## JULY 7, 1911

added and less exports, leaving the amount consumed in the United States for that year, was \$530,862,522. Taking the average tariff rates of the Dingley and Payne laws at 90 per cent, as officially ascertained, it is found that the enhanced price of manufactured woolens which the consumers are compelled to pay on account of the tariff, is the sum of \$251,461,247. Deducting from this amount the amount of revenues collected from imports on woolens leaves the amount paid to the woolen manufacturers as increased price by reason of the tariff \$228,403,890. And for the purpose of illustration, conceding that the woolen manufacturers had lived up to their promise to divide the tribute collected off of the American people on the basis of 11 cents per pound of wool on the amount of wool produced that year in the United States, 323,110,749 pounds, and amounting to \$36,092,182, the woolen manufacturers were safe in making the bargain, even if the wool growers could have held them to the trade, for they would have still been collecting off of the people \$215,279,461 more than they had obligated themselves to pay out to the wool growers to secure their support of the 90 per cent tariff upon manufactures of wool.

While under this promise to divide profits with the wool grower, and while the American people have been paying, at a most conservative estimate, from \$175,000,000 to \$200,000,000 annually to stimulate and encourage the sheep industry, the number of sheep in Indiana, as shown by the bureau of statistics of that state, has declined from 832,856 in 1900 to 710,238 in 1909, and the wool clip from 5,537,794 pounds in 1900 to 1,644,638 pounds in 1909.

The woolen manufacturers tell us the excessive tariff of the Payne bill is to protect the wool grower. Assuming the roll of philanthropist, they say they appear not in their own interest, but only to guard the welfare of others. This plea of defending others is a subterfuge as old as history. It is a pretext to hide and cover up that which can not be openly defended. Every man who has enslaved another man has enslaved him under the claim of charity and benevolence for the enslaved. Every nation which has conquered another people to exact tribute from them has entered upon its campaign of subjugation under the pretense of improving and bettering the state of the subjugated. Every imposition heaped upon one man by another by and through deceptive forms of legislation has been heaped upon him under the pretense of protection and safeguarding the welfare of the burdened. Oh, farmer and wool grower, what crimes are committed in thy name!

## The Commoner.

ciently compensated for the increased cost of raw material to protect them from the lower price at which foreign manufacturers are able to obtain their wool."—Julius Forstmann, president of Forstmann & Huffmann Co., woolen manufacturers, Passaic, N. J., in a pamphlet addressed to members of congress during the consideration of the debate on the wool schedule.

And having once justified their claim on the grounds of compensation for the duty paid by them on raw wool, and still claiming for the wool grower, the manufacturers assume the right to fix the limit of the compensatory duty and make it prohibitory, all in the name of charity and benevolence for the wool grower. And as long as the woolen manufacturers can plead protection under the name of the wool growers they can not only hold the allegiance of the wool grower by dangling before their eyes a division of tribute to be exacted from the people, but can use the wool grower as a decoy to secure the support of the wool growers' unsuspecting friends.

Give our manufacturers free raw wool and the right to produce from the open markets of the world, and you take away the delusive claim adroitly made for a compensatory tariff and the right to dictate the limit of the protection thus justified.

Give our manufacturers an equal footing and basis of production from free raw wool with foreign manufacturers and you remove from them the basis for the delusive plea of compensatory duties, without which there can be no pretext of justification for selling higher at home than abroad. The raw-material rebate clause is a crafty device to reach out in the world's market while holding monopoly intact at home.

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Our manufacturers themselves are today recognizing the growing necessity of a broad world market and increased sales, with profits based upon a greater volume of business than upon monopoly and exclusive sales in a limited market, and they are likewise beginning to appreciate the benefit of an equal basis of production resulting from free raw material enjoyed by manufacturers abroad. The proposed Canadian reciprocal agreement comes from the manufacturing interests as an effort to extend their markets abroad, and is the one first step which will lead to many more until greater freedom and extension in commerce is attained. While the reciprocal agreement standing alone is not fair to the interests of the consumer, the free-list measure lately passed by this house makes the consumer and manufacturer walk hand in hand in the enjoyment of a greater and more unrestricted trade. Along with our pledges to revise the tariff is the promise to levy the lowest duties upon necessaries and the highest upon luxuries and non-essentials. While sharing the highest regard for the opposing views of my colleagues, as supported by the almost unanimous judgment of the caucus, and appreciating the weight of the able argument advanced for a compromise ground to insure united support for the bill, yet, as I construe our position, the excessive and exorbitant duties of the wool schedule under the Payne law should be still further reduced, and to an average duty of not to exceed 20 per cent ad valorem with the highest rates laid upon luxuries of dress and the lowest upon the common essentials of comfort; and to avoid the claim and argument from manufacturers of compensatory duties, wool should be made duty free. The deficiency of revenue thereby resulting can be made up by a tariff of 20 per cent ad valorem imposed upon rough diamonds, raw silk, and india rubber, now duty free under the republican free list. On the basis of importations of manufactured wool for the year ending June 30, 1910, and valued at \$23,057,357.78, at 20 per cent duty the revenue derived would be \$4,611,471.55. The importation of rough diamonds and precious stones for the same year ending were of the value of \$10,557,800, which, at 20 per cent duty. would yield a revenue of \$2,111,560. The value of the imports of raw silk for that period was \$67,129,603, and upon which a 20 per cent duty would bring into the treasury \$13,425,920, and the imports of crude rubber and substitutes were in the sum of \$106,851,475, or, in all, making

a total revenue upon the basis of importations for said year of \$41,521,246.55, with 20 per cent duty on woolens, and raw wool on the free list. The duties collected under the Payne law for the year ending June 30, 1910, with a tariff of 44 per cent duty upon raw wool and an average duty of 90 per cent on woolens were \$41,-904,549.50. The duties estimated for the pending bill, with 20 per cent duty on raw wool and 42.55 per cent duty upon manufactured wool, with imports estimated at \$63,831,000, are \$40,556,200.

The iniquities of the Payne-Aldrich tariff law are observed by a mere glance at the wool schedule, disclosing exorbitant and excessive rates of duty imposed. The rate upon many of the items of this schedule are prohibitory, and the people are left without the semblance of protection from competition. Yarns under 30 cents per pound in value are taxed 159.75 per cent; blankets valued at not more than 50 cents per pound are taxed 105.50 per cent; cloth valued at not more than 40 cents per pound is taxed 144.05 per cent; dress goods valued at not above 70 cents per pound are taxed 103.75 per cent; flannels weighing over 4 ounces to the yard and valued at less than 70 cents per pound are taxed 121.62 per cent. The present bill under consideration of the house reduces the duties by more than one-half. The duty on yarn is fixed at 30 per cent; on cloth and knit fabrics, 40 per cent; on blankets and flannels, 30 to 45 per cent; with corresponding reductions upon other items.

This bill is a good bill, but it would be a much better bill if it carried out further the principle of levying the lowest taxes upon necessaries and the highest upon luxuries and nonessentials by reducing the tariff on manufactures of wool to an average of 20 per cent and taxing rough diamonds, raw silk, and crude rubber. It would be a much better bill if it invaded the republican free list and levied a tax upon raw materials that enter into the production of luxuries and non-essentails and placed wool used in the manufacture of a vital necessity on the free list instead. It would be a better bill if it took away from the wool trust the vantage ground of a tariff on wool from which to recruit support through delusive promises of gain to the wool grower from the helpless consumer under stifled competition.

The Chairman. The time of the gentleman has expired.

Mr. Mann. Mr. Chairman, I ask unanimous consent that the gentleman have five minutes more.

Mr. Sims. I join in that request, Mr. Chairman.

To say nothing of the interests of the consuming public, the time is at hand for the inauguration of a new commercial policy. The growth of our manufacturing interests will hereafter not be measured by a monopolized, exclusive market at home, but by the development of a broad open market abroad. Our industries, even from the most selfish and mercenary standpoint, must no longer seek to profit by protection against the world's markets, but must prepare to meet open competition and conquer by merit and policy of commerce.

The merits of free raw material have been denied in this debate as a tariff-reform measure. Manufacturers must be free to produce from crude products and raw materials of the earth and to sell them without restriction from retaliatory tariff barriers and in the freedom of open trade, if we demand they sell at home as cheap as abroad.

While we are denying the right to give manufacturers undue advantage of monopoly, it is not the purpose to place them at a disadvantage, but only to remove an artificial industrial basis and furnish a merit foundation. It is the purpose to compensate them for the loss of a limited exclusive market based upon monopoly by giving an enlarged and world market, and to change the system of profits from extortion to profits by increased production and volume of business.

Taxing raw material gives foreign manufacturers an advantage, and affords the foreign manufacturer an actual protection against competition from the home manufacturer, and gives the home manufacturer at once a standing from which to plead for a high compensatory tariff, and an apology for discriminating against the home consumer.

After the woolen manufacturers have made a plea for and secured a tariff placed upon raw wool, they adroitly add:

"American woolen manufacturers demand no reduction in the duty on raw material; they only ask that they shall continue to be suffiALS IS IS I

The Chairman. The gentleman from Illinois asks unanimous consent that the gentleman from Indiana be allowed five minutes more. Is there objection? (After a pause.) The Chair hears none. The gentleman will proceed.

Mr. Gray. I thank the gentleman. A tariff on raw wool, if allowed to remain, will nullify the doctrine of free necessaries, furnish an argument to restore the duties on lumber and hides, call a halt to the further extension of the free list in the vital necessaries of life, and destroy the only principle under which the people can hope for relief from tariff exactions—the principle that the taxing power can only be lawfully invoked for public purposes.

If we want to be free from the burdens of an excessive tariff, if we want relief from private monopoly, if we want to escape tribute to the special interests, we must first ourselves renounce the right to levy taxes for private purposes. We can not invoke relief under a principle while we deny and violate it ourselves.

If we believe in serving the greatest good to the greatest number, if we subscribe to the policy of equal and exact justice to all and special privileges to none, if we hold the common welfare above private gain, if we adhere to the doctrine that a private monopoly is intolerable and indefensible, we can not vote for a protective tariff upon one of the vital necessaries of life and justify ourselves upon the grounds of loyalty to local private interests.

The tariff is more than a local question. It is a selfish question, a question in which the selfish interests of the few are always clamoring to prevail over the welfare of the many

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