

steady sale in all the markets of the world, and thus will be insured steady employment to the labor which it creates.

I find this language, Mr. Chairman, in the democratic platform of 1888:

The democratic party of the United States, in national convention assembled, renews the pledge of its fidelity to democratic faith and reaffirms the platform adopted by its representatives at the convention of 1884, and indorses the views expressed by President Cleveland in his last earnest message to congress as the correct interpretation of that platform upon the question of tariff reduction; and also indorses the efforts of our democratic representatives in congress to secure a reduction of excessive taxation.

What did Mr. Cleveland say upon the tariff question in his last earnest message referred to in that statement? Let us read it:

The radical reduction of the duties imposed upon raw material used in manufactures, or its free importation, is of course an important factor in any effort to reduce the price of these necessities. It would not only relieve them from the increased cost caused by the tariff on such material, but the manufactured product being thus cheapened, that part of the tariff now laid upon such product as a compensation to our manufacturers for the present price of raw material could be accordingly modified. Such reduction, or free importation, would serve besides to largely reduce the revenue. It is not apparent how such a change can have any injurious effect upon our manufacturers. On the contrary, it would appear to give them a better chance in foreign markets with the manufacturers of other countries, who cheapen their wares by free material. Thus our people might have the opportunity of extending their sales beyond the limits of home consumption, saving them from the depression, interruption in business, and loss caused by a glutted domestic market, and affording their employees more certain and steady labor, with its resulting quiet and contentment.

But you say we lost the election in 1888. That is true; but when the republicans came into power they wrote the McKinley law, raising duties and taxing raw materials. These questions were again fought out on the floors of both houses, the democrats fighting for free raw materials and a reduction of the duties on manufacturers to a revenue basis, while the republicans in both houses contended for a protective duty on both raw materials and manufactures. The republicans had a sufficient number in both houses to pass the bill, hence it became the law. In the next election, the election of 1892, these questions were fought out before the American people, and the democrats won. The minority members of the ways and means committee when the McKinley bill was written in the house, being such illustrious democrats as John G. Carlisle, Roger Q. Mills, Benton McMillin, Clifton R. Breckinridge, and Roswell P. Flower, made a minority report against the adoption of that measure, in which they said:

If it were not for the excessive cost of production in this country, caused by the unnecessary taxation of crude and partially manufactured materials—which are essential in the processes of our industries—we could export and sell every year large quantities of the products of our shops and factories after fully supplying the home demand at reasonable prices. We believe, therefore, that the only manner in which our industries can be helped by legislation at the present time is to exempt from taxation the materials they are compelled to use and to reduce proportionately the taxes on finished products, so that all our farmers, mechanics, and manufacturers may be able to compete on equal terms with those of other countries. This is the policy we advocate and which we desire to see inaugurated and completed just as early and as rapidly as circumstances will permit. The capitalist who has invested his money in these industries, the laborers he employs, and the domestic consumer to whom he sells would all be benefited and nobody would be injured. With untaxed materials it is evident that they could afford to pay their laborers better wages than now and still sell their products to consumers at lower prices than are now charged. Besides this, under such a policy our manufactured products would not be confined, as they are now, almost exclusively to the domestic market, but would enter all the markets of the world and compete successfully with similar products from other manufacturing countries. The opening of these great markets for the sale of our goods would, in our opinion, give constant employment not only to the thousands of laborers now engaged in our manufacturing industries, but would create a demand for many thousands in addition, and unless we are greatly deceived, the time would soon come when there would be no importations of finished articles into this country except such as our own people, for climatic reasons, could not produce or do not desire to produce. The only certain and proper way to stop importations of such products is to make them ourselves so cheaply that no foreign competitor can afford to meet us in our own markets, and this we could undoubtedly do with free materials.

Mr. Hardy. Will the gentleman yield for a suggestion?

Mr. Oldfield. I will.

Mr. Hardy. The gentleman refers to the fact that in 1884, after the passage through the house of the Mills bill, placing raw material on the free list, the republicans won in the next election. The gentleman does not explain the whys, but does state that in 1892, the McKinley bill having been passed in the meantime, putting

a tax on raw materials, and the tariff being the subject of discussion and the issue in 1892, the democrats won, advocating reduction of the tariff and free raw material.

I wish to place in the Record right here what has always been ignored by our republican friends whenever they discuss the defeat of the democrats in 1888, and to say that that campaign, in my recollection, hinged more on the bloody-shirt issue than any campaign since the war, almost. A great number of pensions were vetoed by President Cleveland, and it was intimated to him that a trip by him to St. Louis would be unsafe. Taking advantage of that action, the republican party pitched that campaign largely on the war issues and appealed to war prejudices and sectional feeling. The democrats were defeated in 1888 not by the Mills bill, but by the old war issues.

Mr. Oldfield. I thank the gentleman for the statement.

Hon. William M. Springer, of Illinois, in reporting the democratic tariff bill of 1892, used this language in discussing the question of free raw materials. Mr. Springer was discussing the duty on wool, when, among other things, he said:

The imposition of this duty, like the imposition of all other duties on raw materials, works double injury. In the first place, it imposes an unnecessary burden upon the consumers, who in the end pay all the duties with profits added, and in the second place, it destroys the power of the domestic manufacturer to compete with his foreign rival in the production of the goods into which the taxed material is converted.

Now, Mr. Chairman, let us see what the Hon. William L. Wilson, the brilliant democrat and distinguished chairman of the ways and means committee when the Wilson bill was written in 1894, said on the question of free raw materials. Mr. Wilson said:

We begin our task by an effort to free from taxation those things on which the industrial prosperity and growth of our country so largely depend. Of all the reductions made in this bill there are none in their benefit to the consumer, none in their benefit to the laborer, that can be compared with the removal of the taxes from the materials of industry. We have felt that we could not begin a thorough reform of the existing system, built up, as I have shown, story by story, until it has pierced the clouds, except by a removal of all taxation on the great materials that lie at the basis of modern industry, and so the bill proposes to put on the free list wool, iron ore, coal, and lumber. I have already said, Mr. Chairman, that I believe no tariff bill could carry any benefit to the American people comparable to the proposed release from taxation of the materials of industry. Better give a workingman untaxed materials to work with than give him untaxed clothing to wear. Better give him untaxed materials on which to exercise his industry than untaxed and cheapened necessities of life. His wages depend upon the product of his labor; whatever goes as a tax into the material he uses is a diminution of the wages of the laboring man. As you cheapen his materials you widen the market for his products. With untaxed iron and steel in its cruder forms, or even in the humbler beginning of the ore, with untaxed wool and coal and lumber you enable him to put his finished products on the market at prices that will rapidly and indefinitely increase the number of his consumers, and in this way you secure him steady employment, increasing wages, and that personal independence he can never enjoy in a closed, high-tariff market. Mr. Chairman, I well remember in the first months of my service in this house, during the debate on the first Morrison bill, listening to a speech of Mr. Abram S. Hewitt, himself a great miner of iron and coal and a great manufacturer and employer of labor, in which he proved by a masterly reasoning and array of facts that in the organization of modern industry the only protection of labor against corporate and other capital was in its own organizations and its own trade-unions, and that the only field in which labor organizations can flourish, the only arena on which trade-unions can manifest their power to protect the manhood of their members and the wages of their labor, is a country which throws down the bars and gives the workingman untaxed raw material to work with.

Mr. Bryan, in a speech on this floor, in 1892, made the following very lucid statement on this question of free raw materials:

Mr. Chairman, in the first place, I believe we can make no permanent progress in the direction of tariff reform until we free from taxation the raw materials which lie at the foundation of our industries. It also takes away entirely those specific or compensatory duties which were added to the ad valorem rates to enable the manufacturers to transfer to the back of the consumer the burden which a tariff on raw materials places on the manufacturer. The reason why I believe in placing raw material on the free list is because any tax imposed on raw material must at last be taken from the consumer of the manufactured article. You can compose no tax for the benefit of the producer of the raw material which does not find its way through the various forms of manufactured product and at last press with accumulated weight upon the person who uses the finished product. Another reason why raw material should be placed on the free list is because that is the only method by which one business can be favored without injury to another. We are not in that case imposing a tax for the benefit of the manufacturer, but we are simply saying to the manufacturer, "We will not impose any burden upon you." When we give to the manufacturer free raw material and free machinery, we give to him, I think, all the encouragement which people acting under a free

government like ours can legitimately give to a free people.

Mr. Chairman, if Mr. Cleveland were alive he would be a Bryan man and Mr. Bryan would be a Cleveland man on this question.

My friends, you may dispute whether free raw materials is a good policy, but you can not deny that it has been the policy of the democratic party for more than 50 years.

Mr. Chairman, it has always been the contention of democrats that if wool were placed on the free list the consumers of woolen clothes would get their clothes cheaper. Now, I am going to prove by such distinguished republicans as Thomas B. Reed, Julius C. Burrows, Sereno E. Payne, John Dalzell, Albert J. Hopkins, and John H. Gear that the democratic position is now and always has been correct. These distinguished republicans filed a minority report on the Wilson bill in 1894, in which they used the following language, which may be found at page 336, senate document No. 547, Sixtieth congress, second session:

The majority claims it has conferred a great blessing upon the wool manufacturers by giving them "free raw material." We find this gift is one which the manufacturers have not asked and which they distinctly repudiate as an advantage to themselves. If we could assume for the moment some theoretical benefit to be derived from free wool, it is not the manufacturer who can reap that assumed advantage. If he can make his goods any cheaper because of free wool, he must sell them just as much cheaper, and from that point of view he gains nothing, as his position remains unchanged.

Mr. Chairman, they say, "If he can make his goods any cheaper because of free wool, he must sell them just as much cheaper, and from that point of view he gains nothing."

Mr. Chairman, this sentence shows the whole theory of republican tariff laws. They write their tariff laws so that some special interest may gain some advantage over the rest of the people. This principle of republican tariff making is strongly illustrated in the wool schedule of the Payne-Aldrich tariff law, which this bill seeks to repeal. The woolen schedule in the Payne-Aldrich law is substantially the same as in the Dingley law of 1897. Statistics show that in 1905 our mills produced \$142,000,000 worth of woollens, \$165,000,000 worth of worsteds, \$95,000,000 worth of knit goods, or in all \$400,000,000. Now, we imported \$23,000,000. We produced about 18 times as much as we imported, and while the high rates in the Dingley law and in the Payne-Aldrich law gave the government \$20,000,000 in duties the consumers were charged the same rates on domestic goods, the government receiving nothing, while the manufacturers of woolen goods pocketed \$360,000,000 profit, and this at a cost to the consumer of \$760,000,000 for \$400,000,000 worth of goods. (Applause on the democratic side.)

Mr. Chairman, the startling fact reveals itself, when contemplating the iniquities of the republican protective-tariff system, that the American consumer, who is the American laborer, instead of receiving protection and benefit from the republican tariff, as is alleged, is in reality sand-bagged, and the footpads of protection steal upon him under the guise of friends. Mr. Chairman, I want to state right here that, from the statistics of the year 1905 with regard to tax on woollens and the given sum collected that year by the government as revenue from such tax, we find an almost unbelievable discrimination in favor of the manufacturer and against the government and against the American consumer. We find, Mr. Chairman, that for every dollar of revenue realized by this government from the duty on woollens the citizen and consumer is taxed and compelled to pay the sum of \$18. For every \$18 the consumer pays as a tax on woollens under the present republican protective system the government realizes only one single dollar in revenue. It is not difficult to calculate who is receiving the protection under the republican system.

Mr. Chairman, I have heard some discussion among democrats as to what are raw materials, and I believe David B. Hill gave just about as good a definition of the term as I have seen when he says:

Raw materials are those productions which are in their lowest and crudest form when they enter commerce.

I think coal, lumber, iron ore, cotton, wool, raw silk, raw rubber, and so forth, are raw materials. Now, I have heard some distinguished democrats make a statement which was very confusing to me, and which is to the effect that wool is the finished product of the wool grower, but that it is the raw material of the carder; and after it had been carded and made into rolls it was then the finished product of the carder, but at the same time it was the raw material of the spinner, which became his