

Is "Free Wool" Good Democratic Doctrine?

Representative W. A. Oldfield, of Arkansas, (democrat) delivered a speech in the house of representatives June 16. That speech ought to be read by every democrats, as well as by every other American citizen. Mr. Oldfield went directly to the question, "Is Free Wool Good Democratic Doctrine?" Read Mr. Oldfield's speech carefully, and then hand it to your democratic neighbor. Here it is:

I am in favor of free wool, for the reason that, in my judgment, it has been the policy of the democratic party for a great many years, and for the further and more convincing reason that it is right. (Applause on the democratic side.)

Mr. Chairman, let us examine the record and ascertain, if we can, what the policy of the democratic party has been on the wool question. In his majority report on the democratic tariff bill of 1886, Mr. Morrison, of Illinois, speaking for the democratic majority of the house, made the following statement concerning wool:

When, at the beginning, a revenue was found necessary to our national existence, wool, with everything imported, was taxed. From then until now some qualities of wool have paid some rate of duty. For many years last past the rate on imported wool has been more than double that imposed on other products of the pasture, field, and farm. These other lower tax-protected products have outrun or kept far in advance of the wondrous growth of our population. Wool, protected double as much, has fallen further behind. Wool finds its market at home and its price is increased by the tax, part of the burden of which must be borne by the grower of other farm products, whose surplus in foreign markets fixes his price at home, and to the increase of which his wool-growing neighbor contributes nothing. The price of wool has been downward for many years; it declined when the tax was highest and the protection greatest. From the statements of the Ohio and other wool growers' associations (see S. Ex. Doc. 72, pp. 224-227) it appears that the market price of wool is not three-fourths of the actual cost of production; that with the existing protective rate of 10 cents on the pound the price is still 10 cents below the price at which it can be profitably grown in the great wool-growing states of Ohio and Pennsylvania. It appears, therefore, that the attempt to make wool growing profitable by the use of the taxing power has not been successful, while the tax has been a great national hindrance to the woolen manufacturing industry, as well as a most grievous burden upon all buyers of woolen clothing.

(Applause on the democratic side.)

Mr. Mills, chairman of the ways and means committee of the house in the Fiftieth congress, in the year 1888, used this language in reporting the Mills bill to the house:

We say to the manufacturer we have put wool on the free list to enable him to obtain foreign wools cheaper, make his goods cheaper, and send them into foreign markets and successfully compete with the foreign manufacturer. We say to the laborer in the factory we have put wool on the free list that it may be imported and he may be employed to make the goods that are now made by foreign labor and imported into the United States. We say to the consumer we have put wool on the free list that he may have woolen goods cheaper. We say to the domestic wool grower we have put wool on the free list to enable the manufacturer to import foreign wool to mix with his and thus enlarge his market and quicken the demand for the consumption of home wool, while it lightens the burden of the taxpayer.

The duty on wool now prevents nearly all the better class of wool from coming into the country; the domestic product can supply only about one-half of the amount required for home consumption. The statisticians of the agricultural department put the domestic product for the year 1887 at 265,000,000 pounds. Others place it higher, but none at more than half the annual consumption of our people. It requires about 600,000,000 pounds of wool and other fibers manufactured with it, which are now paying duty, to supply the annual demands of home consumption. Why, then, should we keep out by high duties the foreign wools so necessary to the clothing of the people? The Wool Growers' association asks us to put on a duty high enough to prevent the importation of all wools. The Wool Manufacturers' association asks us to put on a duty high enough to keep out all manufactures of wool. If congress grants this joint request, what are the people to do for woolen clothing? Are the people to be compelled by congress to wear cotton goods in the winter or go without to give bounties to wool growers and wool manufacturers?

(Applause on the democratic side.)

In the views of the minority of the senate finance committee on the Mills bill we find this language regarding free wool:

The minority are firmly convinced that besides the incalculable advantage to the whole country which would result from the placing of wool on the free list it is easily demonstrable that no class will suffer, but that each will reap his share of the benefit. With a consumption of 600,000,000 pounds of raw wool in 1887, and a population of 60,000,000, the average per capita consumption is easily reckoned at 10 pounds, or 50 pounds to the average family of 5 persons, and the northern farmer, constantly exposed to the rigors of our winters, consumes something more than the average. It requires from 3 to 4 pounds of raw wool to

make a pound of cloth so that from 12 to 16 pounds of woolen clothing for the family will be seen to be a low average. This is now taxed from 55 to nearly 90 per cent. The manufacturer is not benefited, because his finished product comes into competition with the foreign product made not only from untaxed wool but from cheaper wool.

It is reckoned that 3 1/4 pounds make a pound of cloth, and when the manufacturer pays 10 cents per pound duty he is supposed to be compensated therefor by the specific duty of 35 cents per pound on his woolen goods. Now, this is on the assumption that 3 pounds of raw wool make 1 of scoured wool—that is, that the wool shrinks in the cleaning not above 66 2-3 per cent.

But many South American and other wools contain more than that proportion of foreign matter, running as high as 75 and 80 per cent. This wool our manufacturer can not buy, because his tax on the cloth would then run from 45 to 60 cents per pound, and his compensatory duty is only 35 cents. Therefore, for these wools the foreign dealer finds no American competitor in the market, and buys them at his own price, and these cheaper wools, untaxed and manufactured abroad, compete here with unfair advantage with our own heavily handicapped wools, and successfully, too.

Now, if the tax be taken off wools, our manufacturers at once become bidders for this wool against the foreign manufacturer, and, as a certain consequence, the price will rise, and this operates doubly against the foreign manufacturer. He buys his wools dearer and meets untaxed in our markets corresponding grades.

We will import more wools, of course, and in no other way can our great factories prosper, because their capacity is beyond our own wool production. When the factories are turning out more product the employes have steadier work and better wages, and, indirectly, of course, the whole country is benefited.

Under the house bill the manufacturers, with free wool, secure even a higher competitive advantage over the foreign than under the present law or the substitute. The manufacturers will export woolen goods as we now export cotton and leather, and the demand for the wool will better the wool market and encourage increased production, while the average wool grower himself will reap from cheapened clothing more benefits than he ever did from a tax on his product, which he must himself pay.

The minority, therefore, dissenting from the report of the majority, commend to the senate and the country the bill of the house of representatives, No. 9051, as a measure for the reduction of taxes based alike upon justice and good policy.

As the best exposition of the effect of bill H. R. 9051 upon taxation and revenue, the report of the majority of the committee on ways and means submitted with the bill to the house of representatives is hereto appended, with our concurrence.

ISHAM G. HARRIS,  
Z. B. VANCE,  
D. W. VOORHEES.

Senator James B. Beck, another great democrat, filed a separate report on the same bill, in which he says:

The democrats seek cautiously and prudently to reduce all taxation to the revenue standard, so as to take from the people nothing except for public uses and purposes and only such an amount as is needed to support an economically administered government, at the same time taking care that no injury is done to any domestic industry, even though unduly stimulated by protection, on whose success the employment of any considerable portion of our people depends. They seek to aid our manufacturers by cheapening, wherever it is possible, the raw materials from which finished products are made, so that the markets for them may be enlarged and extended to other countries, and steadier employment, which extended sales necessarily give, be furnished to those who produce them. We seek thus to enable all of our people to obtain what they need of those products with a less expenditure of money they have earned in their various occupations than they can now.

In his report dated March 1, 1892, revising the woolen schedule by placing wool upon the free list and reducing the duty on woolen manufactures to a revenue basis, Mr. Springer, of Illinois, after submitting facts borne out by government statistics, among other things makes the following statement:

In view of the many disadvantages and embarrassments \* \* \* to which our domestic manufacturers of woolen goods are subjected by reason of the high duties on wool, and in view, also, of the fact that the imposition of such duties has neither benefited the wool growers, the wool manufacturers, nor the consumers of the country, congress should not hesitate to repeal the unnecessary exactions.

Further on in his report he uses this language:

Woolen goods, or goods composed in whole or in part of wool, including carpets, are articles of universal consumption in this country. Their cost to consumers is very great. It is impossible to estimate accurately how much the people of this country expend on this account. Such goods are absolutely necessary to the health and comfort of the people, and they are entitled to supply their wants in this respect at the lowest possible cost. If the existing law, the McKinley law, imposing an average tax of 91 per cent on such goods when imported, does not increase the price of domestic goods of like character, which do not pay any tax whatever, then the manufacturer receives no benefit from protective tariffs and should not object to their repeal. If domestic goods are increased in price by reason of duties imposed upon foreign goods of like character the extent or amount of this increase is the measure of protection which domestic manufacturers receive.

In the views of the minority members of the ways and means committee of the house in 1890,

when the McKinley bill was written, I find the following language used:

Camel's hair, a raw material extensively used in this country in the manufacture of certain kinds of goods, and which has been admitted free of duty for a great many years, is by this bill taken from the free list and subjected to a tax of 12 cents per pound, which is equivalent to 77 per cent ad valorem. During the last fiscal year we imported free of duty 6,648,097 pounds of this material, which is absolutely necessary to enable some of our manufacturing establishments to carry on their business and supply the goods they are now making for their customers; but if this bill passes and the same quantity is imported next year, it will cost the people \$797,771.64 in addition to the value of the hair itself. \* \* \* the bill, in fact, increases the rates of duty on all classes of wool imported into this country. These increases have been made principally upon the demand of a few large flock masters in the state of Ohio, and they will be defended by the majority upon the alleged ground that they are beneficial to the farmers of the country who keep sheep on their lands. The fact is, that wool is one of our least important agricultural products in point of actual value, and by comparison with others even in the state of Ohio. It does not amount to more than 3 per cent of the total value of farm products in that state, from which comes the most constant and urgent demand for high rates of duties, and it is still less in other states.

This statement of the views of the minority members of the ways and means committee, which was presented with the majority report on the McKinley tariff bill, was signed by such distinguished democrats as John G. Carlisle, Roger Q. Mills, Benton McMillin, Clifton R. Breckenridge, and Roswell P. Flower.

Hon. William L. Wilson, of West Virginia, chairman of the committee on ways and means in the democratic house of 1893, in submitting the report of the majority members of that committee with regard to imposing and regulating customs duties upon articles imported into the United States, used the following language in the matter of the woolen tariff:

Of the woolen tariff it may be truly said, as was said of the woolen tariff of 1828, that it is the masterpiece of the ultra restrictionists and exhibits all the worst features of the system. Although the imports of 1892 show an average duty of 95.82 per cent in the woolen schedule, it can not be said that woolen manufacture has been a flourishing industry in this country, or that the American wool grower has secured remunerative prices for his wool. With free wool we anticipate great benefits to consumers of woolen goods, a revival of the woolen industry, such as that which followed the tariff of 1857, and a steadier and better market for the American wool grower.

Mr. Chairman, I have read these statements for the purpose of showing that it has been the democratic policy for a great many years that wool should be placed upon the free list. I have not selected isolated statements in the speeches of various members of congress and senators, for the reason that such statements might be subjected to the criticism of the party and not of the party itself. These statements represented the policy of the democratic party at the time they were written. Hence, Mr. Chairman, I feel that when I follow in the footsteps of such distinguished democrats as Roger Q. Mills, William L. Wilson, William R. Morrison, John G. Carlisle, Benton McMillin, Clifton R. Breckenridge, Roswell P. Flower, Isham G. Harris, Z. B. Vance, Daniel W. Voorhees, and James B. Beck, I am on solid democratic ground. (Applause on the democratic side.)

Mr. Chairman, I believe it is admitted by all persons at all familiar with the subject that all civilized nations except the United States have untaxed wool. Hence, in order that our manufacturers may compete in the open markets of the world with an equal chance with foreign woolen manufacturers, then, as a matter of justice, our home manufacturers should at least be placed on an equal footing with foreign manufacturers so far as the raw wool is concerned. For this reason, in the present bill, and in every other bill where a duty is laid on wool, an additional duty is levied on the manufactured article to compensate and repay the manufacturers for the additional price they are compelled to pay for their wool because of the duty on the raw material. This being true, I preferred, when the bill was being discussed and adopted in the democratic caucus on the first day of the present month, that raw wool should go on the free list. However, a majority of my democratic colleagues, in their wisdom, determined otherwise. Since the caucus has spoken, I shall support this bill enthusiastically and sincerely, as it is infinitely a better bill than the present law. (Applause on the democratic side.)

The democratic caucus, on the first day of this month, at the time this bill was adopted, also adopted the following resolution:

Resolved, That the bill revising Schedule K, as presented to this caucus by the majority members of the ways and means committee, is not to be construed as an abandonment of any democratic policy; but in view of the democratic platform's demand for a gradual reduction of the tariff and