

Mr. Rainey's Kindergarten for Standpatters

In the house of representatives recently Representative Rainey, known as "the lone democratic member from Illinois" conducted what he called "a kindergarten for stand-pat republicans." Mr. Rainey addressed the house on the tariff question, showing particularly that under the present tariff system "it has not only become impossible to buy in the cheapest market, but it has become impossible for the American citizen to buy American-made goods in the cheapest market."

Mr. Rainey pointed out that for 1,500 miles along our northern frontier a railroad was built out of American steel rails, and for all of the rails used for the construction and maintenance of that road it cost \$27 per ton. Then he said: "Just on the other side of the border, over in Canada, they have built another railroad—in every sense of the word a parallel and competing line—out of rails that costs \$22 per ton; but the rails out of which the Canadian road is built and the rails out of which the American road is built all come from the same factory here in the United States, protected by our tariff laws."

Mr. Rainey further pointed out that the American manufacturers of agricultural implements ship their products to all sections of the world and sell them from 25 to 50 per cent cheaper than the same goods are sold to the American farmer who lives within fifty miles of the factory.

Mr. McCleary, republican, interrupted to ask Mr. Rainey if it were not a fact that in the last report of the British Iron Trade Journal steel rails are quoted at a little more than \$31 in England while they are quoted at \$28 in the United States. Mr. Rainey said while he could not say that that was a fact, he said that it sometimes occurs temporarily as, for instance, in 1898, when this quotation lasted for only sixty days.

Mr. Rainey then referred to the now famous "great protection sale" advertised by Charles A. Keene, a New York jeweler. Mr. Keene is selling Waltham and Elgin watches which he bought in England cheaper than these goods can be purchased in America. Mr. Rainey showed that American-made goods sent abroad could be brought back without paying any duty. He showed that the watch trust required retail dealers to sign an agreement promising not to sell below the minimum price fixed in the contract, and that Keene buying abroad the Waltham watch that had been shipped there returned it to this country and sold it for \$18.98 when the minimum price for which that watch could be obtained from a merchant dealing with the trust was \$26. Another style Waltham watch whose minimum price is \$35 was sold by Mr. Keene for \$25.38. Another style watch whose minimum price is \$24 is sold by Mr. Keene at \$16.92. An-

other style, whose minimum price is \$60 is sold by Mr. Keene for \$42.30.

Elgin watches which under similar contracts are sold by regular dealers at a minimum price of \$35, are sold by Keene ten dollars cheaper. Elgin watches whose minimum price is \$24 are sold by Keene at \$16.39. Mr. Williams of Massachusetts here interrupted to remind Mr. Rainey that similar contracts were made by nearly all the trusts.

Mr. Rainey showed that Jeweler Keene had cabled abroad \$130,000 within fifteen months prior to the time he started his business, and that the money was used for the purpose of purchasing American-made watches in the foreign market. He said that he held the American Express company's receipts for this \$130,000, and while they were too bulky to print in the Record, he would hold the documents in his possession and invited any one who doubted to inspect them. Mr. Rainey exhibited a number of watches, showing the wide difference in the price demanded by the trust from American consumers and the price at which the watch is sold by Mr. Keene from his stock of American watches purchased in the foreign market.

Mr. Rainey told of a scheme conducted, and successfully, by the trust to put a stop to Keene's enterprise. Recently there arrived at New York 2,400 American-made watches consigned to Keene. Keene's European agents had bought them in the foreign market. When these goods reached the custom house the agents of the watch trust were on hand and they protested against the landing of these watches, claiming that 1,200 of them had been advanced in value and improved upon while abroad by the addition of Swiss dials, and were therefore not entitled to admission free of duty. Keene's agents investigated, and found that the watch trust, in order to stop the business, had duplicated a dial used in Switzerland exactly the same color as the dials made in this country and similar in all respects, except the words "Made in Switzerland" were stamped on the back of each one of these dials. Because of this fact 1,200 of these watches were refused admission, and it was necessary for Keene to return them to the foreign market.

Answering the republican argument concerning the great benefits to this country from the growth of the watch business, Mr. Rainey said that while the number of employes of watch factories had increased, they employ now 15 per cent more men than they employed in 1880, but they employ 600 per cent more women and 200 per cent more children.

Mr. Rainey, referring to one particular style of Elgin watches, said that it was in great demand for the holiday trade, and that not long ago Mr. Keene bought 2,000 of these watches from the Keystone Watch Case company in London. When this company found that the watches were intended for shipment to the United States they

refused to deliver, and Keene and the man who made the purchase for him sued the company. When the brief was filed by the watch case company it was set up that the goods were sold on the representation that all of said watches were required for the market in France only, and would not be sold in the United States. Mr. Rainey says that the Keystone company finally compromised this case and settled the suit by paying Keene five hundred pounds English money.

Mr. Rainey continued to pile fact upon fact in his arraignment of the republican tariff, and republican members were whipped into silence by the powerful showing he made. He told the republicans that in spite of this serious condition they would do nothing to give the people relief.

He quoted from the Chicago Tribune the statement of employes of the Elgin Watch company, who were at that time on a strike, to the effect that since the Dingley tariff went into effect the company employed cheaper labor and that it required a finisher to assemble a hundred watches of a certain kind a day in order to make \$3 a day, and in order to do that work he must lay off and rest at least two days in each week. Mr. Rainey said that five days after these charges were made the watch company, finding that it would not do to advertise these features of their business, settled with the striking employes.

Following is an extract from the Congressional Record: Mr. Rainey said: "Now, have I satisfied the gentlemen on the other side? Interruptions are not as frequent now as they were formerly. Have I satisfied the gentleman from Pennsylvania (Mr. Dalzell), who had so much to say yesterday about this picture I displayed here on this easel? I displayed the picture here in this room because I had a right to do it under the rules of the house, and because I obtained authority from the proper source before displaying it here."

"The gentleman for so many years and with such signal ability has represented the railroads and the corporations in this body that he can not understand now how a member can honestly and conscientiously want to represent the people (applause on the democratic side), and he puts into the Record these sneering remarks. The gentleman has been a member of the school of protection graft for so long a time that he can not understand what it means for a man to have an honest motive in a matter of this kind. Have I satisfied the gentleman from Iowa (Mr. Lacey)? And for him I entertain the highest personal regard. Have I satisfied the majority leader, the gentleman from New York (Mr. Payne)? I saw him yesterday circulating on that side advising republicans to ask me no more questions. (Laughter and applause on the democratic side.) Have I satisfied him? Are you all satisfied?" (Applause on the democratic side.)

In the Senate Thirty-two Years Ago

In his speech against the railway rate bill Mr. Foraker said that conditions might be worse. Mr. Tillman remarked, "Well, the people are squealing." Mr. Foraker retorted, "If the senator had been here during the Cleveland administration he would have heard them squealing long and loud."

The people have "squealed" at various times on this railroad question, and they have for many years, even long prior to the Cleveland administration, had good reasons for "squealing."

They are just now debating this question in the United States senate as though it were some new proposition, yet thirty-two years ago—in 1874—the United States senate, complying with what was then, as now, known as "popular clamor," appointed a committee to investigate. This committee was known as "the committee on transportation routes" and was composed of these senators: William Windom of Minnesota, John Sherman of Ohio, Roscoe Conkling of New York, H. G. Davis of West Virginia, T. M. Norwood of Georgia, J. W. Johnson of Virginia, John H. Mitchell of Oregon, and S. B. Conover of Florida.

This committee held session during the summer of 1874 and made a report from which the following extract is taken:

"In the matter of taxation, there are today four men, representing the four great trunk lines between Chicago and New York,

who possess, and who not unfrequently exercise, powers which the congress of the United States would not venture to exert. They may at any time, and for any reason satisfactory to themselves, by a single stroke of the pen, reduce the value of property in this country by hundreds of millions of dollars. An additional charge of five cents per bushel, on the transportation of cereals, would have been equivalent to a tax of forty-five millions of dollars on the crop of 1873. No congress would dare to exercise so vast a power except upon a necessity of the most imperative nature, and yet these gentlemen exercise it whenever it suits their supreme will and pleasure, without explanation or apology. With the rapid and inevitable progress of combination and consolidation, these colossal organizations are daily becoming stronger and more imperious. The day is not distant, if it has not already arrived, when it will be the duty of the statesmen to inquire whether there is less danger in leaving the property and industrial interests of the people thus wholly at the mercy of a few men who recognize no responsibility but to their stockholders, and no principle of action but personal and corporate aggrandizement, than in adding somewhat to the power and patronage of a government directly responsible to the people, and entirely under their control."

So it seems the people were "squealing"

thirty-two years ago. Thirty-two years ago a committee composed of such distinguished republicans as William Windom, John Sherman and Roscoe Conkling declared that four men representing the four great trunk lines between Chicago and New York possessed, and not infrequently exercised, powers which the congress of the United States would not venture to exert. Has the situation improved since Senators Windom, Sherman and Conkling subscribed to this startling statement coming as it did from public men in a free government?

The evils of which Messrs. Windom, Sherman and Conkling complained were infinitesimal when compared with the evils of today. The power held by the monopolists of that day was small compared with the power held by the monopolists of the present time.

Thirty-two years ago the situation was so grave that these distinguished Americans suggested the inquiry "whether there is less danger in leaving the property and industrial interests of the people wholly at the mercy of a few men who recognize no responsibility but to their stockholders, and no principle of action but personal and corporate aggrandizement, than in adding somewhat to the power and patronage of a government directly responsible to the people and entirely under their control." Yet no remedy has been provided, and every effort to give the people relief has been vigorously resisted by the representatives of these special interests.