted men of the Navy and Marine Corps who served during the Civil War; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Colorado: A bill (H. R. 11414) to establish a mining experiment station at Silverton, San Juan County, Colo., to aid in the development of the mineral resources of the United States, and for other purposes; to the Committee on Mines and Mining.

Also, a bill (H. R. 11415) to establish a mine rescue station and an experiment station for analyzing and testing coals, lignite, and mineral substances in western Colorado; to the Committee on Mines and Mining.

Also, a bill (H. R. 11416) providing that any person who has heretofore made a homestead entry or entries and has failed from any cause to perfect his title to any lands embraced in such entry or entries may make a further homestead entry; to the Committee on the Public Lands.

Also, a bill (H. R. 11417) allowing a second homestead entry in certain cases; to the Committee on the Public Lands.

By Mr. POWERS: A bill (H. R. 11418) to amend an act entitled "An act to establish a code of laws for the District of Columbia," and other acts; to the Committee on the District of Columbia.

By Mr. ANDREWS: A bill (H. R. 11419) to issue patent to land in the public domain not otherwise appropriated to surviving soldiers of the late Civil War who were honorably discharged therefrom, and for other purposes; to the Committee on the Public Lands.

Also, a bill (H. R. 11420) allowing patent to persons who have made entry of lands under the desert-land act or homestead act, and for other purposes; to the Committee on the Public Lands.

Also, a bill (H. R. 11421) providing for the construction of a public well at Willard, N. Mex.; to the Committee on Appropriations.

By Mr. DENT: Joint resolution (H. J. Res. 115) directing the Interstate Commerce Commission to investigate and report on the use of the Andrew safety appliance upon railway trains engaged in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. ESCH: Memorial from the Legislature of Wisconsin asking that Alaska be granted a Territorial form of government; to the Committee on the Territories.

Also, memorial from Legislature of Wisconsin requesting the calling of a convention of the several States for the purpose of proposing amendments to the Constitution of the United States; to the Committee on the Judiciary.

Also, memorial from the Legislature of Wisconsin asking that Congress take proper steps toward a constitutional amendment providing for initiative, referendum, and recall; to the Committee on the Judiciary.

Also, memorial from the Legislature of Wisconsin asking that Congress take proper steps for the adoption of an amendment to the Federal Constitution providing that such Constitution may hereafter be amended by the initiative; to the Committee on the Judiciary.

By Mr. MAGUIRE of Nebraska: A memorial from the Legislature of Nebraska requesting the passage of a bill giving to surviving soldiers who served 90 days or more in the actual service in the Indian wars from 1865 to 1883 the same pensions accorded to those who served in our other wars; to the Committee on Pensions.

By Mr. BERGER: A memorial from the Legislature of Wisconsin requesting the calling of a convention of the several States for the purpose of proposing amendments to the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS: A bill (H. R. 11422) granting a pension to Epifanio A. Crespin; to the Committee on Invalid Pensions.

By Mr. BURKE of Wisconsin: A bill (H. R. 11423) granting an increase of pension to Marcus L. Weeks; to the Committee on Invalid Pensions.

By Mr. COOPER: A bill (H. R. 11424) granting a pension to Sarah Peters; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11425) to correct the military record of Christopher Parkin; to the Committee on Military Affairs.

By Mr. DICKINSON: A bill (H. R. 11426) granting an increase of pension to John J. Roberts; to the Committee on Pensions.

By Mr. DIFENDERFER: A bill (H. R. 11427) granting a pension to Eleanor Hart Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11428) granting an increase of pension to Francis Bartleman; to the Committee on Invalid Pensions.

By Mr. DODDS: A bill (H. R. 11429) for the relief of Lemuel Saviers; to the Committee on War Claims.

By Mr. FOSTER of Illinois: A bill (H. R. 11430) granting an increase of pension to David Patterson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11431) granting an increase of pension to Jesse A. Moore; to the Committee on Invalid Pensions.

By Mr. FRANCIS: A bill (H. R. 11432) for the relief of George Duncan; to the Committee on Military Affairs.

By Mr. HAMLIN: A bill (H. R. 11433) granting an increase of pension to Nancy J. Waddle; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 11434) granting an increase of pension to David H. Martin; to the Committee on Invalid Pensions.

By Mr. KENDALL: A bill (H. R. 11435) granting an increase of pension to Taylor Duke; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11436) granting an increase of pension to Ruth A. Richardson; to the Committee on Invalid Pensions.

By Mr. MORRISON: A bill (H. R. 11437) granting a pension to Josephine Taylor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11438) granting an increase of pension to John H. Girt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11439) granting a pension to Eliza Jane Bundy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11440) granting a pension to Caroline D. Stoner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11441) granting an increase of pension to Wilhelm Lietzke; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11442) granting an increase of pension to Nelson Abrams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11443) granting an increase of pension to Marcellus Salle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11444) granting an increase of pension to Nathaniel J. Dickey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11445) granting an increase of pension to James E. Lawhon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11446) granting an increase of pension to James M. Blankenship; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11447) granting an increase of pension to Jefferson Hurlock; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11448) granting an increase of pension to Wilson Waterman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11449) granting an increase of pension to James M. Parsons; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11450) granting an increase of pension to Jonathan Bates; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11451) granting an increase of pension to Alonzo Merritt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11452) granting a pension to Nancy E. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11453) granting an increase of pension to Samuel Pierce; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11454) for the relief of the heirs at law of Isaac D. Armstrong, deceased; to the Committee on Claims.

Also, a bill (H. R. 11455) for the relief of George W. Anderson; to the Committee on Military Affairs.

Also, a bill (H. R. 11456) to correct the military record of Benjamin F. Davis; to the Committee on Military Affairs.

Also, a bill (H. R. 11457) for the relief of Willard Thompson; to the Committee on Military Affairs.

By Mr. REDFIELD: A bill (H. R. 11458) granting a pension to Mary Baker; to the Committee on Invalid Pensions.

By Mr. RUSSELL: A bill (H. R. 11459) for the relief of Wiley S. Holland; to the Committee on War Claims.

By Mr. STEPHENS of California. A bill (H. R. 11460) granting an increase of pension to George H. Eldridge; to the Committee on Invalid Pensions.

By Mr. THAYER: A bill (H. R. 11461) for the relief of the heirs of Judson M. Lyon, deceased; to the Committee on War Claims.

By Mr. UTTER: A bill (H. R. 11462) granting an increase of pension to Lucy Boycan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11463) granting an increase of pension to Warren Moone; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11464) granting an increase of pension to Nancy M. Vinton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11465) granting an increase of pension to Elizabeth F. Taylor; to the Committee on Invalid Pensions.

By Mr. WHITE: A bill (H. R. 11466) granting a pension to Louis Settles; to the Committee on Pensions.

Also, a bill (H. R. 11467) granting a pension to Michael J. Crawley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11468) granting an increase of pension to Edward Hoffman; to the Committee on Pensions.

Also, a bill (H. R. 11469) granting an increase of pension to Charles M. Brookover; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11470) granting an increase of pension to Andrew Unger; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11471) granting an increase of pension to David L. Mackey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11472) granting an increase of pension to John W. Hays; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11473) granting an increase of pension to George A. Adams; to the Committee on Invalid Pensions.

By Mr. YOUNG of Kansas: A bill (H. R. 11474) granting a pension to William H. Skinner; to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

By Mr. AKIN of New York: Petition from certain residents of Clifton Park, N. Y., asking for reduction in duty on raw and refined sugars; to the Committee on Ways and Means.

By Mr. ALLEN: Petition of the Clark & Chambers Pie Co. and other Cincinnati, Ohio, merchants, requesting a reduction of the duties on raw and refined sugars; to the Committee on Ways and Means.

By Mr. BARTLETT: Resolutions of the Southern Wholesale Grocers' Association, of Jackonville, Fla., againt parcels post; to the Committee on the Post Office and Post Roads.

By Mr. BOOHER: Petitions of sundry citizens of Rockport, Skidmore, Barnard, Oregon, Tarkio, Craig, Guilford, Westboro, Mound City, Bolckow, Dearborn, Amazonia, and Maitland, in the fourth congressional district of Missouri, against parcels post; to the Committee on the Post Office and Post Roads.

By Mr. BURKE of South Dakota: Resolution of Lead City Miners' Union, No. 2, Western Federation of Miners, protesting against the methods employed in the arrest of the McNamara brothers; to the Committee on Rules.

Also, petition of sundry citizens of Salem, S. Dak., asking for a reduction in the duty on raw and refined sugars; to the Committee on Ways and Means.

By Mr. BURKE of Wisconsin: Papers to accompany House bill 10870, granting an increase of pension to Isaac Thompson; to the Committee on Invalid Pensions.

By Mr. CALDER: Resolutions of the Workmen's Sick and Death Benefit Fund of the United States of America, asking for investigation of the McNamara matter; to the Committee on Rules.

Also, resolution of the Cleveland Chamber of Commerce, urging the amendment of the corporation-tax law to permit each corporation to make its return at the close of its fiscal year; to the Committee on the Judiciary.

Also, petition of John B. Brichelmaier, favoring Senator BURTON's bill in re preservation of Niagara Falls and the prevention of further depletion of the Falls for the benefit of the power companies; to the Committee on Rivers and Harbors.

Also, resolution of Brooklyn Federation of Labor, favoring Berger resolution; to the Committee on Rules.

Also, resolution of the Chamber of Commerce of the State of New York, favoring Canadian reciprocity; to the Committee on Ways and Means.

Also, petition of S. G. Rosenbaum, favoring Senate joint resolution 3; to the Committee on Rivers and Harbors.

By Mr. COOPER: Petition of Delavan (Wis.) merchants, protesting against parcels-post bill; to the Committee on the Post Office and Post Roads.

By Mr. FOCHT: Petition from Leiser Bros. and J. F. Groover & Bro., of Lewisburg, Pa., favoring a reduction in the duty on raw and refined sugars; to the Committee on Ways and Means.

By Mr. KENDALL: Petition of Mrs. James Bennett, of Richmond, Ky., for universal suffrage; to the Committee on Election of President, Vice President, and Representatives in Congress.

Also, petition of citizens of Albia, Oskaloosa, Lovilia, Bussey, and Ottumwa, Iowa, for the removal of the duty on raw and refined sugar; to the Committee on Ways and Means.

By Mr. LOUD: Petition of John Bryce and 20 other citizens of Mount Forest Township, Bay County, Mich., protesting against Canadian reciprocity; to the Committee on Ways and Means.

By Mr. McDERMOTT: Petitions of D. J. Stewart, J. B. Weir, M. Hubert, A. C. Beirer, and J. S. Stewart, of Chicago, Ill., favoring reduction in the duty on raw and refined sugars; to the Committee on Ways and Means.

By Mr. MADISON: Petition from citizens of Kansas, for reduction of duty on sugar; to the Committee on Ways and Means.

By Mr. MANN: Petition of Illinois Manufacturers' Association, to amend the corporation-tax law; to the Committee on Ways and Means.

Also, petition of Building Managers' Association of Chicago, Ill., favoring House joint resolution 97; to the Committee on Appropriations.

By Mr. POWERS: Memorial from Mrs. James Bennett, of Richmond, Ky., requesting equal rights for women; to the Committee on the Judiciary.

By Mr. REILLY: Resolutions adopted at a mass meeting held by the Irish-American and German-American societies of New York, protesting against the enactment of the proposed arbitration treaty with Great Britain; to the Committee on Foreign Affairs.

Also, petition of certain citizens of New Haven, Conn., requesting a reduction in the duty on raw and refined sugars; to the Committee on Ways and Means.

Also, petitions of W. J. Neary and Naugatuck Retail Druggists' Association, of Naugatuck, Conn., protesting against House bill 8887; to the Committee on Ways and Means.

Also, resolutions of the Connecticut Merchants' Association, relating to proposed parcels post; to the Committee on the Post Office and Post Roads.

By Mr. STEPHENS of California: Petition of certain citizens of California, asking for a reduction in the duty on raw and refined sugars; to the Committee on Ways and Means.

By Mr. TILSON: Resolutions of a mass meeting of the directors of the Bridgeport Business Men's Association, opposing the so-called Sulzer bill to establish a parcels post; to the Committee on the Post Office and Post Roads.

Also, resolutions of the Business Men's Association of Bridgeport, opposing the Sulzer bill establishing a parcels post; to the Committee on the Post Office and Post Roads.

Also, resolutions of National Association of Shellfish Commissioners, regarding the disposal of sewage and waste and the conservation of resources; to the Committee on the Merchant Marine and Fisheries.

Also, resolutions from the Chamber of Commerce of New Haven, Conn., urging necessity for immediate amendment of the corporation-tax law; to the Committee on Ways and Means.

By Mr. UTTER: A resolution of the Rhode Island Anti-Tuberculosis Association, favoring the creation of a committee on public health in the House of Representatives; to the Committee on Rules.

Also, papers to accompany bill granting an increase of pension to Warren Moore; to the Committee on Invalid Pensions.

By Mr. WEBB: Petitions of certain citizens of North Carolina, urging a reduction in the duty on raw and refined sugars; to the Committee on Ways and Means.

By Mr. WHITACRE: Petition of Local Salem Socialist Party, of Salem, Ohio, requesting support of the Berger resolution relative to the kidnaping of the McNamara brothers; to the Committee on Rules.

Also, resolution of Local Union No. 4, National Brotherhood of Operative Potters, of East Liverpool, Ohio, indorsing the Berger resolution relative to the kidnaping of John J. McNamara; to the Committee on Rules.

Also, resolution of Trades and Labor Council of East Liverpool, Ohio, requesting investigation of the kidnaping of the McNamara brothers; to the Committee on Rules.

Also, resolutions of Canton Lodge, No. 12, International Association of Machinists, of Canton, Ohio, protesting against the kidnaping of the McNamara brothers; to the Committee on Rules.

By Mr. WHITE: Evidence supporting House bills 10796, 10797, 10798, and 10799; to the Committee on Invalid Pensions.

By Mr. WILSON of New York: Resolutions of the Workmen's Sick and Death Benefit Fund of the United States of America, asking for investigation of the McNamara matter; to the Committee on Rules.

Also, resolutions of Brooklyn Federation of Labor, asking for investigation of the McNamara matter; to the Committee on Rules.

HOUSE OF REPRESENTATIVES.

SATURDAY, *June 10, 1911.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, imbue us, we beseech Thee, plenteously with heavenly gifts, that with patience, meekness, gentleness, courage, fortitude, forbearance, and brotherly love we may meet the obligations of the hour and quit ourselves like men, to the glory and honor of Thy holy name. Amen.

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

THE WOOL SCHEDULE.

Mr. UNDERWOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 11019, a bill to reduce the duties on wool and manufactures of wool.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 11019) to reduce the duties on wool and manufactures of wool, with Mr. HAY in the chair.

The CHAIRMAN. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 11019) to reduce the duties on wool and manufactures of wool.

Mr. UNDERWOOD. Mr. Chairman, I understand the gentleman from New York does not care to occupy time in this debate at the present time.

Mr. PAYNE. Mr. Chairman, I do not, I would say to the gentleman, at all to-day; Monday I shall be ready to go on.

Mr. UNDERWOOD. Mr. Chairman, I yield one hour to the gentleman from Mississippi [Mr. HARRISON].

Mr. HARRISON of Mississippi. Mr. Chairman, in advocating at this time the passage of the pending bill, I want to assure the older Members of this House that I do it fully cognizant of the established custom that a new Member is expected to sit, look, and listen rather than be heard.

For 10 weeks, as one of the youngest and I am sure as new as the newest of the Members of this body, I have modestly adhered to that custom, and I would not to-day prematurely impose my remarks into this discussion did I not chafe under the insincerity of the attitude of the gentlemen who oppose this bill.

Mr. Chairman, if my observations and experience in this House have made my convictions stronger on any one fact, that fact is that the Republican Party can not and ought not to be trusted in legislation, and that the future hope and prosperity of the American people must come, and come it will, through the representatives of the Democratic Party. [Applause.]

Gentlemen of the minority, your course in this House during the past 10 weeks has been the course of your party as a majority for 16 years, and that is that you have attempted to hinder, block, and obstruct the enactment of wholesome legislation into law, in accord with the wishes of the American people.

For 16 years, while you as a Republican majority were in control of this House, you were successful, but since you have returned to this Congress, with your forces waning, shattered, broken, disrupted, and divided, with your political days numbered, and your faces drooping under the shame of your broken promises, the spirit of obstruction you still have, but the power is gone. [Applause.]

For years the American people have appealed to you to cease extravagance with public moneys and to administer the affairs of this Government economically. You heeded not their wishes, but continually, year by year, you have defied them, and since the Fifty-third Congress, when you came into control, the appropriations have steadily increased from $917,013,523.34 to the enormous total of $2,052,799,400.68 in 1910.

For years the people have seen their wishes thwarted by State legislatures failing to carry out their will in the selection of United States Senators. They appealed to you to give them the right by legislative enactment to choose their Senators by direct vote.

For years there has come a complaint from the people that the trusts and the moneyed interests of the country were contributing to campaign funds and aiding in the election of men to public office who were married to their ideas and bent on carrying out their will.

For years Arizona, as a young babe, has pleaded with you to take her into this family fold of statehood.