

# The Commoner.

take iron ore off the free list voted to put the above named articles—all expensive, highly finished manufactured articles—on the free list. Many of these same senators are "vocally" clamorous for free cotton ties, after making it impossible to have free cotton ties by voting a tariff tax on the basic raw material out of which these ties are manufactured.

The Payne bill cut the duty on lumber in half, and almost the entire democratic membership of the house voted to place lumber on the free list, in compliance with the national democratic platform. When the bill reached the senate, the finance committee increased all the house rates on lumber 50 per cent, and these same senators, or nearly all of them, voted for the senate rates of increase on lumber, while claiming that they are very much worried for fear the republicans will not revise the tariff downward.

The Payne bill placed hides on the free list and reduced the duty on boots and shoes 40 per cent, and on sole leather to 5 per cent ad valorem. This reduction in the rates on leather and on boots and shoes was in consideration of putting hides on the free list.

The senate committee restored the Dingley rates of 15 per cent on hides of cattle, and in the senate a motion was made to retain hides on the free list, where the house put them, and sixteen republicans voted for this motion, and had all the democrats stood by these sixteen republicans hides would have remained on the free list; and no doubt the house reductions on shoes, boots, and leather would have remained in the bill; but a sufficient number of our democrats voted against keeping hides on the free list to sustain the committee in placing a duty of 15 per cent on hides, the present Dingley rate.

Giving this action as his reason, Senator Aldrich immediately moved to increase the house rate on sole leather 100 per cent, and to increase the house rate on shoes and boots 25 per cent, which motion was adopted. Thus these democrats were the immediate and direct cause of increasing the burdens of the consumers of boots and shoes and all other forms of leather goods by taking hides off the free list.

It was shown in the debate that the beef trust, and not the cattle growers, gets all the benefit of the tariff on hides. The great bulk of the farmers' cattle are sold on foot, and the hide goes at the same pound-rate price paid for the steer in gross. The beef trust controls both the price of cattle and the price of the meat to the consumer, while he gets a tariff-protected price for the hides of the cattle that cost him per pound no more than the hoof or the horns or the hair of the animal.

The total revenue collected on imported hides for the year 1907, the best year, commercially speaking, in the history of this country, was \$3,105,390. As shown by the government reports away back in 1904, the production of boots and shoes in the United States for that year was, in round numbers, \$316,000,000, not including any other forms of leather goods. If no greater amount of boots and shoes were manufactured in the year 1907 than in 1904, the reduction of duty on boots and shoes alone, measured by the reduction of duty in the house bill, would have been a saving to the consumers of these articles the enormous sum of \$31,600,000 for one year. From this sum take the total revenue collected on hides, \$3,105,390, by placing hides on the free list, and we have as a net gain to the consumers, by way of reduced prices for boots and shoes, the enormous sum of \$28,444,610 for one year. With hides on the dutiable list at the rate fixed by the senate amendment, the government gets as revenue, in round numbers, \$3,000,000, while as a result of the duty on hides the manufacturer gets by way of compensatory duty \$31,000,000.

This is a clear demonstration of the evil of levying a tariff on a crude raw material.

Not satisfied with restoring iron ore and hides to the dutiable list and increasing the house rates on lumber 50 per cent, some of these senators voted to take bituminous coal from the free list, where the house bill placed it, and restore it to the dutiable list at 60 cents a ton, being a reduction of only seven cents a ton on the present Dingley rates. To show the absurdity of placing a duty of any kind on coal, it is only necessary to state the facts as to exports and imports of coal. In the year 1908 the exports of coal from the United States was 11,853,000 tons, against imports of only 1,504,000 tons, showing that our exports were seven times as great as our imports. If we can sell in the open market of the world seven times as much coal as all the world sells in our market, does it look as though

our market for coal was in any danger from foreign competition?

It is well to remember that during the coal strike a few years ago even the high protectionist republicans and our "anti-free raw material democrats" all joined in voting to suspend the tariff on coal for a period of one or two years, and not a democrat in the house voted against free coal at that time.

But to cap the climax, the finance committee in the senate reported the duty on pineapples at the present Dingley rate, which is a protective rate, and so intended when put on in the Dingley bill.

But some of our democratic senators were not satisfied to let this republican duty remain, so a democratic member of the finance committee moved an amendment in the senate to increase the Dingley rate on pineapples 128½ per cent, which was carried by a vote of 34 to 30. Nine of the thirty-four votes to increase this rate were democrats, while eight democrats only voted against the increase.

Does this look like our "anti-free raw material democrats" are suffering much on account of the republicans failing to revise the tariff downward?

But, Mr. Speaker, when the vote came up to put a duty of one-half of one cent a gallon on crude petroleum, our "anti-free raw material democratic" senators, especially those who had been most vociferous in their denunciations of the doctrine of free raw material, flopped right around, forgot all about their loudly proclaimed democratic principles of "anti-free raw material," and voted against the proposed duty on crude petroleum. It was shown beyond dispute that the Standard Oil company owned only 11 per cent of the oil wells of the United States, while the independent oil producers and refiners owned 89 per cent. Crude oil is as much raw material as is iron ore, coal, lumber, or hides, and the producing oil wells are not owned or controlled by a trust, as is coal, hides, iron ore, and lumber; but, notwithstanding all these facts, it was more than our "anti-free raw material democratic" friends could stand, and so they took the back track, and by their votes proclaimed their allegiance to the good old democratic doctrine of free raw material. What I regret most is that the vote on oil did not come up before our democratic senators "got ruint" and declaimed so loudly against any kind of free raw materials, but I find that consistency is a jewel rarely worn by a statesman.

I am not criticising our democratic senators who voted for a duty on iron ore, lumber, coal, and hides, for refusing to give a like vote for a duty on crude petroleum, but when some of us who voted for free raw materials are taunted with the charge of being out of harmony with the earlier democratic position, and to that extent not democratic, I want to remind them that they are not consistent in voting for a duty on the raw materials of some classes of manufactures, while permitting the manufacturers of refined petroleum to have their raw materials free.

Why did not our "anti-free raw material revenue tariff democrats" propose a small revenue producing duty on both crude and refined petroleum and products thereof? At this point I will read a part of an article by Hon. William J. Bryan in a late issue of *The Commoner* bearing on the duty on iron ore, and expressing his position as to free raw materials, and as to the possibility of giving all sections of our country an equal share in the so-called "benefits of protection:"

The Commoner believes that raw material should, as a rule, be admitted free of duty. It has already pointed out the fallacy embodied in the doctrine of those who insist that "if we are to have protection, it ought to be uniform and give all sections an equal share of the benefits." Protection can not give all sections an equal share of the benefits. Protection is naturally and necessarily unfair. A democratic senator or congressman may deceive himself with the argument that he is helping his section when he insists that raw material produced in his section shall be taxed, but he can not deceive those who have studied the tariff question. Raw material is not produced by states or by districts; it is produced by individuals, and the taxation of raw material is not for the benefit of all of the state or all of the district in which it is produced. Take the case of iron, for instance. Alabama is credited with nearly 8 per cent of the total quantity of iron ore produced in the United States in 1907. But who produced the iron ore in Alabama? All of the people? Not by any means. Not one per cent of the voters of Alabama own iron mines. A tariff on iron ore necessarily implies a compensatory duty on manufactured iron. As soon as iron ore is taxed, the manufacturer demands that he shall be permitted to transfer the duty to the consumer of the manufactured products, and the argument will always be accepted as sufficient reason for putting a tariff upon the manufactured product. Is there a democratic senator who voted for a tariff on iron ore who would vote to put manufactured iron on the free list? To vote for a tariff on iron ore is, therefore, to vote for a higher tariff on manufactured iron than

would otherwise be necessary—in other words, it is a vote to fix a larger ultimate burden upon the consumers of manufactured iron than would be necessary with free iron ore. It is possible that for a democrat (in a republican senate) might vote for a tariff on iron ore and then vote against a compensatory tariff on manufactured iron, but if the democrats were framing a tariff bill, they would recognize the justice of the demand that the manufacturer be permitted to collect from the consumer a tariff equal to the tariff levied upon his raw material plus such a tariff as would be given him if there were no tariff on raw material. The democrats who voted for a tariff on iron ore voted, therefore, to commit the party to a higher tariff on manufactured than would be necessary if there were no tariff on the raw material.

So it appears, Mr. Speaker, that those democrats, both in the senate and house, who voted for free raw materials voted in accord with the views of our late democratic nominee for the presidency.

When the Wilson bill passed the house all crude raw materials were on the free list, and such as were restored to the dutiable list were put there by the action of the senate and were finally virtually forced on the house, or else have no bill at all. So, when the present bill was considered, or, rather, not considered, in the house, on all votes on raw materials that the house was permitted to give an overwhelming majority of the democrats of this congress voted to place raw materials on the free list.

Mr. Speaker, we in this house must be elected every two years by a direct vote of the people, while senators are elected only every six years, and then by the legislatures of the states. It is therefore most natural that the members of this house more nearly reflect the actual views of the people than do the senators; and as we voted in the house for free raw materials before the senators voted, they fully understood that by their votes they were raising an issue with us that might mean that either they or we must go out of public life. We voted first, and they could have voted with us, and in so doing violated no democratic platform pledge, and thus would have brought no trouble on themselves, the party, or on us. But they saw fit to do otherwise, and they must take the consequences.

It is but natural, believing that we represent the real sentiment of our party, having a better opportunity to know what the sentiment of our party is than they, and knowing that we have voted in accord with our party, as declared in its most recent national platform, we do not propose to sit quietly by and permit this protective sentiment to be built up and strengthened in the ranks of democracy without a vigorous protest. No manufacturer ever wanted a tariff tax on his raw materials, and he only accepted it because he knew that by way of a compensatory duty he could pass this burden to the consumer, and because he knew that by giving protection to the producers of raw materials he strengthened and added to the ranks of the protectionists in general. The converse of this proposition is also true. The producer of raw materials does not want protection on the finished product that he does not sell, but must buy of the manufacturer, but in order to get protection on his raw materials accepts and votes for a higher duty on the manufacturers' finished products. Yet we hear some of our senator friends loudly proclaiming that they will never vote to give the manufacturer his raw materials free while giving him a high protective duty on what he sells made from these materials. Such a statement must assume two false premises. One is that democrats favor giving the manufacturer high protection on his finished products, and the other is that the manufacturer actually pays the tax on his raw materials. Some loudly declare they will not take the burden from the manufacturer by making his materials tax free.

Mr. Speaker, how can we take a burden from the manufacturer when he bears no burden by way of taxed raw materials, and when by way of successive compensatory duties he passes the tax on raw materials with a manufacturer's profits added to the thus doubly taxed consumer? The democrat that contends otherwise fools nobody but himself.

Mr. Speaker, if the tariff tax on raw materials was not added to the direct tariff tax on the finished product, augmented by way of added manufacturer's profits on the amount of the tax paid on the raw material and thus finally all passed to the consumer, there would not be so much objection to taxing raw material, although it would not then be an ideal object of a duty even for revenue only. Much raw material must go to waste in process of manufacture, and all this waste is tariff taxed the same as that part that finally lodges in the finished article.

Mr. Speaker, the man who desires protection can not disguise his real purpose by calling it a