

Congressional Record.

SIXTY-FIRST CONGRESS, FIRST SESSION.

The Tariff.

SPEECH

OF

HON. ROBERT L. OWEN,

OF OKLAHOMA,

IN THE SENATE OF THE UNITED STATES,

Tuesday, June 15, 1909.

The Senate, as in Committee of the Whole, having under consideration the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes—

Mr. OWEN said:

Mr. PRESIDENT: No consideration would induce me to propose or contend for a tariff reduction which would seriously harm any American industry whose existence is justified by the natural resources of our country.

Upon my oath as a Senator of the United States, I feel charged with a solemn responsibility of defending the welfare of the people of the United States, including as vigorously and as distinctly the interests of the people of Maine, of Rhode Island, or of California as the interests of the people of Oklahoma. I shall discharge that duty as an American in a broad and liberal spirit, with patience, with tolerance, and perfect fairness.

By that sense of duty I have felt impelled to submit to the Senate the reasons which make it impossible for me to support H. R. 1438. I can not agree to the passage of this bill without the registration of a solemn protest against it. I plainly see the evil results upon the people of the United States, which have followed the McKinley bill and the Dingley bill, and which must follow the passage of a worse measure.

Mr. President, I am not unmindful that what I shall say will not deter the managers of this bill in the Senate in the least from their predetermined course, but I deem it my duty to place upon the records of the Senate and of the United States the reasons which justify my protest and from which future students may perhaps find something of value in determining this question, when they shall consider it with intellectual and moral integrity and not in a spirit of trade, of barter, or of easy compliance with the demand of special interests, whose lobbyists swarm the corridors of this Capitol.

Mr. President, mere denunciation of a bill, or of the managers of the bill, I regard as serving no good purpose unless proof is offered which shall be convincing to thoughtful and honest men that the condemnation is thoroughly justified.

In pointing out the injurious effects of what I shall demonstrate to be a monopoly-protecting tariff upon our entire people, including every class of consumers, every class of producers, every class of manufacturers or distributors or merchants except the masters of monopoly, I shall do so dispassionately, with a composed temper and with an earnest desire to offer reasons, at least, to those now trusted by our people with power why they should not persist in a policy full of injury and harm to the Republic.

I shall be compelled in this discussion to point out the logical consequences of a monopoly-protecting tariff; its effect, its dangerous effect, in piling up stupendous wealth on the one side in the hands of its favorites, and in causing great wretchedness and poverty on the other side among the weaker and more defenseless classes of our people.

When I point out the unavoidable effect of extreme poverty as the necessary complement of unlimited wealth in the hands of the few accumulated under the shelter of law, I wish it distinctly understood that the dark picture of human misery which the truth compels me to portray breathes from me no spirit of pessimism, because I am full of hope. I recognize the immediate dawn of better things and an early remedy. The

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increasing intelligence of our people already begins to understand the causes of these conditions and to formulate the natural and reasonable remedy for their correction. The spirit of benevolence and of patriotism which characterizes the great body of our people and, I rejoice to say, moves a multitude of the beneficiaries of our unwise system gives promise for an early correction of the injurious consequences which naturally follow a prohibitive tariff, with its necessary brood of successful monopolies, by the reduction of that tariff; if not now, through the party in power, then by the unwearied Democracy that has been faithfully pointing out its evils for twenty-five years. I shall endeavor to point out some of the injurious consequences of the tariff-engendered monopolies and their crushing effect upon human life; but in doing so I shall not be understood as a pessimist, because I am precisely the contrary.

OPTIMIST.

Mr. President, I am an optimist; because I feel that the Anglo-Saxon race and the Teutonic blood represented in this country by millions of men of the northern races of Europe and Great Britain and the adopted sons of other great nations in our land have an unquenchable love of liberty, of justice, and of compassion, and will correct every evil of our great Government; because our forefathers distinguished themselves by a love of liberty that dared death in every form to establish it and maintain it in the bosom of this Republic; because our immediate forefathers not only loved liberty, but they practiced that form of government which made liberty a working force in the administration of this Government from the days when the town meeting in New England, in Massachusetts, Mr. President, in Connecticut, and in Rhode Island instructed their representatives according to the will of a free people. In those good old days when the Representative was not a machine-made politician, but was a Representative in the highest and best sense—of representing directly the opinions and the commercial interests of the common people who sent him.

I am an optimist because of my perfect confidence in the great body of the American people, whose stability, patriotism, and common sense will control this country and direct it along sound paths of good government; because I see in many directions the gradual restoration of the right and power of the people to select their public servants directly, and directly require them to carry out their will. I rejoice to see the establishment of the initiative and referendum in Maine and in Oregon and in other States, as well as in Oklahoma, and the establishment of the direct primary in so many of our States.

I rejoice to see the people instructing their legislatures in the selection of Senators, and while I did not receive any report from the Senator from Michigan, as chairman of the Committee on Privileges and Elections, of the proposed amendment to the Constitution of the United States, I had the honor to submit during the last Congress, for the election of Senators by direct vote of the people, I have felt justified in being an optimist because I was able to point out 24 States in the Union that had requested from their legislative assemblage this restoration to the people of their ancient right of rule.

Now, Mr. President, I am an optimist, notwithstanding the hostile attitude of the leaders now in control of the Senate, because already there are 29 States, including Michigan, the State of the distinguished chairman of the Committee on Privileges and Elections, in which the election of Senators is controlled by the direct voice of the people.^a It will only be a few short years when 46 of the States will be controlled in this manner; and when that day comes, no Senator in this Chamber will be so callous as to mock the pledges made to the people in national platforms.

^a Alabama, Arkansas, California, Florida, Georgia, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maryland, Michigan, Missouri, Mississippi, Nebraska, Nevada, New Jersey, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Virginia, Washington, and Wisconsin. Of these California, Nevada, Idaho, and Michigan came in this year—1909.

CONGRESSIONAL RECORD.

I am an optimist, Mr. President, because of the magnificent growth of our Republic under the blessings of liberty.

From 5,000,000 people in 1800 we have over eighty-five millions in 1907. From five billions of wealth in 1800 we have a hundred and twenty-five billion in 1909. From a weak nation we have become potentially the greatest nation in the world; but above all, Mr. President, has been our increase in the means of intelligence.

Forests are now converted into paper with lightning speed. Volumes innumerable, filled with learning upon every subject, are crowding into the pathway of knowledge; but chief of all the modern newspapers, filled with learning, wit, and humor, illustrated with splendid descriptions and photographs of everything "in the heavens above, the earth beneath, and the waters under the earth," are thrust into the hands of the wayfaring man for a price incredibly small, so that he who runs may read and instantly learn what is transpiring in regard to everything of human interest at home and abroad, so that every citizen may know at breakfast every fact transpiring on earth that he cares to know, from the diplomatic questions of foreign courts to the wonderful home run of Casey on the Chicago ball grounds, from the market quotations of London and New York to the astonishing description of the last wild beast slain on the eastern coast of Africa by one of our very distinguished fellow-citizens.

While it is true that thirty-five thousand millions of dollars of the proceeds of human labor in the United States have passed into the hands of various corporations, and a very large part of all of the net proceeds of American labor have been improperly acquired by monopoly; and while 7,000,000 women have been driven from out the peaceful shelter of the American home into commercial rivalry with men; and while 5,000,000 children in like manner are being driven under the commercial whip to sacrifice their youth, in large part, to the demand of Mammon; and while there are many millions of men who regard life with great anxiety, constantly in fear of the drastic power of extreme poverty and lack of employment, still I see that the American workman, in the factories of our land, have exhibited a net output per capita of over twelve hundred dollars, from which the legitimate demand on him for the support of an American family can be met and still leave a large surplus earning.

The American people have shown that they are far more than abundantly capable of sustaining themselves and making the most substantial contribution to the wealth of the Republic and of the world and still leave themselves reasonable leisure.

And, finally, Mr. President, I am an optimist because I believe that the American people—who love liberty, who believe in self-government, who believe in mercy and in charity as well as in industry and providence—will see to it that this Government is so conducted by their representatives that in the future there shall be a more equitable distribution of the proceeds of human labor; that we shall change the present policy, whose inevitable tendency is the useless, the vulgar, and insane enrichment of the few at the expense of the misery and sorrow and of the physical and spiritual degeneration of millions of men, women, and children who are now submerged by the devices of commercialism gone mad.

The bill should not pass,
BECAUSE IT IS CONTRARY TO THE WILL OF THE AMERICAN PEOPLE.

Mr. President, the American people were promised by both parties a reduction of the tariff, and had a right to expect substantial reduction. The representatives of one-half of the people, assembled at Denver, emphasized this matter most vigorously in the Democratic platform in the following language:

We welcome the belated promise of tariff reform now offered by the Republican party. * * *

This platform declared:

The people can not safely intrust the execution of this important work to a party which is so deeply obligated to the highly protected interests as is the Republican party.

This platform states:

We call attention to the significant fact that the promised relief was postponed until after the coming election—an election to succeed in which the Republican party must have the same support from the beneficiaries of the high protective tariff as it has always heretofore received from them; and to the further fact that during years of uninterrupted power no action whatever has been taken by the Republican Congress to correct the admittedly existing tariff iniquities.

This platform further declared:

We favor immediate revision of the tariff by the reduction of import duties. * * *

The party to which I have the honor to belong has, since 1876, demanded a proper reform of the inequalities, injustices, and false pretenses of a tariff controlled by selfish interests at the expense of the American people.

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It never has, Mr. President, at any time contemplated so reducing the tariff as to injuriously affect any legitimate industry whatever. On the contrary, while it has pointed vigorously to the fraud and false pretenses of the monopoly protecting tariff, it always has been mindful of the rights of capital legitimately employed in manufacture, and equally mindful of labor employed in industries established under the shelter of our tariff system.

In 1884 the Democratic national platform said:

Many industries have come to rely upon legislation for successful continuance, so that any change of law must be at every step regardful of the labor and capital thus involved. The process of reform must be subjected in the execution to this plain dictate of justice; *all taxation shall be limited to the requirements of economical government.* The necessary reduction of taxation can and must be effected *without depriving American labor of the ability to compete successfully with foreign labor and without imposing lower rates of duty than will be ample to cover any increased cost of production which may exist in consequence of the higher rate of wages prevailing in this country.*

The practice of writing these schedules at prohibitive rates and preventing competition and engendering monopoly has been fiercely condemned by the Democracy as "robbery of the great majority for the benefit of the few" (1892). It has demanded a constitutional tariff drawn for the purpose of revenue, but has not condemned the unavoidable incidental protection which any tariff for revenue, or for revenue only, unavoidably affords, and which will always be found sufficient for the incidental protection of legitimate industry.

The reason why protection AS PRACTICED has been denounced as "robbery" is because such schedules have been drawn not for constitutional revenue purposes, but to shelter monopoly and permit monopoly to wrongfully tax the people under the color of a pretended revenue law.

The party to which I have the honor to belong, therefore (1908), welcomed the promise of tariff reform offered by the Republican party in 1908 on the basis of "the difference between the cost of production at home and abroad," for the obvious reason that a tariff so drawn would necessarily be a tariff for revenue with only such incidental protection as justice and common sense requires.

It was this kind of tariff law drawn in 1846, with which both parties were well satisfied in 1856. If this law were now so drawn, the contention between the two great parties on this issue would necessarily cease. [For party platforms compared see Exhibit 11.]

The party leaders of both great parties declared the purpose of reducing the tariff downward. No manner of explanation or evasion can alter the substantial truth that it was the expressed will of the American people making itself felt through both party platforms and through both party leaders that there should be a substantial reduction of tariff duties.

The Republican platform of 1908 declares "unequivocally"—a remarkable word in a platform, and suggests the purpose of equivocation—"for revision of the tariff by special session of the Congress immediately following the inauguration of the next President," and says:

In all tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between cost of production at home and abroad, together with a reasonable profit to American industries.

The platform also says that it is the Republican policy—

To preserve *without excessive duties* the security against foreign competition to which American manufacturers, farmers, and producers are entitled, but also to maintain the high standard of living of the wage-workers of this country, who are the most direct beneficiaries of the protective system.

Excessive duties are here condemned by the leaders of the Republican party, and in 1904 the Republican platform declared:

The measure of protection should always at least equal the difference in the cost of production at home and abroad.

Even in the majority report of the House committee, page 2, section 1, they declared:

While duties should be protective, they should be adjusted as nearly as possible to represent the difference in cost of production at home and abroad.

IT VIOLATES THE REPUBLICAN PLEDGES.

The rates of the bill submitted by the Finance Committee average higher than the Dingley bill and are not a reduction at all.

The chairman of the Committee on Finance ostentatiously sets forth 379 items on which reductions are made.

These reductions, as will appear in the CONGRESSIONAL RECORD of May 5 and by Exhibit 12, I here submit, are items of no national importance. Two hundred and seventy-four of these items involve articles whose imports are less than \$25,000, or severally less than one-thirtieth part of 1 penny gross imports per capita. The table which I submit gives the items in excess where the imports of such articles amounted to over \$25,000, and the table discloses the fact that the total imports except-

ing lumber was extremely small, and that the pretended reductions are of no importance, while the increases are of substantial importance.

Mr. President, this bill should not pass, because it violates the pledges of the Republican party and of the Republican leader during the last campaign. The party platform, I have shown above, is unequivocal. Its reasonable and natural interpretation is plain. The Senator from Indiana on May 25 set forth at great length the declarations of the President of the United States, quoting him as pledging the American people—

Genuine and honest revision * * * substantially a *revision downward*, though there will probably be a few exceptions—

As delivered by the President September 24, 1908.

No wonder the Republican Senator from Minnesota [Mr. NELSON] demands to know what this special session was called for, if it was merely to rewrite the Dingley bill.

No wonder the Republican Senators from Iowa, Indiana, Nebraska, Minnesota, and Wisconsin and other States *vehemently protest* against this betrayal of the party pledge. The Senator from Massachusetts will explain in vain to the American people that it was not the purpose of the party to have a substantial revision downward, as the President said, September 24, 1908, at Milwaukee.

The President in his inaugural address reiterated his construction of the purposes of the party, as was strongly pointed out by the Senator from Indiana, and stated in the most positive manner:

It is imperatively necessary, therefore, that a tariff bill be drawn in good faith in accordance with promises made before the election by the party in power.

And on December 17 last the President is quoted as having said before the Ohio Society:

Better no revision at all, better that the new bill should fail, unless we have an honest and thorough revision on the basis laid down and the principles outlined in the party platform.

The Republican platform declared in 1904 for a tariff law merely "equal to the difference in the cost of production at home and abroad," and in 1908 likewise declared for—

Such duties as will equal the difference between the cost of production at home and abroad.

And yet the leaders of that party, neither in the House nor in the Senate, have concerned themselves to compile "the difference in the cost of production at home and abroad," although they have submitted many volumes of thousands of pages of confused miscellany, a small portion under oath, a large portion not under oath, with no safeguard whatever, and coming from selfish interests seeking the privilege of monopoly over the American people.

When I, as a Senator of the United States, representing the people of the United States, from Maine to California, and entitled by the honor and dignity of my position to a proper answer, demand to know "why the difference in the cost of production at home and abroad" had not been compiled as a basis for the drafting of this statute, the Senator from New Hampshire rises in his place and solemnly advises me that my inquiry is "absurd." [Turning to the Senator from New Hampshire, Mr. GALLINGER.] He will find his remarks on page 2214 of the CONGRESSIONAL RECORD.

The suggestion is made by other Republican leaders that the information can not be obtained, and when I myself offer over 446 items which had been compiled ten years ago by Carroll D. Wright, Commissioner of Labor, they show themselves acquainted with the matter, confess that this information can be obtained, and plead that the report is not up to date.

The Senator from Rhode Island, chairman of the Committee on Finance, rises in his place and, with a fine sense of humor excited by my request and inquiry why the difference in cost of production had not been compiled, advises me with amused satire that he will have a clerk compile for me a list of publications relating to the tariff, but will be unable to furnish me with the intelligence to digest them.

I shall not question the intelligence of the chairman of the Committee on Finance, nor shall I reply to him in kind. I appeal from him to the American people, who will not hold him guiltless for his callous and reprehensible conduct in this matter.

Mr. President, I keenly regret to feel impelled to comment in this manner upon the conduct of public business in the Senate. Not only has the chairman of the Committee on Finance not furnished the Senate "the difference in the cost of production at home and abroad;" not only has he not made a proper report to the Senate in regard to this matter; not only has he replied with satirical indifference to a respectful demand for proper information which he was charged with the duty of obtaining, but he has withheld information upon this point ob-

tained by our Department of State, through the German Government, for the express purpose of our enlightenment. He has done, Mr. President, what is infinitely more reprehensible; he has refused to the Senator of Virginia and to the other Democratic members of the Senate Finance Committee the privilege of having the same information as he himself has enjoyed by virtue of being an officer of this body; and when, Mr. President, his attention is called to this unjust and unconstitutional conduct, he justifies it by quoting from an evil precedent of Democratic origin and seemed to think he had fully answered for this breach of duty.

Mr. President, a bad Democratic precedent is no more respectable to me than a bad precedent from any other source.

The conduct of the chairman of the Committee on Finance in holding secret meetings with regard to this public matter and in giving repeated confidential audiences to the agents of monopoly, whose advice is influencing the various paragraphs of this bill in their own interests against the interests of the American people, is a bad precedent either to set or to follow, and puts the management of the Senate of the United States under the suspicion of a want of frankness and of a want of sincerity in drawing these schedules. It is of the highest national importance that the Senate of the United States and every Member of it should not only be above suspicion, but, as far as possible, beyond danger of being deceived or misled.

This evil precedent has already borne bad fruit, and the chairman of the Committee on Finance has been induced to put into this bill and to retain in this bill many so-called "jokers"—that is, words and phrases, innocent in appearance, with far-reaching consequences, favorable to the beneficiary and unfavorable to the people. These devices have already been pointed out on the floor, and I shall not pause to enumerate them. No court of justice, and no high official of government charged with a sacred trust should permit himself to conduct "star-chamber proceedings," because it is almost sure to bring upon himself the odium of suspicion and public hostility as a Member of the United States Senate.

I enter my emphatic protest against this conduct of the public business as a precedent. It should not be permitted to stand as a precedent.

The poor excuse that the Democratic Members were lately furnished with the assistance of two statisticians does not in the least degree excuse this grossly improper method of conducting the public business. These experts were not furnished until it was too late to use their services advantageously for the proper digest and amendment of this bill.

For over a year the Republican Members have given it out that they were preparing this bill, and yet with all this time they have never yet furnished either the House or Senate with "the difference in the cost of production at home and abroad" of the items in the paragraphs of the Dingley bill, which they were honor bound to do by the platform of 1904 and by the platform of 1908, which required the redrawing of these paragraphs on this precise basis.

They can furnish no explanation of this astonishing and shocking neglect of duty, except perhaps the explanation offered by the Senator from South Carolina, who humorously apologized for them—

That they could not be expected to furnish a rope with which to hang themselves.

Is it possible, Mr. President, that men of nobility and character, that Senators trusted by the people with such power, have knowingly refused to compile "the difference in the cost of production at home and abroad" on the items of the Dingley bill for our present guidance because they intended to break faith with the American people and did not dare to make the truth manifest by compiling this damning evidence of their betrayal of their party pledges?

Whatever the purpose, Mr. President, the responsible authorities of the Senate in charge of this bill have furnished everything else except the evidence in point, and have obscured the issues both in the Senate and House by many volumes of undigested and indigestible matter, as well calculated to confuse the mind of an intelligent and laborious legislator as the huge volumes of testimony bundled before the petit jury in the criminal-rich cases, for the purpose of befogging the issue and assuring a miscarriage of justice.

In answer to my resolute demand for this information, the managers of the Senate, presenting and sustaining this bill, undertook to ridicule and discourage the inquiry. The chairman of the Committee on Finance [Mr. ALDRICH] indulges in satire, evasion, and suggests a lack of intelligence in the inquiry. The Senator from New Hampshire [Mr. GALLINGER] declares the inquiry absurd. The Senator from Montana [Mr. CARTER] suggests that Senators can not expect to be fed with an intel-

lectual spoon, and so forth. And this is the utterly contemptible and pusillanimous manner in which party pledges are redeemed. This is the answer made to a respectful inquiry, why this information is not furnished as to "the difference in the cost of production at home and abroad," and why this bill is not written in the light of this evidence, as the party pledged itself to do to the American people.

Mr. President, the Republican leaders in charge of this bill occupy a position absolutely and utterly indefensible. They have boldly and openly violated the pledges of the party and have sacrificed the interests of the American people to benefit those selfish interests which are using these high schedules for the purpose of sheltering monopoly.

Mr. President, I can not help but believe that the Republican leaders, acting through the subtle influence of machine politics, have been led into a support of these high schedules without fully realizing that they are violating their party pledges, which confines them to the difference of the cost of production at home and abroad, but having made the error, defend it from false pride of opinion.

They have been, not perhaps quite hypnotized, but overwhelmed with the "power of suggestion" enveloping them and creating the atmosphere and controlling environment established by a swarm of attorneys, special pleaders, and fascinating representatives of the high-tariff beneficiaries.

They seem to have entirely lost sight of the principle of protection taught by their forefathers and defended by their own platform. This bill ought not to pass.

BECAUSE IT VIOLATES THE TRUE PRINCIPLE OF LEGITIMATE PROTECTION, WHICH DOES NOT ENGENDER OR DEFEND MONOPOLY.

This bill ought not to pass, because it violates the principle of protection from beginning to end.

Mr. President, if there is one thing that ought to be more thoroughly understood than another in this country it is—

The principle of legitimate protection.

There is not the slightest doubt about what it means from the days of Alexander Hamilton to this good day. The meaning of protection is absolutely clear to all students of economy, and that is a duty under a constitutional revenue tariff, so levied as to equal "the difference in cost of production at home and abroad," and thus enable the American manufacturer to meet on equal terms the competition of the foreign manufacturer, who enjoys cheaper labor or more favorable conditions, but not to establish monopoly by prohibitive duties.

Alexander Hamilton, in his famous report on the encouragement of manufacturers, gives the reasons for this policy. It was accepted by Washington, by Jefferson, by Madison, by Andrew Jackson, and various Democratic leaders down to the days of Samuel J. Tilden and Grover Cleveland, and has not been denied, as far as I am informed, by any great Democratic leader.

The Democratic platform of 1884 vigorously declared that in reducing the tariff the reduction—

Must be effected without depriving American labor of the ability to compete successfully with foreign labor, and without imposing lower rates of duty than will be ample to cover any increased cost of production which may exist in consequence of the higher rate of wages prevailing in this country.

And the Republican platform of 1904 says:

The measure of protection should always, at least, equal the difference in the cost of production at home and abroad.

And this doctrine is repeated again in the tariff of 1908 in the following words:

The true principle of protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad.

The Republican platform of 1908, however, adds the words:

Together with a reasonable profit to American industries.

This latter is not the doctrine of protection. It is the political wedge of monopoly. It is the latest political device of those who have been fraudulently building up monopoly under color of the doctrine of protection.

The Democrats have sincerely and justly declared "Republican protection" a fraud and the shelter of monopoly. The Republicans have unjustly and deceitfully declared the Democratic tariff for revenue to be free trade.

I shall undertake, Mr. President, to show that the tariff under the doctrine for revenue would be three times as high as a tariff drawn purely for purposes of protection under the principles laid down in the Republican platform of equaling the difference in the cost of production at home and abroad, if it were honestly drawn.

The Democratic doctrine of a tariff for revenue is not free trade or anything which approximates it. It is a tariff high enough to abundantly afford every protection to any American

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industry which it has an honest right to ask, as I shall immediately show.

The Democratic doctrine has been the correct one; that is, a tariff as low as economical government will permit, and not so low as to injure any legitimate industry established under our tariff system, contending that a tariff for revenue properly drawn will meet by incidental protection every legitimate demand.

I shall not pause to discuss the difference between the two parties. I shall content myself with showing that this bill does not conform to the principle of legitimate protection, absolute or incidental, laid down by either party, but under the pretense of protecting American labor and American capital legitimately employed it is written in such a manner as to utterly ignore the principles of protection as taught by the Republicans themselves. This will be perfectly obvious to any man who will take the schedules submitted under the head of "Estimated revenues of this bill," of April 12, 1909, showing the rates proposed by this present bill and the comparison of the rates with the Dingley bill.

THE DIFFERENCE IN THE COST OF PRODUCTION AT HOME AND ABROAD.

The cost of production depends on materials and labor.

Materials are as cheap in the markets of the world to the American as to the European, except as we tax import of raw material by our own statute. Our policy, with few exceptions, is to admit raw material free, so that the question of the relative cost of materials is of very small relative importance.

Our manufacturers get free raw materials for their export business by refund of duties paid.

Many materials are cheaper in the United States than they are abroad, except where controlled by our unrestrained monopolies.

LABOR COST.

Labor cost in wages in the protected industries, measured by efficiency and the purchasing power of wages paid to labor, is approximately the same in the United States as in Europe, except where the American wage-earner is highly organized.

1. I shall undertake to show that this is true by showing that the money paid American labor in protected industries is approximately on an average but little more than that paid in Europe.

2. That the American workman is twice as efficient, and because of efficiency is entitled to twice the wage of the European workman, and that the difference in labor cost compared to the value of the product is in favor of the American manufacturer.

3. I shall undertake to show that \$150 of wages in the United States buys only what a hundred dollars buys in Europe in manufactured goods, and for this reason the American manufacturer does not pay his labor as much in proportion to work done as the European manufacturer.

4. I shall undertake to show, finally, that the total percentage of wages to the gross product of all American manufacturers is only 17.8 per cent of the gross value of the product, and, therefore, that the difference in the cost of production in the United States and abroad must be on an average less than this percentage. If labor abroad cost half as much as in the United States, as the high protectionists pretend, then the difference in cost of production necessary to be provided for by a purely protective tariff would be less than the average of 10 per cent, while a revenue tariff would be between 30 and 40 per cent.

I shall undertake to show the bad effect of a prohibitive tariff on wages, on commerce, on distribution of wealth, and in corrupting of public and private life.

3. Effect of prohibitive tariff.

ON WAGES.

- (a) Has lowered wages relative to product.
- (b) Has lowered wages in protected industries compared to unprotected industries.
- (c) Has lowered purchasing power of wages.
- (d) Has established monopoly, and, consequently,
 1. Has prevented or obstructed the organization of labor.
 2. Restricted output and diminished demand for labor.
 3. Has substituted foreign pauper labor for American labor.
 4. Has required ruinous hours.
 5. Subjected labor to bad housing, bad water, insanitary conditions.
 6. Has increased mortality of labor.
 7. Has destroyed political liberty of its labor in large measure.
 8. Has impaired labor's commercial independence.
 9. Has appropriated all the net proceeds of labor and accumulated it in the hands of the few.

ON COMMERCE.

- (a) Has weakened our imports and exports.
- (b) Has diminished the output of smaller factories, depending for material on monopolies.

(c) Has raised prices in United States 50 per cent above the prices abroad, thus *diminishing consumption*.

1. This means a ruinous tax on the man or woman with fixed income. A man with income of \$1,500 has one-third of income confiscated by monopolies' high prices.

This affects all men with fixed income. The clerk, the servant, the government employee, the pensioner, the man receiving fixed return from investment, yields one-third of it all to monopoly.

ON DISTRIBUTION OF WEALTH.

1. It has piled up enormous wealth in few hands, which now grows with accumulating force, absorbing all *natural opportunities* of life. The oil fields, coal, ore, timber, transportation, and transmission services, municipal franchises, real estate, water powers, with the inevitable result, if not checked, of commercial mastery and commercial slavery and destruction of political independence.

2. It has *corrupted our public life*, our elections, our cities, our courts, legislatures, and executive officers, and our private citizens.

FIRST. RELATIVE LABOR COST.

Mr. President, I wish to point out the relative labor cost, because in considering this matter as a student, I have faithfully undertaken to do so. What I shall say will be as a student of this matter and not as a mere controversialist—and I defy the Committee on Finance to challenge the accuracy of the figures which I submit to the Senate—the labor cost of material is the first great factor that ought to be considered by the Senate. The percentage which labor bears to various products, as shown by our statistical tables, is carefully set forth in Exhibit 1, taken from volumes 7-10 on manufactures of our federal census.

It is true that the Census Bureau neglected to work out the percentages of labor cost, but that is a mathematical problem easy of solution, to which I have given industrious attention. I call the attention of the Senate to these percentages, which are of vital importance if this bill is to be written in a spirit of integrity. From this table it appears that labor's share of the gross product in the food industries was 5.7 per cent; in textiles, 19.5 per cent; in iron and steel, 22.19 per cent; lumber, 27.4 per cent; leather industries, 16.5 per cent; in paper and printing, 21.6 per cent; in liquors and beverages, 8.9 per cent; in chemicals and allied products, 8 per cent; clay, glass, and stone products, 37.1 per cent; in metals and metal products, 12.7 per cent; tobacco products, 18.9 per cent; for vehicles for land transportation, 34.4 per cent; in shipbuilding, 35.2 per cent; in miscellaneous industries, 19.9 per cent.

The average of wages paid to labor, compared with the gross product in the 14 great industries, therefore, is only 19.7 per cent of the gross product. And yet the leaders bring in this bill with the average three times as high as the total labor cost, and ask us, representing the people of the United States, to accept it without a murmur and without a protest. They have neglected to point out the difference of the cost of production at home and abroad. I have undertaken to do so, and to put upon the records of the Senate a lasting memorial of what this cost is, that they shall not leave this matter without explanation to the people of the United States. It shall be recorded and it is recorded by the tables which I shall immediately submit.

Mr. President, before I submit these tables, however, I wish to call attention to the report of Carroll D. Wright. I have suggested heretofore to the managers of this bill that they might consult the tables of Carroll D. Wright with advantage. He offers 446 different articles, with the total labor cost measured to the cent in each and every one of them, taking this information from the United States, from Germany, from Belgium, from England, and he verifies in these particular instances the accuracy of our general tables taken from the Census Bureau.

Obviously, the difference in the percentage which the wages of labor abroad would bear to manufactured products in like great industries will be somewhat similar to the percentage in this country. Wages are somewhat cheaper abroad in the protected industries than they are in this country, and if the average wage was only half abroad what it is at home, the difference in the cost of wages at home and abroad would not exceed 10 per cent ad valorem on the gross products of labor in all of our 14 great groups of manufacturing industries; but when it is remembered that American labor is twice as productive in this country as it is abroad, even this 10 per cent disappears. Notwithstanding this important and vital fact, the representatives of high protection continually declaim that a 50 per cent tariff is almost solely and exclusively in the interest of the

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American laborer and for the protection of the American manufacturer from bankruptcy.

THE LOWER WAGES IN EUROPE OFFSET BY GREATER EFFICIENCY OF AMERICAN LABOR.

James G. Blaine once said:

That the actual labor cost of the American product is less because the effectiveness of American labor was superior to that of the workman of any other nation on earth.

Prof. William G. Clark, indorsed as an authority by the Senator from New Hampshire [Mr. GALLINGER], in the Engineering Magazine for May, 1904, submits a table, which he bases on official data, showing the comparative productivity of American labor for the year 1900, as follows, to wit:

American, average annual output	\$2,450
Canadian, average annual output	1,455
Australian, average annual output	900
French, average annual output	640
England, average annual output	556
German, average annual output	460

I do not assert that these figures are strictly correct, but believe it will be generally conceded that the American workman has at least twice the efficiency of the European workman, because of the use of superior machinery, modern appliances, and more effective invention.

PER CENT OF WAGES TO VALUE OF PRODUCT NOT CONSIDERED IN TARIFF RATES OF PENDING BILL.

The percentage which labor receives upon the gross product in the textiles industry, for example, as compiled by our own census on manufactures, is only 19.5 per cent; and yet when the woolen schedule, for example, is examined, the present bill puts yarn, 143 per cent (par. 373); knit fabrics, 141 per cent (par. 374); plushes and other pile fabrics, 141 per cent; wool advanced in any manner beyond scouring, 140 per cent; woolen cloths or worsted, 134 per cent (par. 374); blankets, 107 per cent; flannels for underwear, 143 per cent; dress goods, coat linings, and so forth, 105 per cent (par. 376); felts, not woven, 95 per cent; wearing apparel, clothes, dolman, jackets, ulsters, and so forth, for ladies and children, 80 per cent; hats of wool, 92 per cent; shawls, 92 per cent; woolen carpets, 114 per cent (par. 389).

Grossly violating the principle of protection, even from the Republican standpoint, and even in cotton cloth, which is particularly needed by our poorest people, cotton carpets are taxed 50 per cent (par. 389). Cotton cloth, 42 per cent, and as high as 61 per cent for different kinds of cotton cloth; cotton handkerchiefs, 55 per cent; cotton sleeve linings, 58 per cent.

Mr. President, the cost of labor in transforming wool and cotton into cloth is small. It does not exceed an average of 25 per cent, and in England it is slightly more than in the United States, because the labor there is not so efficient as in the United States; and the difference in the cost of production at home and abroad as far as the labor cost in cotton and woolen cloth is concerned is almost a negligible quantity.

It will not do, Mr. President, to attempt to deceive anyone by pretending that the difference in cost of production of items on this bill at home and abroad is not available, or that it would take years to compile it, as the managers of this bill have asserted on the floor of the Senate during this debate. It is available, and it has been collected on many sample products.

I had the honor to submit to the Senate, during the present session, the report of Carroll D. Wright, Commissioner of Labor, of 1898, who carefully examined into this question of costs, giving the precise amounts of costs in 446 instances. And in regard to woolen goods he shows that No. 1 woolen yarn can be made at a labor cost of 5.44 per cent of the finished product (S. Doc. 20, 55th Cong., 3d sess., p. 84); that woolen yarn No. 2 could be made with a labor cost of 4.74 per cent of the finished product; that woolen yarn No. 3 could be made for 7.11 per cent of the finished product; that woolen yarn No. 4 could be made for 6.49 per cent of the finished product; that woolen yarn No. 5 could be made at a cost of 7.71 per cent of the finished product; that woolen yarn No. 6 could be made at a labor cost of 9.29 per cent of the finished product; and including the entire cost of labor in transformation materials, which are shown in No. 426, that woolen cloth in the United States, 55 inches wide, 24 ounces to the yard, can be made at a labor cost of 16.44 per cent of the finished product.

But the Committee on Finance approve a rate of 143 per cent on woolen yarn.

Mr. President, if I should point out all of such inequalities between the cost of production at home and abroad and the rates fixed by this bill, with its 4,000 items, it would require a volume and many days of time. I therefore content myself with a complete demonstration of the general character of this bill in its indifference to the principles of protection as laid

down in the Republican platform, and will then proceed with other considerations.

I take a few items from Carroll D. Wright's report, giving the cost of labor in transforming wool into blankets in the United States, compiled by him under the instructions of the Senate ten years ago, and of woolen cloth.

He explains that this work was obtained directly from the manufacturers by the Department of Labor, using "experts from the department, detailed for that purpose."

He shows the total cost of labor in blankets, cloth, and woolen yarns to be from 5 per cent to 30 per cent.

[From report of Carroll D. Wright, Commissioner of Labor, 1898, by experts on cost, in answer to Senate resolution.]

Woolen goods.

No. 390.—Blankets: United States; 1897; unit, 1 pound. White; best grade; all wool; warp, 16 cut; filling, 10 cut; 46 threads of warp and 38 picks of filling per inch; size, 72x80 inches; weight, 6 pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.145	15.56
Cost of materials and all other items except labor .....	.787	84.44
Total cost .....	.932	100.00

No. 391.—Blankets: United States; 1897; unit, 1 pound. White; navy; all wool; warp, 7½ cut; filling, 6½ cut; 24 threads of warp and 24 picks of filling per inch; size, 58x78 inches; weight, 3½ pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.0978	15.28
Cost of materials and all other items except labor .....	.5422	84.72
Total cost .....	.6400	100.00

No. 392.—Blankets: United States; 1897; unit, 1 pound. White; medium grade; all wool; same general description as product No. 390, but made of cheaper quality wool.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.13	18.57
Cost of materials and all other items except labor .....	.57	81.43
Total cost .....	.70	100.00

No. 393.—Blankets: United States; 1897; unit, 1 pound. All wool; warp, 11 cut; filling, 9 cut; 23½ threads of warp and 27 picks of filling per inch; size, 58x76 inches; weight, 2 pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.1417	31.40
Cost of materials and all other items except labor .....	.3096	68.60
Total cost .....	.4513	100.00

No. 394.—Blankets: United States; 1897; unit, 1 pound. White; best grade; cotton warp and wool filling; warp, No. 16; filling, 10 cut; 52 threads of warp and 42 picks of filling per inch; size, 60x72 inches; weight, 5 pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.125	15.76
Cost of materials and all other items except labor .....	.688	84.24
Total cost .....	.793	100.00

No. 395.—Blankets: United States; 1897; unit, 1 pound. White; mixed cotton and wool; warp, 10 cut; filling, 10 cut; 36 threads of warp and 36 picks of filling per inch; size, 60x72 inches; weight, 5 pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.135	16.71
Cost of materials and all other items except labor .....	.673	83.29
Total cost .....	.808	100.00

Woolen goods—Continued.

No. 392.—Blankets: United States; 1897; unit, 1 pound. White; medium grade; all wool; same general description as product No. 390, but made of cheaper quality wool.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.13	18.57
Cost of materials and all other items except labor .....	.57	81.43
Total cost .....	.70	100.00

No. 393.—Blankets: United States; 1897; unit, 1 pound. All wool; warps, 11 cut; filling, 9 cut; 23½ threads of warp and 27 picks of filling per inch; size 58x76 inches; weight, 2 pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.1417	31.40
Cost of materials and all other items except labor .....	.3096	68.60
Total cost .....	.4513	100.00

No. 394.—Blankets: United States; 1897; unit, 1 pound. White; best grade; cotton warp and wool filling; warp No. 16; filling, 10 cut; 52 threads of warp and 42 picks of filling per inch; size, 60x72 inches; weight, 5 pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.125	15.76
Cost of materials and all other items except labor .....	.668	84.24
Total cost .....	.793	100.00

No. 400.—Blankets: United States; 1897; unit, 1 pound. Horse; medium grade; all wool; warp and filling, both 5-cut; 22 threads of warp and 22 picks of filling per inch; size, 84x90 inches; weight, 7 pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.0850	19.07
Cost of materials and all other items except labor .....	.3607	80.93
Total cost .....	.4457	100.00

No. 401.—Blankets: United States; 1897; unit, 1 pound. Horse; plaid; all wool; warp and filling, both 4½-cut; 21½ threads of warp and 17 picks of filling per inch; size, 78x80 inches; weight, 5 pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.1000	21.42
Cost of materials and all other items except labor .....	.3669	78.58
Total cost .....	.4669	100.00

No. 402.—Blankets: United States; 1897; unit, 1 pound. Horse; low grade; mixed wool and cotton; warp and filling, both 4-cut; 20 threads of warp and 20 picks of filling per inch; size, 84x90 inches; weight, 7 pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.0550	32.03
Cost of materials and all other items except labor .....	.1164	67.91
Total cost .....	.1714	100.00

No. 403.—Blankets: United States; 1897; unit, 1 pound. Horse; blue; cotton warp and wool filling; warp, No. 10; filling, 4-cut; 32½ threads of warp and 48 picks of filling per inch; size, 84x90 inches; weight, 7 pounds.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.0714	24.43
Cost of materials and all other items except labor .....	.2299	75.57
Total cost .....	.2923	100.00

Woolen goods—Continued.

No. 404.—*Blankets*: Belgium; 1897; unit, 1 pound. White; all wool; medium quality.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.0525	14.99
Cost of materials and all other items except labor .....	.2977	85.01
Total cost .....	.3502	100.00

No. 405.—*Cloth*: United States; March, 1898; unit, 1 yard. Beaver; 54 inches wide; weight, 29 ounces per yard; warp yarn, No. 16 colored cotton; weft yarn, $\frac{3}{8}$ of 2 $\frac{1}{4}$ run and $\frac{1}{8}$ of 1 run shoddy; 85 ends of warp and 62 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.240	28.26
Cost of materials and all other items except labor .....	.611	71.80
Total cost .....	.851	100.00

No. 406.—*Cloth*: United States; March, 1898; unit, 1 yard. Cassimere; 54 inches wide; weight, 20 $\frac{1}{2}$ ounces per yard; warp yarn, 2 $\frac{1}{4}$ run; weft yarn, 2 $\frac{3}{8}$ run; 50 ends of warp and 36 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.20	23.81
Cost of materials and all other items except labor .....	.64	76.19
Total cost .....	.84	100.00

No. 407.—*Cloth*: United States; March, 1898; unit, 1 yard. Cassimere; 54 inches wide; weight, 22 ounces per yard; warp yarn, 2 run; weft yarn, 2 $\frac{1}{4}$ run; 50 ends of warp and 36 picks of filling per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.2100	23.80
Cost of materials and all other items except labor .....	.6725	76.20
Total cost .....	.8825	100.00

No. 408.—*Cloth*: United States; 1897; unit, 1 yard. Cassimere; 54 inches wide; weight, 26 ounces per yard; warp yarn, 4-run; weft yarn, 5-run; 75 ends of warp and 64 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.3654	28.31
Cost of materials and all other items except labor .....	.9252	71.69
Total cost	1.2906	100.00

No. 409.—*Cloth*: United States; 1897; unit, 1 yard. Cassimere; 54 inches wide; weight, 20 ounces per yard; warp yarn, 4-run; weft yarn, 5-run; 60 ends of warp and 52 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.2801	28.09
Cost of materials and all other items except labor .....	.7172	71.91
Total cost .....	.9973	100.00

No. 410.—*Cloth*: United States; 1897; unit, 1 yard. Cassimere; 55 inches wide; weight, 22 ounces per yard; 4 $\frac{1}{2}$ -run yarn, single, double, and twisted, is used in both warp and weft; 38 ends of warp and 38 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.2163	17.30
Cost of materials and all other items except labor	1.0937	82.70
Total cost	1.2500	100.00

Woolen goods—Continued.

No. 411.—*Cloth*: United States; November, 1897; unit, 1 yard. *Cheviot*; 56 inches wide; weight, 32 ounces per yard; warp yarn, 2-ply No. 24 worsted face and 2 $\frac{1}{4}$ -run wool; back weft yarn, 2 $\frac{3}{8}$ -run face and 2-run back; 86 ends of warp and 60 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.42	28.00
Cost of materials and all other items except labor	1.08	72.00
Total cost	1.50	100.00

No. 412.—*Cloth*: United States; November, 1897; unit, 1 yard. *Cheviot*; 55 inches wide; weight, 28 ounces per yard; 1 $\frac{1}{2}$ -run yarn used in both warp and weft; 38 ends of warp and 32 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.22	22.45
Cost of materials and all other items except labor .....	.76	77.55
Total cost .....	.98	100.00

No. 413.—*Cloth*: United States; 1897; unit, 1 yard. *Cheviot*; half shoddy; 56 inches wide; weight, 22 ounces per yard; 1 $\frac{1}{2}$ -run yarn is used in both warp and weft; 28 ends of warp and 28 ends of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.15	28.30
Cost of materials and all other items except labor .....	.38	71.70
Total cost .....	.53	100.00

No. 414.—*Cloth*: United States; November, 1897; unit, 1 yard. *Cheviot*; piece dyed; 55 inches wide; weight, 20 ounces per yard; 2 threads of 3 $\frac{3}{8}$ runs each, doubled and twisted, used in both warp and weft; 40 ends of warp and 30 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.1688	22.51
Cost of materials and all other items except labor .....	.5812	77.49
Total cost .....	.7500	100.00

No. 415.—*Cloth*: United States; 1897; unit, 1 yard. *Kersey*; high grade; finely finished; 55 inches wide; weight, 20 ounces per yard; 4 $\frac{1}{2}$ -run yarn is used in both warp and weft; 48 ends of warp and 48 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.54	30.86
Cost of materials and all other items except labor	1.21	69.14
Total cost	1.75	100.00

No. 416.—*Cloth*: United States; November, 1897; unit, 1 yard. *Kersey*; 55 inches wide; weight, 27 ounces per yard; warp yarn, 4 run; weft yarn, 4 $\frac{1}{2}$ -run face and 2-run back; 76 ends of warp and 60 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.38	31.93
Cost of materials and all other items except labor .....	.81	68.07
Total cost	1.19	100.00

No. 417.—*Cloth*: United States; November, 1897; unit, 1 yard. *Kersey*; piece dyed; 55 inches wide; weight, 32 ounces per yard; warp yarn, $\frac{3}{8}$ of 7 run and $\frac{1}{8}$ of 2 $\frac{3}{8}$ run; weft yarn, $\frac{3}{8}$ of 5 run and $\frac{1}{8}$ of 2 $\frac{1}{2}$ run; 88 ends of warp and 66 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.4202	22.47
Cost of materials and all other items except labor	1.4498	77.53
Total cost	1.8700	100.00

Woolen goods—Continued.

No. 418.—*Cloth*: United States; 1897; unit, 1 yard.
Kersey; one-third shoddy; 56 inches wide; weight, 28 ounces per yard; warp yarn, 20 ends of 3½ run and 20 ends of 1½ run per inch; weft yarn, 2 run; 40 ends of warp and 40 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.288	25.09
Cost of materials and all other items except labor .....	.860	74.91
Total cost	1.148	100.00

No. 419.—*Cloth*: United States; November, 1897; unit, 1 yard.
Kersey; half shoddy; piece dyed; 55 inches wide; weight, 32 ounces per yard; warp yarn, ¾ of 3 run and ¾ of 1 run; weft yarn, 2½ run; 54 ends of warp and 40 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.2388	28.09
Cost of materials and all other items except labor .....	.6112	71.91
Total cost .....	.8500	100.00

No. 420.—*Cloth*: United States; November, 1897; unit, 1 yard.
Frieze; 55 inches wide; weight, 32 ounces per yard; warp yarn, 3½ run; weft yarn, 1½ run; 44 ends of warp and 44 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.26	25.49
Cost of materials and all other items except labor .....	.76	74.51
Total cost	1.02	100.00

No. 421.—*Cloth*: United States; 1897; unit, 1 yard.
Melton; 54 inches wide; weight, 28 ounces per yard; warp yarn, 3 run; weft yarn, 3½ run; 58 ends of warp and 54 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.2549	25.67
Cost of materials and all other items except labor .....	.7381	74.33
Total cost .....	.9930	100.00

No. 422.—*Cloth*: United States; November, 1897; unit, 1 yard.
Thibet; 55 inches wide; weight, 23 ounces per yard; 3½ run yarn used in both warp and weft; 95 ends of warp and 46 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.32	28.57
Cost of materials and all other items except labor .....	.80	71.43
Total cost	1.12	100.00

No. 423.—*Cloth*: United States; November, 1897; unit, 1 yard.
Thibet; piece dyed; 55 inches wide; weight, 22 ounces per yard; warp yarn, 5 run; weft yarn, 1½ run; 46 ends of warp and 32 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.1825	28.08
Cost of materials and all other items except labor .....	.4675	71.92
Total cost .....	.6500	100.00

No. 424.—*Cloth*: United States; November, 1897; unit, 1 yard.
Tricot; piece dyed; 32 inches wide; weight, 3¼ ounces per yard; 6½ run yarn used in both warp and weft; 35 ends of warp and 26 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.035	25.00
Cost of materials and all other items except labor .....	.105	75.00
Total cost .....	.140	100.00

Woolen goods—Continued.

No. 425.—*Cloth*: United States; November, 1897; unit, 1 yard.
Whip cord; 55 inches wide; weight, 22 ounces per yard; warp yarn, 5½ run and 9 run, twisted; weft yarn, 4 run; 98 ends of warp and 40 picks of weft per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.38	24.36
Cost of materials and all other items except labor	1.18	75.64
Total cost	1.56	100.00

No. 426.—*Cloth*: United States; November, 1897; unit, 1 yard.
Woolen cloth; 55 inches wide; weight, 23 to 24 ounces per yard; warp yarn, 2-ply 3½ run wool; weft yarn, 2-ply ½ worsted; 30 picks per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.24	16.44
Cost of materials and all other items except labor	1.22	83.56
Total cost	1.46	100.00

No. 427.—*Cloth*: Great Britain; 1897; unit, 1 yard.
Cheviot; 54 inches wide; worsted warp and woolen weft; warp 2 fold No. 10 worsted; weft No. 9½ and No. 30 twist; 20 picks per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.2233	29.45
Cost of materials and all other items except labor .....	.5349	70.55
Total cost .....	.7582	100.00

No. 428.—*Cloth*: Great Britain; 1897; unit, 1 yard.
Melton; 54 inches wide; woolen warp and weft; warp No. 12; weft No. 12; 32 picks per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.2026	29.89
Cost of materials and all other items except labor .....	.4752	70.11
Total cost .....	.6778	100.00

No. 429.—*Cloth*: Great Britain; 1897; unit, 1 yard.
Undress worsted; 56 inches wide; woolen warp and weft; warp No. 18; weft No. 18; 50 picks per inch.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.2407	25.15
Cost of materials and all other items except labor .....	.7162	74.85
Total cost .....	.9569	100.00

No. 430.—*Woolen yarn*: United States; 1897-98; unit, 1 pound.
 No. 1 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.0260	5.44
Cost of materials and all other items except labor .....	.4522	94.56
Total cost .....	.4782	100.00

No. 431.—*Woolen yarn*: United States; December, 1897; unit, 1 pound.
 No. 2 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.0287	4.74
Cost of materials and all other items except labor .....	.5773	95.26
Total cost .....	.6060	100.00

No. 432.—*Woolen yarn*: United States; November, 1897; unit, 1 pound.
 No. 2 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials	\$0.0800	21.82
Cost of materials and all other items except labor .....	.2866	78.18
Total cost .....	.3666	100.00

Woolen goods—Continued.

No. 433.—Woolen yarn: United States; 1897-98; unit, 1 pound.
No. 3 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials.....	\$0.0382	7.11
Cost of materials and all other items except labor.....	.4987	92.89
Total cost.....	.5369	100.00

No. 434.—Woolen yarn: United States; December, 1897; unit, 1 pound.
No. 3 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials.....	\$0.0337	5.50
Cost of materials and all other items except labor.....	.5788	94.50
Total cost.....	.6125	100.00

No. 435.—Woolen yarn: United States; November, 1897; unit, 1 pound.
No. 3½ yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials.....	\$0.1000	23.12
Cost of materials and all other items except labor.....	.3325	76.88
Total cost.....	.4325	100.00

No. 436.—Woolen yarn: United States; December, 1897; unit, 1 pound.
No. 4 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials.....	\$0.0412	6.49
Cost of materials and all other items except labor.....	.5938	93.51
Total cost.....	.6350	100.00

No. 437.—Woolen yarn: United States; 1897-98; unit, 1 pound.
No. 5 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials.....	\$0.0640	10.48
Cost of materials and all other items except labor.....	.5469	89.52
Total cost.....	.6109	100.00

No. 438.—Woolen yarn: United States; December, 1897; unit, 1 pound.
No. 5 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials.....	\$0.0512	7.71
Cost of materials and all other items except labor.....	.6133	92.29
Total cost.....	.6645	100.00

No. 439.—Woolen yarn: United States; November, 1897; unit, 1 pound.
No. 5½ yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials.....	\$0.1200	22.37
Cost of materials and all other items except labor.....	.4165	77.63
Total cost.....	.5365	100.00

No. 440.—Woolen yarn: United States; 1897-98; unit, 1 pound.
No. 6 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials.....	\$0.0742	11.88
Cost of materials and all other items except labor.....	.5505	88.12
Total cost.....	.6247	100.00

Woolen goods—Continued.

No. 441.—Woolen yarn: United States; December, 1897; unit, 1 pound.
No. 6 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials.....	\$0.0637	9.29
Cost of materials and all other items except labor.....	.6218	90.71
Total cost.....	.6855	100.00

No. 442.—Woolen yarn: United States; 1897-98; unit, 1 pound.

	Amount.	Per cent of total.
Cost of labor in transforming materials.....	\$0.0941	13.51
Cost of materials and all other items except labor.....	.6025	86.49
Total cost.....	.6966	100.00

No. 443.—Woolen yarn: United States; November, 1897; unit, 1 pound.
No. 9 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials.....	\$0.1500	19.85
Cost of materials and all other items except labor.....	.6055	80.15
Total cost.....	.7555	100.00

No. 8 yarn.
No. 444.—Woolen yarn: United States; 1897-98; unit, 1 pound.
No. 10 yarn.

	Amount.	Per cent of total.
Cost of labor in transforming materials.....	\$0.1085	14.65
Cost of materials and all other items except labor.....	.6322	85.35
Total cost.....	.7407	100.00

No. 445.—Woolen yarn: Belgium; 1897; unit, 1 pound.

	Amount.	Per cent of total.
Cost of labor in transforming materials.....	\$0.0700	26.66
Cost of materials and all other items except labor.....	.1926	73.34
Total cost.....	.2626	100.00

No. 446.—Woolen yarn: Belgium; 1897; unit, 1 pound.

	Amount.	Per cent of total.
Cost of labor in transforming materials.....	\$0.0306	11.65
Cost of materials and all other items except labor.....	.2320	88.35
Total cost.....	.2626	100.00

CENSUS TABLES, SHOWING PERCENTAGE OF LABOR TO VALUE OF PRODUCT IN COST OF PRODUCTION.

Mr. OWEN. Mr. President, I submit the following tables, taken from Table 156 of the Abstract of the Census of 1900, relative to 15 groups of industries. While these tables can not be called microscopically exact, they certainly comprise the best evidence available to show the relative return to labor and to capital affected by the tariff, and in so far as they lack precision are more favorable to capital than to labor, because these figures were obtained from the reports of manufacturing establishments controlled by capital, and the evidences, therefore, are out of the mouths of the manufacturers themselves, but are based on watered stocks, and cover returns to capital contained in salaries and miscellaneous items which can not be determined.

These tables which I shall submit will show the capital alleged to be invested in 1890, 1900, and 1905, with the expenses, including salaries of officers, amounts paid in wages, amounts paid under the head of "Miscellaneous," and the amount paid for "materials," with the value of the product and the profit, showing the percentage of profit to capital and the percentage paid to labor out of the proceeds of labor, and the percentage of wages to the increase of value by manufacture.

I have been compelled to make these compilations, and am indebted for the calculations to Mr. Josiah H. Shinn, of Washing-

ton, a statistical expert of high standing, and to Mr. J. J. McCoy, Actuary of the United States Treasury. The Census Bureau neglected to point out in its tables the comparative reward of capital and labor, and I have done so, in order to show the truth with regard to it.

Neither the Committee on Finance nor the Committee on Ways and Means in the House has seen fit to furnish this information to the country, and yet only in this direction and by like methods and tables can be determined "the difference in cost of labor or of production at home and abroad" on which this tariff bill is falsely pretended to be drawn.

The percentage of labor is worked out in every one of the great tables affecting the 14 groups of industries in the United States from details gathered with infinite care from the manufacturer himself, and are therefore as favorable to him as they might naturally be expected to be. A very interesting ratio of the relative wages is found in these tables; that is to say, that under this high prohibitive tariff, engendering monopolies, the result has followed which might be expected to follow—that labor continually receives a diminishing share of that which it produces. For instance, taking the textile industry, in 1890 labor received 22 per cent of the gross product; in 1902 it received 20.8 per cent of the gross product; and in 1905 it received 19.5 per cent. So it will be found all through these tables that the monopolies which have been built up upon these tariffs have gradually diminished the part which labor receives.

Look at these wonderful tables, showing the profits of the various manufacturers of the country by groups of industries. Remember the enormous stock-watering operations shown by Moody's Manual and by Poor's Manual and the corporation statistics of the last fifteen years, and then consider what it means when this watered capital on food products pays 16.4 per cent interest, with a fairly estimated profit, considering water, of 32 per cent; on textiles, of 12 per cent, which fairly estimated profit of 24 per cent; on iron and steel, of 10.6 per cent, which would be probably 30 per cent; on lumber, of 18.7 per cent, and probably of nearly 50 per cent; on the industries of leather, 13.5 per cent, when it should be at least three times that; and so all through the list.

These monopolies are shown to have the certain enormous rates of profits which these tables point out. These tables necessarily include a multitude of companies whose profits are reasonable and just in every respect, who are not monopolists, who are doing business on a fair competitive market, so that the profits of monopoly are the special profits which swell this total to a high figure, and which stand above, and far above, the averages which are given. When there is also taken into consideration the fact that on a physical valuation they would not have probably one-third of the capital invested which they pretend to have by their capital stock; when it is remembered that under the head of salaries and miscellaneous expenses and other artful methods of bookkeeping the earnings of these monopolies are being secretly used and concealed and being invested in various forms of property, it is no exaggeration to say that the earnings on physical valuation are probably three times what they appear to be on the face of the census reports.

Mr. President, I call the attention of Senators in considering these tables and invite them to remember that since 1890 the United States has gone through the most remarkable stock-watering operation that the civilized world has ever seen. And the earning power of labor and of public franchises has been capitalized in a multitude of monopolies, which have been established by combining competing enterprises into single companies, so that, while the capital of 1890 was in a large measure watered stock, it is probably no exaggeration to say that the capital of 1905 will average probably 66 per cent of "water;" so that when you consider the percentage of profit on the capital in these tables it should be at least doubled and should be probably trebled to give a fair estimate.

Another item which should be kept in mind is that the men who control corporate organizations can allow themselves such enormous rewards under the head of salaries that this item is also an important additional item in favor of capital. With this explanation, it will be seen that labor's share of the return of the work done in this aggregate group of all the great industries relating to manufactured products is very small and, after supplying the necessities of life, leaves labor no surplus; the profit of capital, confessedly, is 16.4 per cent.

Now, Mr. President, I submit a tabulated abstract showing the profits of capital conceded; also a table of estimated profits and a table of probable profits in the 14 great groups of our national industries.

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THE MEANING OF WORDS USED IN THE TABLES.

Salaries.—Covers the salaries of officials, salesmen, bookkeepers, clerks, stenographers; in some cases, superintendents and foremen.

Wages.—The word "wages" means the wages of workmen.

Miscellaneous.—Means (see Special Report of Census, Manufactures, vol. 1, 1905, p. xcix):

1. Amount paid for rent of factory or works.
2. Amount paid for taxes, not including internal revenue.
3. Amount paid for rent of offices and buildings other than factory or works, and for interest, insurance, internal-revenue tax, ordinary repairs of buildings and machinery, advertising, traveling expenses, and all other sundry expenses not reported under the head of "Materials."

Materials.—The word "materials," page ci, means:

1. Cost of components of the product.
2. Cost of fuel, oil, and waste.
3. Packing boxes, and materials to make them.
4. Wrapping paper.
5. Freights paid by the manufacturers.
6. Rent of power and heat.

The salaried officials include the administration force, whether of sales, manufacturing, purchasing, advertising, or mail orders (p. lxxiv).

See Exhibit I.

EXHIBIT I.

Summary of manufactures by fourteen groups of industries.

[Special Census Report, Manufactures, pt. 1, 1905, p. 28 et seq.; Twelfth Census, 1900, Manufactures, pt. 1, p. 20 et seq., and pp. cxliv and cxlv; with special calculations by Josiah H. Shinn and J. J. McCoy, actuary of United States Treasury.]

	1905.	1900.	1890.
1. Food-products industries:			
Capital.....	\$1,173,151,276	\$940,889,838	\$507,678,328
Expenses—			
Officers.....	\$51,459,814	\$39,313,664	\$33,313,664
Wages.....	\$164,601,813	\$129,910,070	\$90,373,450
Miscellaneous.....	\$131,773,642	\$77,936,185	\$52,936,982
Materials.....	\$2,304,416,564	\$1,839,256,143	\$1,318,963,830
Total.....	\$2,652,248,833	\$2,086,466,062	\$1,495,557,926
Profit.....	\$192,936,067	\$191,235,948	\$140,609,265
Gross product.....	\$2,845,234,900	\$2,277,702,010	\$1,636,197,191
Per cent profit on capital stock.....	16.4	20	27.6
Labor's share of gross product, per cent.....	5.7	5.7	5.5
Value of gross output.....	\$2,845,234,900	\$2,277,702,010	\$1,636,197,191
Cost of materials.....	\$2,304,416,564	\$1,839,256,143	\$1,318,963,830
Increase in value.....	\$540,818,336	\$438,445,867	\$317,233,361
Cost of labor.....	\$164,601,813	\$129,910,070	\$90,373,450
Per cent of cost of labor to increase in value.....	30.4	33.7	35.1
2. Textile industries:			
Capital.....	\$1,744,169,234	\$1,366,604,058	\$1,008,050,268
Expenses—			
Officers.....	\$69,281,415	\$49,982,357	\$35,496,483
Wages.....	\$419,841,639	\$341,734,399	\$278,167,769
Miscellaneous.....	\$199,066,264	\$128,481,214	\$78,404,675
Materials.....	\$1,246,562,061	\$895,984,796	\$705,004,909
Total.....	\$1,934,751,379	\$1,416,182,766	\$1,097,073,839
Profit.....	\$212,690,048	\$221,301,718	\$164,598,665
Gross product.....	\$2,147,441,418	\$1,637,484,484	\$1,261,672,504
Per cent profit on capital stock.....	12	16.1	16.3
Labor's share of gross product, per cent.....	19.5	20.8	22
Value of gross output.....	\$2,147,441,418	\$1,637,484,484	\$1,261,672,504
Cost of materials.....	\$1,246,562,061	\$895,984,796	\$705,004,909
Increase in value.....	\$300,879,258	\$741,499,638	\$556,067,595
Cost of labor.....	\$419,841,639	\$341,734,399	\$278,167,769
Per cent of cost of labor to increase in value.....	46.6	46.1	50
3. Iron and steel industries:			
Capital.....	\$2,331,498,157	\$1,528,979,076	\$607,872,488
Expenses—			
Officers.....	\$100,444,683	\$58,090,781	\$36,583,536
Wages.....	\$482,357,503	\$351,875,499	\$285,351,714
Miscellaneous.....	\$166,896,587	\$91,492,127	\$57,694,853
Materials.....	\$1,179,981,458	\$867,198,370	\$617,554,226
Total.....	\$1,929,680,234	\$1,518,656,777	\$997,184,329
Profit.....	\$247,059,492	\$274,834,131	\$146,872,208
Gross product.....	\$2,176,739,726	\$1,793,490,908	\$1,144,056,537
Per cent profit on capital stock.....	10.6	17.9	14.7
Labor's share of gross product, per cent.....	22.10	21.2	24.9

Summary of manufactures by fourteen groups of industries—Continued.

	1905.	1900.	1890.
3. Iron and steel industries—Continued.			
Value of gross output.....	\$2,176,739,726	\$1,793,490,908	\$1,144,056,537
Cost of materials.....	\$1,179,981,453	\$987,198,370	\$617,554,226
Increase in value.....	\$996,758,263	\$806,292,538	\$526,502,311
Cost of labor.....	\$482,357,503		
Per cent of cost of labor to increase in value.....	48.5	45	46
4. Lumber industries:			
Capital.....	\$1,013,827,138	\$946,116,515	\$844,418,472
Expenses—			
Officers.....	\$48,571,861	\$28,982,927	\$30,863,184
Wages.....	\$336,058,173	\$212,201,768	\$201,558,706
Miscellaneous.....	\$130,850,824	\$42,142,321	\$45,510,782
Materials.....	\$518,908,150	\$561,501,302	\$462,658,350
Total.....	\$1,034,389,008	\$844,828,318	\$740,591,022
Profit.....	\$189,341,328	\$186,078,261	\$137,363,898
Gross product.....	\$1,223,730,336	\$1,030,906,579	\$777,954,920
Per cent profit on capital stock.....	18.7	19.6	16.2
Labor's share of gross product, per cent.....	27.4	20.6	22.9
Value of gross output.....	\$1,223,730,336	\$1,030,906,579	\$777,954,920
Cost of materials.....	\$518,908,150	\$561,501,302	\$462,658,350
Increase in value.....	\$704,822,186	\$469,405,277	\$415,296,570
Cost of labor.....	\$336,058,173	\$212,201,768	\$201,558,706
Per cent of cost of labor to increase in value.....	47.7	45.2	48.5
5. Leather industries:			
Capital.....	\$440,777,194	\$343,600,513	\$246,795,713
Expenses—			
Officers.....	\$18,372,722	\$14,186,000	\$15,348,267
Wages.....	\$116,604,140	\$99,759,885	\$98,432,593
Miscellaneous.....	\$40,737,343	\$22,042,594	\$18,587,831
Materials.....	\$471,112,921	\$395,551,232	\$294,446,011
Total.....	\$846,917,126	\$532,440,401	\$426,814,702
Profit.....	\$58,830,344	\$51,290,645	\$60,741,323
Gross product.....	\$705,747,470	\$583,731,046	\$487,556,030
Per cent profit on capital stock.....	13.3	14.9	24.6
Labor's share of gross product, per cent.....	16.5	16.9	20.1
Value of gross output.....	\$705,747,470	\$583,731,046	\$487,556,030
Cost of materials.....	\$471,112,921	\$395,551,232	\$294,446,011
Increase in value.....	\$234,634,549	\$188,179,814	\$193,110,019
Cost of labor.....	\$116,694,140	\$99,759,885	\$98,432,593
Per cent of cost of labor to increase in value.....	49.7	53	51
6. Paper and printing:			
Capital.....	\$798,758,312	\$557,610,887	\$344,003,723
Expenses—			
Officers.....	\$81,808,311	\$48,974,138	\$34,625,986
Wages.....	\$185,547,791	\$140,092,453	\$117,611,864
Miscellaneous.....	\$138,245,437	\$76,069,663	\$59,524,277
Materials.....	\$808,209,655	\$214,158,423	\$149,597,579
Total.....	\$713,811,194	\$479,294,077	\$361,359,706
Profit.....	\$143,301,062	\$127,023,091	\$84,227,724
Gross product.....	\$857,112,256	\$606,317,768	\$445,587,430
Per cent profit on capital stock.....	17.9	22.7	24.4
Labor's share of gross product, per cent.....	21.6	23.1	26.5
Value of gross output.....	\$857,112,256	\$606,317,768	\$445,587,430
Cost of materials.....	\$308,209,655	\$214,158,423	\$149,597,579
Increase in value.....	\$548,902,601	\$392,159,345	\$295,989,851
Cost of labor.....	\$185,547,791	\$140,092,453	\$117,611,864
Per cent of cost of labor to increase in value.....	33.8	35.7	39.7
7. Liquors and beverages:			
Capital.....	\$659,547,620	\$534,101,049	\$310,002,635
Expenses—			
Officers.....	\$21,421,353	\$16,893,405	\$11,118,673
Wages.....	\$45,146,285	\$36,946,557	\$29,140,916
Miscellaneous.....	\$223,446,420	\$188,754,887	\$117,046,590
Materials.....	\$139,554,147	\$122,218,073	\$109,830,410
Total.....	\$429,868,205	\$364,812,422	\$267,136,589
Profit.....	\$71,308,400	\$90,691,745	\$74,018,772
Gross product.....	\$501,206,605	\$425,504,167	\$341,155,861
Per cent profit on capital stock.....	10.8	11.3	23.8
Labor's share of gross product, per cent.....	8.9	8.6	8.5
Value of gross output.....	\$501,206,605	\$425,504,167	\$341,155,861
Cost of materials.....	\$139,554,147	\$122,218,073	\$109,830,410
Increase in value.....	\$361,412,458	\$293,286,094	\$231,324,951
Cost of labor.....	\$45,146,285	\$36,946,557	\$29,140,916
Per cent of cost of labor to increase in value.....	12.5	12.2	12.6

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Summary of manufactures by fourteen groups of industries—Continued.

	1905.	1900.	1890.
8. Chemicals and allied products:			
Capital.....	\$1,504,728,510	\$498,390,219	\$322,543,674
Expenses—			
Officers.....	\$49,864,233	\$26,335,164	\$14,171,587
Wages.....	\$63,965,248	\$43,870,602	\$33,872,540
Miscellaneous.....	\$128,879,323	\$49,825,945	\$29,508,992
Materials.....	\$609,351,160	\$356,192,334	\$239,915,794
Total.....	\$852,059,964	\$476,224,045	\$317,468,913
Profit.....	\$149,905,209	\$76,667,832	\$82,587,534
Gross product.....	\$1,031,965,263	\$552,891,877	\$380,056,497
Per cent profit on capital stock.....	9.9	15.3	19.4
Labor's share of gross product, per cent.....	8	7.9	8.9
Value of gross output.....	\$1,031,965,263	\$552,891,877	\$380,056,497
Cost of materials.....	\$609,351,160	\$356,192,334	\$239,915,794
Increase in value.....	\$422,614,103	\$196,699,543	\$140,140,703
Cost of labor.....	\$63,965,248	\$43,870,602	\$33,872,540
Per cent of cost of labor to increase in value.....	22.2	22.3	24.2
9. Clay, glass, and stone products:			
Capital.....	\$553,846,682	\$350,902,367	\$217,883,297
Expenses—			
Officers.....	\$21,555,724	\$13,718,966	\$11,370,622
Wages.....	\$148,471,903	\$109,022,582	\$90,541,771
Miscellaneous.....	\$37,822,036	\$19,185,657	\$14,094,740
Materials.....	\$123,124,392	\$94,615,281	\$68,990,146
Total.....	\$330,974,055	\$236,542,486	\$184,997,279
Profit.....	\$60,256,367	\$57,021,749	\$44,808,724
Gross product.....	\$391,230,422	\$293,564,235	\$229,806,093
Per cent profit on capital stock.....	10.8	16.2	20.6
Labor's share of gross product, per cent.....	37.1	37.4	39.3
Value of gross output.....	\$391,230,422	\$293,564,235	\$229,806,093
Cost of materials.....	\$123,124,392	\$94,615,281	\$68,990,146
Increase in value.....	\$268,106,030	\$198,948,954	\$160,815,837
Cost of labor.....	\$148,471,903	\$109,022,582	\$90,541,771
Per cent of cost of labor to increase in value.....	55.4	54.8	56.3
10. Metals and metal products other than iron and steel:			
Capital.....	\$508,340,758	\$410,646,057	\$304,285,820
Expenses—			
Officers.....	\$24,854,560	\$16,059,194	\$14,924,917
Wages.....	\$117,599,837	\$96,749,051	\$94,055,644
Miscellaneous.....	\$41,565,062	\$21,295,406	\$14,731,078
Materials.....	\$644,367,583	\$496,979,368	\$179,169,940
Total.....	\$828,417,072	\$631,083,019	\$272,881,579
Profit.....	\$68,845,384	\$117,712,445	\$44,026,571
Gross product.....	\$922,262,456	\$748,795,464	\$316,908,150
Per cent profit on capital stock.....	15.6	28.6	21.5
Labor's share of gross product, per cent.....	12.7	12.9	20.4
Value of gross output.....	\$922,262,456	\$748,795,464	\$316,908,150
Cost of materials.....	\$644,367,583	\$496,979,368	\$179,169,940
Increase in value.....	\$277,894,873	\$251,816,096	\$137,738,210
Cost of labor.....	\$117,599,837	\$96,749,051	\$94,055,644
Per cent of cost of labor to increase in value.....	42.3	38.4	46.5
11. Tobacco:			
Capital.....	\$323,983,501	\$124,089,871	\$96,094,753
Expenses—			
Officers.....	\$8,800,434	\$8,951,534	\$10,241,271
Wages.....	\$62,640,303	\$49,852,484	\$44,559,735
Miscellaneous.....	\$80,145,016	\$79,495,422	\$37,551,631
Materials.....	\$126,088,608	\$107,182,656	\$92,304,317
Total.....	\$277,674,361	\$245,482,096	\$184,658,004
Profit.....	\$53,443,320	\$37,594,450	\$27,088,619
Gross product.....	\$331,117,681	\$283,076,546	\$211,746,623
Per cent profit on capital stock.....	16.4	30.2	28.1
Labor's share of gross product, per cent.....	18.9	17.6	21
Value of gross output.....	\$331,117,681	\$283,076,546	\$211,746,623
Cost of materials.....	\$126,088,608	\$107,182,656	\$92,304,317
Increase in value.....	\$205,029,073	\$175,893,890	\$119,442,306
Cost of labor.....	\$62,640,303	\$49,852,484	\$44,559,735
Per cent of cost of labor to increase in value.....	30.5	28.3	37.3
12. Vehicles for land transportation:			
Capital.....	\$447,697,020	\$396,778,672	\$248,224,770
Expenses—			
Officers.....	\$24,334,118	\$15,191,444	\$11,172,134
Wages.....	\$221,800,517	\$164,614,781	\$118,212,379

Summary of manufactures by fourteen groups of industries—Continued.

	1905.	1900.	1890.
12. Vehicles for land transportation—Continued.			
Expenses—Continued.			
Miscellaneous.....	\$29,107,649	\$19,842,332	\$9,460,374
Materials.....	\$334,244,377	\$268,278,205	\$174,624,639
Total.....	\$363,352,026	\$288,120,537	\$184,085,013
Profit.....	\$309,486,661	\$467,926,762	\$313,469,526
	\$34,437,781	\$40,722,367	\$31,006,717
Gross product.....	\$643,924,442	\$508,649,129	\$344,476,243
Per cent profit on capital stock.....	7.6	10.2	12.4
Labor's share of gross product, per cent.....	34.4	32.4	34.3
Value of gross output.....	\$643,924,442	\$508,649,129	\$344,476,243
Cost of materials.....	\$334,244,377	\$268,278,205	\$174,624,639
Increase in value.....	\$309,680,065	\$240,370,924	\$169,851,604
Cost of labor.....	\$221,800,517	\$164,614,781	\$118,212,379
Per cent of cost of labor to increase in value.....	71.6	68.5	69.6
13. Shipbuilding:			
Capital.....	\$121,623,700	\$77,362,701	\$53,393,074
Expenses—			
Officers.....	\$3,339,741	\$2,008,537	\$1,194,870
Wages.....	\$29,241,037	\$24,839,163	\$14,833,977
Miscellaneous.....	\$5,255,506	\$3,685,661	\$1,392,551
Materials.....	\$37,463,179	\$33,483,772	\$16,925,109
Total.....	\$75,299,513	\$64,020,133	\$34,346,507
Profit.....	\$7,469,726	\$10,558,025	\$5,995,608
Gross product.....	\$82,769,239	\$74,578,158	\$40,342,115
Per cent profit on capital stock.....	6.1	13.6	11.2

Summary of manufactures by fourteen groups of industries—Continued.

	1905.	1900.	1890.
13. Shipbuilding—Continued.			
Labor's share of gross product, per cent.....	35.2	33.3	36.7
Value of gross output.....	\$82,769,239	\$74,578,158	\$40,342,115
Cost of materials.....	\$37,463,179	\$33,483,772	\$16,925,109
Increase in value.....	\$45,306,060	\$41,091,385	\$23,417,006
Cost of labor.....	\$29,241,037	\$24,839,163	\$14,833,977
Per cent of cost of labor to increase in value.....	64.5	60.4	63.3
14. Miscellaneous:			
Capital.....	\$974,316,571	\$1,348,920,721	\$768,870,920
Expenses—			
Officers.....	\$50,655,229	\$49,199,283	\$31,363,252
Wages.....	\$187,514,312	\$202,746,162	\$133,643,444
Miscellaneous.....	\$101,198,364	\$81,933,611	\$49,025,323
Materials.....	\$460,205,501	\$490,073,705	\$209,231,851
Total.....	\$799,573,403	\$823,952,761	\$519,233,870
Profit.....	\$142,031,457	\$180,139,533	\$123,310,583
Gross product.....	\$941,604,873	\$1,004,092,294	\$345,574,453
Per cent profit on capital stock.....	14.5	13.3	16.4
Labor's share of gross product, per cent.....	19.9	21.6	21.1
Value of gross output.....	\$941,604,873	\$1,004,092,294	\$345,574,453
Cost of materials.....	\$460,205,501	\$490,073,705	\$209,231,851
Increase in value.....	\$481,399,372	\$514,018,589	\$315,342,602
Cost of labor.....	\$187,514,312	\$202,746,162	\$133,643,444
Per cent of cost of labor to increase in value.....	38.9	39.4	50.5

Average percentage of wages to labor compared to gross product in the 14 great classes of industries.

Industries.	Profit on capital, 1905.	Ratio of wages to gross product.			Estimated profit on capital.	Probable profit on capital.	Per cent of labor wages to gross product.	Per cent of wages to increase of value in manufactured by labor.		
		1905.	1900.	1890.				1905.	1900.	1890.
1. Food products.....	16.4	5.7	5.7	5.5	32.8	49.2	5.7	30.4	33.7	35.1
2. Textiles.....	12	19.5	20.8	22	24	36	19.5	46.6	46.1	50
3. Iron and steel.....	10.6	22.1	21.2	24.9	21.2	31.8	22.1	48.5	45	46
4. Lumber.....	18.7	27.4	20.6	22.9	37.4	56.1	27.4	47.7	45.2	48.5
5. Leather.....	13.3	13.5	16.9	20.1	26.6	39.9	16.5	49.7	53	51
6. Paper and printing.....	17.9	21.6	23.1	26.5	35.8	53.7	21.6	33.8	35.7	39.7
7. Liquors and beverages.....	10.8	8.9	8.6	8.5	20.6	32.4	8.9	12.5	12.2	12.6
8. Chemicals and allied products.....	9.9	8	7.9	8.9	19.8	29.7	8	22.2	22.3	24.2
9. Clay, glass, and stone.....	10.8	37.1	37.4	39.3	20.6	32.4	37.1	55.4	54.8	56.3
10. Metal and metal products other than iron and steel.....	15.6	12.7	12.9	20.4	31.2	46.8	12.7	42.3	38.4	46.5
11. Tobacco.....	16.4	13.9	17.6	21	32.8	49.2	18.9	30.5	28.3	37.3
12. Vehicles for land transportation.....	7.6	34.4	32.4	34.3	15.2	22.8	34.4	71.6	68.5	69.6
13. Shipbuilding.....	6.1	35.2	33.3	36.7	12.2	18.3	35.2	64.5	60.4	63.3
14. Miscellaneous.....	14.5	19.9	24.6	21.1	29	43.5	19.9	38.9	39.4	39.5

For full details see Exhibit 1. Average rate of wages to gross product in all industries, 17.8 per cent, calculating from table of totals of wages and value of products.

RELATIVE LABOR COST.

Mr. OWEN. The first important deduction shown from these tables is the relative cost of labor as compared with the gross product. It is less than 6 per cent in food products, and yet the tariff on food products is an average of 32 per cent, in order to measure the cost of difference at home and abroad.

The total labor cost in textiles is 19.5 per cent, and yet the tariff in this bill on flax manufactures is over 44 per cent, on cotton manufactures over 47 per cent, on wool manufactures over 58 per cent, and on silk manufactures over 60 per cent to measure the difference in the cost of production at home and abroad; a patent and ridiculous fraud on its face, which has not been explained, which will not be explained, and which can not be explained by the managers of this bill, and so it goes all through this table.

The total percentage of the value of the product paid in wages in textiles is 19.5 per cent.

If we concede that the labor cost in Europe is absolutely nothing; if we concede that the foreigner would not have to pay any freight to bring his goods to America, would pay nothing for ocean insurance, for breakage, wharfage, dockage, leakage, rattle, or stealage, still 19.5 per cent would be high enough to protect the American manufacturer on an average.

Granting, however, that the European laborer earns half as much, then one-half of 19.5 per cent would be sufficient.

Granting that the American laborer has twice the efficiency of the European laborer, then no tariff whatever is necessary to

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protect the American manufacturer; and granting that the wages paid in Europe buy more of manufactured products and as much of food products as in America, the European manufacturer would be entitled to a bonus from his home government to put him on a parity with the American manufacturer.

In some cases a duty is necessary for protective purposes, but the cases are few and the rate not high. A tariff for revenue intelligently drawn will be more than three times as high as a tariff for pure protection drawn in a spirit of perfect honesty.

If the Finance Committee can show any justification for the schedules on the basis of the "difference of the cost of production at home and abroad," I am willing to concede this measure of incidental protection under a tariff for revenue, but to conceal the facts, to refuse to hear, to ridicule the inquiry, and ignore the facts when proven is surely indefensible.

This abstract briefly exhibits the ratio of wages to gross products and affords a basis of comparison with the ratio of wages to gross products in countries competing with ours. This supplies a basis for a generalization showing the difference in the cost of production at home and abroad.

It will be seen, for example, that the average ratio of wages paid to the gross product in the textile industry averages 19.5 per cent, less than 20 per cent. The difference in the wage cost in the United States and abroad, conceding that the foreign workman receives a wage only half of that paid the American workman and conceding that he is equally efficient and conceding that his wages (half in money) has a purchasing power of half the wages of the American workman, the differ-

ence in the cost of production based on such wages would be an average of less than 10 per cent.

But it is not true that the wages paid foreign workmen buys only half as much, but the fact is that every dollar paid the foreign workman buys at least 50 per cent more than the dollar paid the American workman, so that \$10 paid an European workman is equivalent to \$15 in purchasing power in the United States.

So that the difference in the amount paid in wages because of this factor as compared to the value of the gross product is less than an average of 10 per cent, as above estimated.

Another factor of vital importance is the superior efficiency of the American workman. Ten dollars paid to him turns out twice as much goods as that paid the European workman; consequently the difference in wages compared to gross product is not only not against the American workman, but it is in his favor, although he does not get the benefit of it from the man who employs him.

It is not surprising, in view of these calculations based upon our national statistics and well-established facts, that the managers in charge of this bill dare not answer the question whether this bill is being written in accordance with the pledge of the party that the rates should be determined by the difference in the cost of production at home and abroad.

The monopolist can not and does not consume his profit. So that the result is that the capital of monopoly is rolling up like a huge snowball, picking up every opportunity offered by God to mankind in our natural resources—the forests, the mines, the water powers, the highways, and the land, both of city and of the countryside; and labor, the creator of wealth, languishes and grows weaker as the creature of wealth grows stronger and exercises a natural but unrestrained appetite by “acquiring” the title to every visible and invisible natural resource.

Mr. President, I am a firm friend of capital and always ready to befriend its just rights. I believe in giving it safety and stability, protecting it in its right to earn a fair reward upon its employment. It is of great importance that the incentive should be removed neither from the capitalist nor from the business man who uses capital nor from the laborer who is employed by capital, but I do not believe that all of the net proceeds of human labor and every opportunity of human life should be appropriated by capital and all the reasonable opportunities of life cut off from millions of wage-earners who have no more wisdom or knowledge of how to protect themselves against the crafty schemes of monopoly than if they were so many blind girl babies. The Senate and the Senators on this floor, it seems to me, are under a solemn personal responsibility to find the way to protect the weaker elements of society, and they ought not to write the laws of this country to serve monopoly at the expense of the defenseless citizen wage-earner.

The incentive ought not to be taken away from capital; neither should the incentive be taken away from the small business man who may be crushed by gigantic organizations of capital, and above all the incentive of a reasonable reward, of a reasonable return for labor, of the power to support a family by labor, industry, and providence. The power to have some leisure for playtime should not be taken away from the American workingman or the American working woman or the American working child by the grinding process of unthinking corporate monopoly.

Under the head of “Miscellany” are concealed many items favorable to capital by increasing the capital itself under color of repairs, and so forth.

The estimate of the profit on capital is also too small, because more than half of the capital claimed is water.

All of the return on capital, except a small percentage, necessary to provide for a reasonable return on capital, is a net profit, while the return on labor contains no net profit worth mentioning, although it is true that by long, hard hours of labor, great deprivation, rigid economy, and careful saving, the labor classes, through the savings banks exhibit a considerable accumulation out of the proceeds of their labor.

Statistics of the savings banks of the United States for 1906.

[Comptroller Currency Report, 1907.]

	Total depositors.	Amount of deposits.	Average.
New England.....	2,987,261	\$1,168,148,705	\$391.04
Eastern States.....	3,532,804	1,656,905,727	405.06
Southern States.....	31,598	6,143,167	194.41
Middle States.....	1,087,746	385,503,885	354.41
Pacific States.....	357,783	265,435,714	741.89
Total United States.....	8,027,192	3,482,137,198	433.79

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The savings under forty years of high-protective tariff average \$433.79 to those who have been able to save, and these figures include hundreds of millions of the savings of the well-to-do and many of the capital class, but only one person in ten, after all, has a savings account, and the savings between the laboring people and actual want will not average \$43 per capita for our entire productive population, counting all savings as the savings of labor, while many millions are utterly defenseless against the exactions of capital.

When it is remembered what the enormous product of the labor of the average American workman is—\$2,500 per annum—it will be observed that these savings of many years comprise but a small part of the proceeds of labor.

In the table exhibited—the industries engaged in “food products”—labor’s share of the gross product is very small, because of the very large amount of raw material used, out of which labor had previously been paid in the process of production.

The same thing is relatively true of the industries dealing with liquors and beverages.

It is also true that labor’s share in lumber and iron and steel, and clay, glass, and stone products, and in vehicles and shipbuilding reaches a high percentage relative to the product, for the simple reason that nearly all of the value in lumber, outside of the stumpage, is pure labor. Labor goes into the woods, cuts the tree down, hauls it to the mill, puts it on the runway, saws the log, planes it, stacks the lumber, and puts the lumber on the car. Capital, having acquired the land, furnishes the sawmill, and permits labor to have a part of its own profits in wages, but no more than labor can command in a free, competitive market for labor.

The same thing is true with regard to clay products. The workman digs the clay out of the ground, puts it through every process with the work of his hands, and converts it into a finished product. Capital, having acquired the title to the clay, permits the workmen to dig upon the earth, owned by the capitalist, and furnishes the workmen with tools, and pays the workmen precisely as much, and no more, as his labor commands in a free, competitive, labor market.

The laborer has a very narrow margin, and unless he be exceptional in self-denial, in providence, and is free from accident or sickness or other incidental loss, he may, perhaps, save enough to lift himself from the severe conditions which so environ him to a more fortunate place where he can join the capital class and get the benefits of a system which is well devised to make the rich richer and the poor poorer.

THE HIGH TARIFF HAS LOWERED THE WAGES OF AMERICAN WORKMEN.

Mr. President, the advocates of a high tariff have always professed, and I suppose usually felt, the greatest solicitude for the welfare of the laboring man, and have believed, or appeared to believe, that a high tariff would protect the American laboring man against the injurious competition of the “pauper labor” of Europe. I shall show by our own statistics that *the wages of the American workman have been lowered under the operation of this tariff.*

Wages are not valued alone by dollars and cents; dollars change in purchasing power, depending on the number of dollars put in circulation in any given country and the intimacy of its commercial relations with other countries, and the whole world is confused in the question of prices by the grossly unequal distribution of currency in the different nations of the world; a great problem, which is now undergoing and will undergo a more rapid readjustment under the fast increasing improvement of rapid modern intercourse.

Attention is expressly called to the fact that labor’s share of the proceeds of labor has not increased in the highly protected industries—it has decreased.

In the textile industries labor received 22 per cent of the gross product in 1890, 20.8 in 1900, and 19.5 in 1905.

In iron and steel labor received 24.9 per cent in 1890 and 22.1 per cent in 1905.

In leather goods labor received 21.1 per cent of the proceeds of labor in 1890, 16.9 per cent in 1900, and 16.5 per cent in 1905.

In paper and printing labor received 26.5 per cent of the proceeds of labor in 1890, 23.1 per cent in 1900, 21.6 per cent in 1905.

In chemical and allied products labor received 8.9 per cent in 1890, 8 per cent in 1905.

In clay, glass, and stone products labor received 39.3 per cent in 1890, 37.1 per cent in 1900.

In metal and metal products, other than iron and steel, labor received 20.4 per cent in 1890 and 12.7 per cent in 1905.

In tobacco labor received 21 per cent in 1890 and 18.9 per cent in 1905.

In shipbuilding labor received 36.7 per cent in 1890 and 35.2 per cent in 1905.

In miscellaneous industries labor received 21.1 per cent in 1890 and 19.9 per cent in 1905.

It is perfectly obvious that under the high tariff the reward of labor has diminished relatively to the gross product of labor.

When we compare the increase of the value of products, the increase of the cost of materials, and the number of wage-

earners, and the total wages between 1890 and 1900, we find that the growth of capital value corresponding with that of the value of products is decidedly more than the increase of total wages; that the average wage for all classes of wage-earners, in dollars and cents, is less in 1900 than in 1890. The increase of earnings is 25 per cent; that of wages only a little over 22 per cent.

	Capital value.	Value of products.	Cost of materials.	Number of wage-earners.	Total wages.	Average value, product of the wage-earner.	Per cent.
1900	\$9,813,834,390	\$13,000,149,159	\$7,343,627,875	5,306,143	\$2,320,938,168	\$2,450	17.8
1890	6,525,050,759	9,372,378,843	5,162,013,878	4,251,535	1,891,953,795	2,204	20.2
Increase	3,288,783,631	3,627,770,316	2,181,613,997	1,054,608	428,984,373		

Nineteen hundred average wage, \$437; annual weekly wage, \$8.60, to support 3 people, a labor loss of 10 per cent in wages relative to value of product.

The percentage of wages to value of products was 17.8 per cent in 1900, 20.2 per cent in 1890, a loss for labor of 10 per cent.

Here is an increase of \$3,627,740,316 in the value of the products of labor under the "value of products," and \$428,984,373 goes to 1,054,608 additional laborers, while \$3,198,755,943 is the net value of the products of such labor. One million fifty-four thousand six hundred and eight new workmen get \$428,984,373 with which to sustain approximately 3,000,000 people; to feed, clothe, and shelter them; leaving no surplus for enforced idleness, sickness, accident, or death; and a vast profit goes to capital that does not have the same exacting demands for food and clothing. The annual weekly wage is only \$8.60 to support three people. How does this compare with Europe where the dollar buys 50 per cent more, and \$8.60 here is only equal to \$5.73 there? Look at their wages, their earning power, and ask what is the difference in the cost of production here and there. Do these census records teach us nothing?

The above figures demonstrate beyond the possibility of dispute that wages are being lowered under the operation of a monopoly-protecting tariff. It shows more, that a tariff averaging nearly 50 per cent is thoroughly unjustifiable on the Republican theory of protecting labor, since the gross amount of labor's wages only comprises an average of 19.7 per cent of gross product value (Exhibit 1, pp. —), much less on the theory of providing only the "difference in the cost of labor," since the difference in the cost of labor will not approximate 20 per cent, nor equal the half of it.

The plain truth is the bill will not protect labor, but will gratify the clamorous demand of organized greed and avarice urged by the lobby of numerous monopolies. This tariff, in the pretended interest of the American workman, does not properly include over 1,000,000 out of 29,000,000 workmen, while it taxes all.

It has been convincingly shown by Edward Atkinson, in his learned report of December, 1902 (Exhibit 2), that not over 1,000,000 persons out of 29,000,000 persons would be affected in an adverse way if the tariff were absolutely abolished. This calculation, made in great detail, goes far to show the utterly false pretense of a great public demand for a high protective or prohibitive tariff. Attention is earnestly called to it in Senate Document No. 46, Sixty-first Congress, first session, from which I submit the essential part as Exhibit 2.

THE HIGH TARIFF HAS LOWERED THE WAGES OF AMERICAN WORKMEN IN PROTECTED INDUSTRIES MORE THAN THE WAGES OF WORKMEN IN UNPROTECTED INDUSTRIES.

I submit as Exhibit 3 a carefully compiled table of the labor wages of our American railways (Statistics of Railroads in United States, 1907, Interstate Commerce Commission, p. 59), showing the wages of railroad employees in the unprotected industries of the railroad service, and also a table of the wages of employees in building trades, which are not protected, but which are duly organized, prepared by William J. Spencer, secretary of the building-trade department of the American Federation of Labor, for 1908 (Exhibit 4), showing the average wages of masons and bricklayers, structural iron setters, ornamental iron setters, plasterers, lathers, hoisting engineers, tile setters, plumbers, steam fitters, steam fitters' helpers, gas fitters, carpenters, stonecutters, marble cutters and setters, painters, sheet metal workers, electricians, roofers, cement finishers, laborers, and hod carriers. Their wages per hour will be seen to be, on an average, at least twice as high as the wages of labor in protected industries (Exhibit 5), as shown by Census Bulletin 77 of the Bureau of Labor of 1907.

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Mr. President, here will be seen that the cheapest workmen (Exhibit 3) in the railroad service, the brakemen, received an average throughout the United States for 1907, \$1.46 a day; section foremen, \$1.90; other shopmen, \$2.06; carpenters, \$2.40; machinists, \$2.87; firemen and other trainmen, \$2.54; conductors, \$3.69; engineer men, \$4.30; station agents, \$2.05; general office clerks, \$2.30; other officers, \$5.99; general officers, \$11.93. These wages in unprotected industries are decent, are reasonable, are just according to service, in the transportation work of the United States. These people have their wages influenced to an important degree by labor organization.

Now, Mr. President, I wish to call the attention of the Senate to the fact—and a vital fact in this matter—that in the protected industries of the United States the wage-earner does not receive one-half as much as in the unprotected industries, and these tables abundantly exhibit it.

Exhibit No. 4 shows that masons and bricklayers get from 45 to 87 cents an hour; structural iron setters, 30 to 62 cents an hour; ornamental iron setters, 30 to 70 cents an hour; plasterers, 50 to 87½ cents an hour; lathers, 45 to 62½ cents an hour; hoisting engineers, 50 to 75 cents an hour; tile setters, 35 to 75 cents an hour; plumbers, 50 to 75 cents an hour; steam fitters, 35 to 75 cents an hour; steam fitters' helpers, 15 to 37½ cents an hour; gas fitters, 35 to 81 cents an hour; carpenters, 35 to 62½ cents an hour; stonecutters, 45 to 70 cents an hour; marble cutters and marble setters, 30 to 62½ cents an hour; painters, 25 to 56 cents an hour; sheet metal workers, 30 to 62½ cents an hour; electricians, 25 to 65 cents an hour; roofers, 25 to 75 cents an hour; cement finishers, 35 to 75 cents an hour; laborers and hod carriers, 15 to 50 cents an hour.

Mr. President, these people are outside of the protected industries; they have some degree of organization and can demand the value from capital for their labor.

The laws of human nature operate upon the laboring man precisely as they do upon the capitalist, and he tries to get the greatest return for his wares. Labor organizations have sometimes gone to extremes and put the price of labor above a reasonable market value and lowered the demand to the point of putting themselves out of business. The urgency of labor's need for supplying food and clothing is an extenuating circumstance even when the demand itself is unreasonable and foolish, but when the demand of monopoly puts an exorbitant price upon the necessities of life its motive is not hunger for food or need for clothing or shelter for children, but merely ambition for power or mere greed for gain.

Now, Mr. President, I wish to call the attention of the Senate to the astonishing difference between the wages of men in unprotected industries with the wages in the "protected industries," so-called, and you will observe that the wages in the protected industries, except where modified by a powerful organization of the laborers, as in the glass industry, are far below the wages in unprotected industries. Organized capital has beaten down the wages of labor to a point at which the proper support of a family required by a decent American standard is often impossible. This meanness on the part of such offending manufacturers is painfully apparent.

THE PROTECTED INDUSTRIES HAVE DRIVEN OUT THE AMERICAN AND SUBSTITUTED THE FOREIGNER.

It has resulted in driving out the native American who was able to escape and has substituted in his place the oppressed people of other races, who, having been under the grinding monopoly of the landed nobility and powers which have seized every opportunity in European countries, do not feel so keenly the crushing conditions imposed upon them in these offending factories.

I call attention to the low wages which are paid in the protected industries, so low as not to be sufficient to sustain an American family upon the wages of the head of the family, who may be devoting all his time to that purpose. The average wage in the cotton and wool industry will not exceed a dollar a day, and that is shown by our census tables, which I submit.

Now, Mr. President, the protected industries have driven out the American and substituted the foreigner. We have been listening for years to talk about the protection of American labor against the pauper labor of Europe; and yet our census shows how shallow and how hollow that pretension is. I call your attention to what is shown by our census.

The Boston Traveler in the article of June 2, 1900, ridicules the argument of the Senator from Massachusetts [Mr. Lodge], and says:

He made an impassioned plea for the mill operatives of New England, who "must not be deprived of their right to work and wages," and for the manufacturers, who must be protected against "cheap labor abroad." The mill operatives, for whom the Nahaht Senator's eloquence was unloosed, are practically all Greeks, Syrians, Poles, Armenians, and Italians, who have driven out every other kind of labor, because, under present wages in the cotton mills, to bring up a family under American conditions is absolutely impossible.

Mr. Lodge's defense of the cotton manufacturers, whose mills are filled with aliens on starvation wages, is paralleled in history only by the arguments made in parliament at the time England was attempting to abolish the slave trade, that if the bringing of black people from Africa to America and elsewhere was prohibited ship-owners would not find any use for their vessels, and that these slave ships furnished the only market for decayed fish and other putrid food, on which there would be a dead loss if the slave trade was outlawed.

The Pittsburg Survey gives a tabulated map showing that the Carnegie mills at Homestead, from which organized labor was driven by private armed military power in the Homestead riots, is filled with Slovaks, 6,477 of them; with Poles, 611 in number; with Bohemians and Germans, in another group; with Croatians, 1,249 in number; with Hungarians, 1,323 in number; with Roumanians, 410 in number; with Poles, 1,644 in number; with Lithuanians, 476 in number. Austria-Hungary furnished 10,421; Russia, 2,577; etc.

Representatives on behalf of these monopolies make "impassioned appeals" to protect the American workman against the foreign pauper labor which the monopolies have imported and are using wholesale with the effect of driving the native American to despair.

Mr. President, examine the census of 1900, volume 1, pages cxxxi and 698, on population and see what it exhibits.

Table of foreign born, etc.

Census 1900, Volume I.	Foreign born (cxxx).	White population foreign parentage (p. 698).	Total foreign born and of foreign-born parentage.	Total population.	Percentage of population foreign born and of foreign-born parentage.
Massachusetts.....	846,324	897,386	1,743,710	2,805,346	62.1
Rhode Island.....	134,519	140,292	274,811	428,556	64.1
Connecticut.....	238,210	282,245	520,455	908,420	57.3
New York.....	1,900,425	2,415,845	4,316,270	7,268,894	59.3
New Jersey.....	431,831	556,294	988,125	1,883,669	52.4
Pennsylvania.....	985,250	1,430,028	2,415,278	6,302,115	38.3

It will be seen by the table which I submit that Massachusetts has 1,743,710 persons foreign born or of foreign-born parentage out of 2,805,346 total population, having therefore 62.1 per cent of people who are foreign born or of foreign-born parentage; Rhode Island, in like manner, has 64.1 per cent of its population foreign born or of foreign-born parentage; Connecticut has 57.3 per cent of foreign born or of foreign-born parentage; New York has 59.3 per cent of its people foreign born or of foreign-born parentage; New Jersey has 52.4 per cent of its population foreign born or of foreign-born parentage; thus disclosing in the completest manner the extent to which this use of foreign labor has driven out the American.

Mr. KEAN. What is the date of that?

Mr. OWEN. The last census of 1900, to which I invite the Senator's prayerful attention.

Mr. DILLINGHAM. Mr. President—

The VICE-PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Vermont?

Mr. OWEN. With pleasure.

Mr. DILLINGHAM. I will be glad to have the Senator give, if he has them, the figures of the percentage of foreign-born as distinguished from their children.

Mr. OWEN. I have it, Mr. President, in the table which I submit, giving the exact details.

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I call attention to this matter because too much has been said in behalf of protecting the American laborer and keeping out the pauper labor of Europe. The pauper labor of Europe to-day fills the very factories of these protected monopolies, and those same pauper laborers of Europe are coming into this country at the rate of 100,000 a month. It is time that this hypocrisy should cease.

Mr. GALLINGER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Oklahoma yield to the Senator from New Hampshire?

Mr. OWEN. Certainly.

Mr. GALLINGER. Has the Senator the statistics for the State of Wisconsin?

Mr. OWEN. The statistics will be found in the same tables to which I have referred.

Mr. GALLINGER. The Senator has them not at hand?

Mr. OWEN. Not at hand. I have them available, but not so as to easily read them.

I will say that, of course, on the eastern coast, with our country inviting foreigners into this land we should expect a large percentage; and I do not speak that in any sense of reproach to those States. I, for one, am not at all in favor of closing our ports by any tax upon these poor souls who seek a refuge in our land from a monopoly which is worse by far than that which we endure. I invite them, and bid them God speed and welcome. This Republic is under the deepest obligations to those who have come from abroad and to their children. I honor them, and I am glad, as one American, to give them a cordial welcome. I wish they were better paid; and when they go West and enter the fields of the West, perhaps they will find conditions more congenial to human life and more profitable and beneficial to them.

Mr. President, I am glad to see America, the land of liberty, made an asylum for the oppressed of other lands, and recognize the fact that the United States is under enormous obligations to people who have come from foreign lands, and I only call attention to these figures to show that the plea of the monopolies that they are deeply concerned about high wages for the American workman is so offensively hypocritical and absurd that no words known to the English language are capable of describing it.

I have submitted Table 5, showing the wages of workmen in American industries; and I call your attention to the fact that, except where they are organized, they are on almost starvation wages. The papers were full a few days ago of the slavery of white women brought into these protected factories from Italy, sold by their kinspeople, and all their wages practically taken for their keep and to pay to the foreign home—a substantial exhibition of white slavery under the color of freedom and under the protection of the American flag, which ought not to endure slavery either of the white man or the black man.

WAGES IN PROTECTED INDUSTRIES LOWER THAN IN UNPROTECTED INDUSTRIES.

I respectfully submit a table (Exhibit 5) showing the wages of workmen in the protected industries of every class: In the industry of making carpets; of clothing; cotton goods; foundry and machine shops; furniture; glass; fur hats; hosiery and knit goods; iron and steel, bar, and iron and steel, Bessemer; iron and steel, blast furnace; lumber, paper, and wood pulp; pottery; printing and binding; shipbuilding; silk goods; woolen and worsted goods. I have indicated in every case in these tables the condition of labor organization.

It will be seen by the tables of Exhibit No. 5, in the grouped industries, for example, that in 1907 burlers got 14 cents an hour; dyers, 16 cents an hour; loom fixers (who must be men of a high class), 28 cents an hour; spoolers, 13 cents an hour; twisters, 12 cents an hour; weavers, Wilton (high-class experts), 30 cents an hour; weavers, ingrain, 15 cents an hour; winders, 13 cents an hour; and, except where the workmen must be trained experts, their wages are very low.

Buttonhole makers (female), 12 to 14 cents an hour; examiners (female), 11 to 14 cents an hour; finishers, 10 to 13 cents an hour; pressers (male), 19 to 26 cents an hour; sewing-machine operators, 22 to 31 cents an hour; carding-machine tenders, 10 to 13 cents an hour; dyers, 11 to 15 cents an hour; loom fixers, 16 to 24 cents an hour; spinners, 9 to 13 cents an hour; spinners (female), 7 to 12 cents an hour; weavers (male), 11 to 19 cents an hour; weavers (female), 9 to 16 cents an hour; bleachers, 13 cents an hour; calenderers, 14 cents an hour; color mixers, 14 cents an hour.

In the hat business, colorers get 19 cents an hour; fitters, 12 cents an hour; flower blowers, 17 cents an hour; trimmers, 15 cents an hour; weighers, 13 cents an hour.

Silk goods.—Beamers get 19 cents an hour; doublers, 11 cents an hour; dyers, 19 cents an hour; loom fixers, 27 cents an hour;

pickers, 12 cents an hour; quillers, 9 cents an hour; spinners, 10 cents an hour; weavers, female, 10 cents an hour; weavers, female, 17 cents an hour.

Woolen goods.—Burlers get 11 cents an hour; carders, 12 cents an hour; card strippers, 13 cents an hour; combers, 12 cents an hour; combers, female, 9 cents an hour; dyers, 15 cents an hour; loom fixers (experts), 26 cents an hour; male spinners, 11 cents an hour; male weavers (expert), 21 cents an hour; female weavers (expert), 18 cents an hour.

It must be remembered that these figures, low as they are, are not uniformly paid; that the laborer who misses an hour from sickness or weakness, or who is thrown out of employment by the closing of the shop for repairs or for any other reason must then rely upon his accumulation in savings out of the wages paid. The matter which I wish to call attention to is that under the pretense of protecting the American workman in protected industries, the most of whom are foreigners, they are paid only about half of the wages that workmen received in unprotected industries, and with these pretenses of "passionate interest" in the American workman is an unspeakable fraud which ought not to be endured by men who regard this matter soberly and seriously from a standpoint of patriotism and the better interests of the American Republic.

A great advantage which men have who are organized and not in the "protected industries," so called, is that they no longer submit to the long, grinding, sweat-shop hours, but have an eight-hour day.

Mr. GALLINGER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Oklahoma yield to the Senator from New Hampshire?

Mr. OWEN. With pleasure.

Mr. GALLINGER. Will the Senator kindly inform me in what part of the country the wages are paid that he has just read?

Mr. OWEN. Table No. 5, which I submit with this matter, shows the wages paid in different parts of the country.

THE ORGANIZATION OF AMERICAN WORKMEN.

Mr. President, I have been gratified to observe the growing organization of workmen, which is steadily advancing in the United States. Only by such organization and by the solidarity of their interests can labor make effective its righteous hope for a decent market for its wares; only in this way can men, under present conditions of organized capital, obtain a fair return for their labor.

It is true that sometimes the unwise members in certain labor organizations compel their leaders to stand for wages "higher than the traffic will bear," and in this case they throw themselves out of employment and are thus compelled to be more moderate in their demands. It is true that sometimes thoughtless men force their leaders into gross error and compel them to make demands that are unreasonable, but all men make errors, and all men are unreasonable at times, and these things are self-correcting.

Examine these tables which I submit, and you will observe that just in degree as they are organized just in that degree do they receive proper compensation and obtain decent hours.

They deserve the greatest credit for what they have done in obtaining the eight-hour rule among the organized trades and in promoting legislation to protect labor and to promote its interest. If Congress had heretofore seen more clearly its duty, their organization would have been in large measure unnecessary.

Shall the organization of labor be condemned because of the thoughtless or even criminal act of some occasional individuals out of this vast army? It would be as reasonable to condemn the church because of the sins of its occasional members. The organization of labor stands in the main for good order, for respect to law, for patriotism, for the upbuilding of our country, for the preservation of human life and a decent reward to those who perform the hardest labors of life and bear the sweat and dust, exposure and danger, of life's hard places.

These great organizations are a bulwark to society and stand for the future stability and preservation of our institutions, while their chief antagonists, the captains of monopoly, who, I trust, will soon be led by public opinion to better methods, have been often misled by avarice and greed, have been thus blinded to their duty toward the working people, and are blindly pursuing a policy whose results constitute a menace to the stability of our present peaceful progress.

I think the less of the management of the United States Steel, and of the American Tobacco Company, and of the sugar trust, and the Cramp shipbuilding yards, and others, that they have so opposed organized labor that no member of organized labor can be employed by these monopolies.

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Prof. John R. Commons, of the University of Wisconsin (vol. 2, Publications of the American Sociological Society, p. 141), says:

The unions have practically disappeared from the trusts, and are disappearing from the large corporation as they grow large enough to specialize minutely their labor. The organized workmen are found in the small establishments like the building trades or the fringe of independents on the skirts of the trusts; on the railways where skill and responsibility are not yet displaced by division of labor; in the mines where strike breakers can not be shipped in; on the docks and other places where they hold a strategic position.

Aaron Jones, esq., master of the National Grange, November 11, 1903, at Rochester, N. Y., said:

Combinations and trust methods in the sale of supplies and in the purchase of the products of the farm have in previous addresses been set out. A striking and forceful illustration of these methods and their effect on both the producer and the consumer is furnished by the market reports of meats. October 10, 1902, market reports show that in one of the leading live-stock markets of the country the price of hogs has been lowered during the year 30 per cent and the price of pork raised 10 per cent. These manipulations add 40 per cent profit to the meat trust, taking 30 per cent from the farmer and 10 per cent from the consumer. Beef steers in the hands of farmers were reduced 20 per cent and dressed beef raised 10 per cent, thus adding 30 per cent profit to the trust and taking 20 per cent from the farmer and 10 per cent from the consumer. More than \$150,000,000 has been lost to the live-stock industry in the past year by the manipulations of the meat trust. This may in a measure explain how the meat trust may contribute \$50,000 to place the official management of a single city under obligations to it. If the entire product of the farm—wheat, corn, hay, cotton, live stock, dairy, and fruit—is taken into account, farmers have lost more than \$700,000,000 in the past year through manipulations of combines and trusts, and because farmers have not developed and maintained a wise, safe, and well-guarded business system of selling the products of the farm. Farmers have also suffered another great loss in the purchase of supplies needed in this business.

Monopolies prefer unorganized labor; they prefer that labor should be helpless and incapable of making effective any demand for its comfort or convenience, or for its rights.

The law should firmly and unhesitatingly demand and require of labor, organized or unorganized, strict obedience to the law; but it should also demand and require of monopoly considerate and decent treatment of labor and of its rights both as producer and consumer.

The tables indicating the wages of working people in high-tariff industries are taken from Bulletin No. 77 of the United States Bureau of Labor for 1907.

I call upon the chairman of the Committee on Finance to explain the astonishing parallel between the low rate of wages paid to people in protected industries and the high wages paid those in industries not protected.

What satisfactory explanation can the Senator from Rhode Island offer for the difference in the pay of masons and bricklayers, who receive 60 cents an hour in Boston, and the burler in the carpet factory receiving 14 cents; the dyer, 16 cents; the loom fixer, 28 cents; the spooler, 13 cents; the twister, 12 cents; the weaver of Brussels and Wilton, 30 cents; the weavers of in-grain, 16 cents; and the winders, 13 cents an hour?

How does the Senator from Rhode Island explain why the plasterer receives 60 cents an hour in Boston and the workers in cotton goods can not possibly receive half as much, and do not average one-third as much?

In good old Boston the plasterer gets 60 cents an hour; the tile setter gets 60 cents an hour; the plumber, 55 cents an hour; the steam fitter, 53 cents; the stonemason, 50 cents; the carpenter, 40 cents; the marble cutter, 56 cents; and side by side with these unprotected industries the carding-machine tender in the cotton goods protected industry receives 13 cents; the dyers, 15 cents; the loom fixers, 24 cents; the spinners, 13 and 14 cents; the mule spinners, 24 cents; the weavers, 20 cents; the female weavers, 17 cents; the bleachers, 14 cents; the color mixers, 14 cents; the male dyers, 15 cents; the male engravers, 45 cents; the male printers, 44 cents; and this remarkable comparison is most striking all the way through these tables, except in cases where labor itself, by its own organization, has prevented itself from being plundered by the employer.

PROTECTION AS IT IS PRACTICED IS AN OPEN, OBVIOUS FRAUD.

It is time that the New England Senators were dropping the mask of superior knowledge and of mysterious learning with regard to the protective tariff.

The worst enemy of protection, as it is practiced, is detection. The infinite pains taken by the committee in charge of this bill to furnish Members of this body with all sorts of data except the vital facts with regard to "the difference in cost of production at home and abroad," does not argue well for their judgment or for their sincerity in dealing with this question.

I am more than willing to believe that they have merely followed a beaten track and trodden the pathway of greatest convenience, of easy good nature, but I can not but feel that a generous complaisance to those who have contributed to their successful campaigns is also responsible for the lack of this

essential information. I wish to make record here that the information which I have obtained with regard to this matter is due to no effort of theirs. I have been compelled as a Member of this body to dig out laboriously the information which I lay before the Senate.

How does the Senator from Rhode Island explain the fact that in the unprotected industries of New England, of transportation for example, the station agents get an average daily pay of \$2.03, while a carding machine tender in the protected cotton-goods industry receives 13 cents an hour, and the dyers 15 cents an hour, and the spinners 13 cents an hour, and the weavers 19 cents an hour.

How does he explain that enginemen in the unprotected industry on the railway service receive \$3.78 a day and conductors \$3.26 a day, and in the protected industry of printing textiles the bleachers receive 15 cents an hour, the calenderers 14 cents an hour, the color mixers 14 cents an hour, and dyers 15 cents an hour?

How does the Senator from Rhode Island explain why it is that in the unprotected industry of railways in New England firemen receive \$2.20 a day, trainmen \$2.32 a day, carpenters \$2.25 a day, section foremen \$2.24 a day, laborers \$1.85 a day, when in the protected industry of hosiery and knit goods the knitters receive only 20 cents an hour for men and 13 cents an hour for women, loopers 14 cents an hour, the menders 13 cents an hour, the men pressers 17 cents, and the women pressers 10 cents an hour?

And how do these higher wages in unprotected industries contrast with the blast-furnace men and cinder snappers receiving 15 cents an hour, the hot-blast men 19 cents an hour, the keepers' helpers 17 cents an hour, and the top fillers 17 cents an hour?

The plain truth is that in the unprotected industries of transportation, as shown by the compilation of wages by the Interstate Commerce Commission and the labor in the unprotected industries of the building trades, compiled by the American Federation of Labor, by William J. Spencer, secretary, is far better paid than in the protected industries of the cotton mills, the hosiery mills, the woolen mills, and iron mills, and other factories.

The tables submitted of the wages of the building trades, which are unprotected, show that they receive a wage over 200 per cent higher than the wages in the protected industries, and the reason for this is not difficult to see. Labor in the building trades and in the railroad business is comparatively easy of organization, because the men in the railroad and building trades are out of doors and can be reached and talked to and organized. They are not locked up inside of the jail-like inclosures of private factories, where it is almost impossible to reach the employees or to organize them.

Labor has rarely succeeded in thoroughly organizing itself in any of the great manufacturing industries, which are usually controlled by monopolies and mechanical corporate power.

Organized labor was practically driven out of the shops of Andrew Carnegie and of the United States Steel Corporation, American Tobacco Company, Cramps' shipyards, and various others of the existing monopolies.

Mr. GALLINGER. Mr. President—

The VICE-PRESIDENT. Does the Senator from Oklahoma yield to the Senator from New Hampshire?

Mr. OWEN. Certainly.

Mr. GALLINGER. The Senator has put in tables—I have not seen them—showing the wages in protected and unprotected industries. In the New York Sun of the 13th instant there is a dispatch from London giving the wages paid in unprotected industries in Great Britain. Is the Senator willing that I should have this inserted in the Record?

Mr. OWEN. I am perfectly willing that it should be inserted in my remarks.

Mr. GALLINGER. Thank you.

The VICE-PRESIDENT. Without objection, it will be inserted.

Mr. OWEN. I will state to the Senator from New Hampshire that in my examination of this matter I have tried not to make a partial statement giving the facts favorable to my view and those unfavorable to the other side, but have tried to give, in a just measure, both sides, because the only purpose which I have in view is to arrive at the truth and to make it manifest. I do not know what the quotation from the Sun is nor its sources nor its accuracy.

Mr. GALLINGER. It is a dispatch bearing a London date, I will say to the Senator.

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Mr. OWEN. I have heard of dispatches from London which were not reliable.

The matter submitted by Mr. GALLINGER is as follows:

WOMEN ON STARVATION PAY—REVELATIONS OF THE "SWEATING" SYSTEM IN LONDON—FACTS BROUGHT OUT BY A POOR SEAMSTRESS'S ATTEMPT AT SUICIDE—HOME WORKERS, 62 CENTS TO \$1.10 A WEEK—AVERAGE WEEKLY PAY OF ENGLISH WOMEN \$1.75.

[From New York Sun, June 13, 1909.]

LONDON, June 2.

A poor little seamstress attempted suicide in London recently. She jumped into the Thames and was ignominiously fished out, not drowned, and not in the least repentant. When questioned as to reasons for her act she had only one to give. She simply could not keep body and soul together by working her hardest at her trade, and in utter fatigue she had decided to end her struggles.

There was nothing very new in her story, but when she explained that she always had plenty of work to do, the only difficulty being to live on the prices paid for her labors, London was roused from its apathy long enough to protest against the "sweating" of women thus revealed.

The House of Lords once defined "sweating" as a condition under which work is carried on in insanitary surroundings and for low wages. There are those who would add that it is a condition of labor which does not give the laborer, in return for a fair day's work, enough to maintain himself and his family in decency and comfort.

In England it is women who are the greatest sufferers from sweating. Their average wage, taking it all the year round and allowing for sickness and slackness, is not much more than \$1.75 a week. The Lancashire textile trade average is \$3.75, and in some districts as much as \$6; but this comparatively high rate is pulled down by the East End home worker, who earns anything from 62 cents to \$1.10 a week.

In the unskilled women's trades there is no standard by which wages are computed. For instance, one famous firm of cocoa manufacturers pays women for filling bags with cocoa 28 cents a thousand bags, and exactly the same work is done for 16 cents for another firm. In East London there is a firm whose girls earn \$3.50 a week by packing tea. In the same locality there is another firm, the head of which is a well-known sportsman and yachtsman, where the earnings of the girls average only \$1.87 a week.

The manager of a tin-plate factory recently fixed time rates at \$1.50 a week for his women workers, and he openly gave the reason that they had taken advantage of piecework rates to make too much. Some had earned \$4!

The average wage paid to waitresses in tea shops or restaurants throughout the country does not exceed \$2.50 a week. On this the girls must keep up a neat and well-dressed appearance. Then wages are likely to be interfered with and even, if "necessary," reduced.

Many firms don't pretend to pay their girls a living wage. The head of a large company was asked recently how he expected the girls in his employment to live on \$1.50 a week.

"I don't expect it," he answered. "Immediately we hear that a girl has lost her father or that she has no outside means of support, she is discharged."

This same firm employs what it calls "half-day waitresses." They work from 11.30 a. m. till 6.30 p. m. for \$1 a week. All tips are forfeited.

The lot of the home worker is the worst of all. Miss Mary MacArthur, secretary of the Women's Trade Union League, gave a picture of the home worker in the East End in an interview.

"So terrible is their life that I wonder that they take the trouble to exist at all," she said. "Here is a single room in a Steppney slum. The furniture consists of a table, a chair, and a bed. The unfinished trousers at which the woman stitches serves as a blanket at night."

"She slaves from daybreak until her eyes fail, and she never earns more than 5 shillings a week. She sustains herself mainly, almost entirely, upon weak tea. Some days she drinks 14 cups, making the same tea leaves do service again and again. That is one of the women slaves of England, and there are thousands in similar plight."

"I know many women who make men's shirts at 1 shilling or 9 pence a dozen. I have even found the actual worker making at 8 pence a dozen shirts which had originally been given out at 1 shilling a dozen."

"There is a girl in Woolwich; she has one child, aged 2 years, entirely dependent upon her. She is a shirt finisher and does buttoning and buttonholing by hand. She is paid 5 shillings a dozen for collars. Remember, this is high-class work. Cotton costs her from 3 pence to 4 pence a week. Her average earnings are 4 shillings 6 pence a week, or from one-half pence to three-fourths pence an hour."

"Every day she has to spend an hour and a half in fetching her work, as it is only given out in small quantities. Sometimes she has worked with hardly any break for twenty hours, from 6 a. m. until 2 a. m. the following morning. The rent of the room is 1 shilling and 6 pence a week."

"All this she told the parliamentary committee. The members of Parliament were aghast. Some were incredulous. 'But how do you live, you and the child?' asked one member of Parliament. 'We don't live,' the woman replied, with a passion in her tone I had never heard before. 'Often we have no food at all.'"

Miss MacArthur contends that goods are not sold any cheaper when made by sweated labor. She tells of a fur-lined motor coat, marked at \$105, which was made for \$1.88 by sweated labor; and of a \$5.25 night-dress for which the home worker who made it got 5 cents—63 cents for a dozen of these nightdresses. The employer of the girls who made these nightdresses said he could not pay more, as there was no profit in his trade.

There are many persons who are struggling to organize and help the women workers of England. There is a scheme for a trades board, which shall fix a legal minimum wage, and there are other propositions which will help to do away with the present sweating system, if they are ever put into practice.

Mr. OWEN. Mr. President, the Senator from New Hampshire might have struck out the London heading and inserted New York, Pittsburg, or Jersey City, and the cruel oppression of

labor by organized capital, *uncontrolled by law*, would not be overdrawn, as I shall abundantly show before I conclude.

The Senator and the party of which he is a conspicuous leader have a duty to perform in which they seem strangely oblivious.

Mr. SMOOT. Mr. President—
The VICE-PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Utah?

Mr. OWEN. With pleasure.
Mr. SMOOT. The Senator has made a comparison about a man, a bricklayer—

Mr. GALLINGER. Or a plumber.
Mr. SMOOT. In an unprotected industry, receiving 60 cents an hour, while a little girl who does spooling in a woolen mill gets 14 cents. Is that a fair comparison?

Mr. OWEN. I should say it is not a fair comparison. That comparison has not been made.

Mr. SMOOT. The Senator just made a comparison that was even worse than that, because he spoke of burlers in a woolen mill, and they were receiving only 11 cents.

Mr. OWEN. I gave, in extenso, the wages paid to burlers and to all other employees in woolen mills and in silk mills and in cotton mills, stating what it was, whether they were male or whether they were female. I have given them all, and the comparison is just which I have made, substantially, and no comparison the Senator might suggest of a little girl and a big, burly brick mason, who weighs 247 pounds, will affect the general comparison in the slightest degree.

Mr. SMOOT. That is exactly the comparison which the Senator makes. And in relation to the wages paid here for weavers, I may say I do not know a weaver in any part of this country who earns so small an amount as that stated by the Senator. I have many times seen weavers earn as high as \$3 a day, and the higher the wage they earn the better it is for the manufacturer, because they are all on piecework.

Mr. OWEN. Does the Senator challenge the accuracy of the census in this matter?

Mr. SMOOT. I challenge the figures the Senator gave here as to the wages paid to woolen weavers in this country.

Mr. OWEN. Then I commend the Senator to the United States census, from which the table was taken, and he may dispute the authoritative tables of the Federal Government; but he can not correct the accuracy of my quotation from the census reports.

Mr. SMOOT. I am not saying that the figure quoted by the Senator was not quoted from some table, but I do positively say that weavers in this country are not paid the price the Senator quoted.

Mr. OWEN. I appeal from the evidence of the Senator from Utah, as a special pleader, to the evidence of the federal census and of the London Board of Trade, and prefer to take the census of the United States and the official figures to his off-hand comments.

Mr. DOLLIVER. Mr. President—
Mr. OWEN. I cordially yield to the Senator from Iowa.

Mr. DOLLIVER. I have been very much interested in the Senator's statistics and figures, but it has often occurred to me that the industries to which he refers as unprotected industries are really the only perfectly protected industries we have in the United States, for the reason that if a man is to build a brick house here at all he has no competition from any quarter on earth. A man making a horseshoe has to be protected by a law, but a man shoeing a horse has an absolute, perfectly natural protection, because the horse has to be shod where he is and not in some other country, and no competition, direct or indirect, beats upon those occupations which are naturally and perfectly protected.

Mr. OWEN. I think there is force in the observation of the Senator from Iowa, and I shall not quarrel with it, but content myself with saying that like industries abroad are also much better paid than factory labor. But I do call attention to the fact that these men who are in the railway service and in the unprotected building trades and not in the business of manufacturing woolen or cotton or flax textiles are receiving a very much higher reward than those who are in those industries, and I have shown by these tables that they could be paid a much larger price without depriving the factories of a just reward. If there were some competition, it would be far better for labor; and if there were some measure of competition in this country, I believe it would be better for the manufacturers themselves.

89032—8445

LABOR HAS NOT BEEN ABLE TO SHARE EQUITABLY WITH THE EMPLOYERS IN THE VALUES THAT LABOR HAS INCREASINGLY CREATED.

In volume 8, page 982, of the Twelfth Census, 1900, is the following table. It shows that labor received in 1850, 23.21 per cent of the total value of products, while in 1900 it received only 17.8 per cent of the product, although the per capita increase in production was greater by 130 per cent in 1900 than in 1850.

Year.	Average number of wage-earners.	Total annual wages.	Total annual value of products.	Average per capita production.
1850.....	957,059	\$236,755,464	\$1,019,106,616	\$1,064
1900.....	5,321,389	2,330,578,010	13,039,279,566	2,451

Year.	Average annual wage.	Per cent of product paid in wages.	Per capita increase in production in the 50 years.	Per capita increase in wages in 50 years.
1850.....	\$247	23.21	Per cent.	Per cent.
1900.....	437	17.80	130	77

From Exhibit 1 labor shows a diminishing wage as compared to value of its product.

In textiles labor received 22 per cent of the product in 1890, 20.8 per cent in 1900, 19.5 per cent in 1905.

In the iron and steel industries labor received 24.9 per cent of the product in 1900, 22.1 per cent in 1905.

In the leather industries labor received 20.1 per cent of the product in 1890, 16.9 per cent in 1900, 16.5 per cent in 1905.

In paper and printing industries labor received 26.5 per cent in 1890, 23.1 per cent in 1900, 21.6 per cent in 1905.

In metal and metal products labor received 20.4 per cent of the gross product in 1890, 12.9 per cent in 1900, 12.7 per cent in 1905.

In tobacco industries labor received 21 per cent in 1890, 18.9 per cent in 1905.

Labor has constantly grown in efficiency, but has not been able to share equitably in the value it has created.

Taking a special industry, such as iron and steel, including rolling mills and blast furnaces, as shown by the special report of the United States Census Office, Part IV, selected industries, 1905, on pages 5 and 16, will be found the tables for the years 1890 and 1905. I submit an analysis which shows that the per capita increase of the product of labor by weight was 50 per cent; by value, 33.5 per cent; while the increase in wages is only 11 per cent.

Year.	Average number of wage-earners employed.	Total annual wages paid.	Total value of products.	Total weight of products in tons.
1890.....	171,151	\$89,273,956	\$478,687,519	16,264,478
1905.....	242,740	141,439,906	905,854,152	34,844,083

Year.	Per capita increase in production in 15 years in values.	Per capita increase in production by weight.	Per capita increase in wages in 15 years.	Average weekly wage.
1890.....	Per cent.	Per cent.	Per cent.	\$10.02
1905.....	33.5	50.5	11.5	11.20

These figures might be multiplied indefinitely in all of the monopoly-controlled industries.

I submit a table of the wages in the woolen and cotton goods factories of New England. It shows that they do not receive today an average wage of exceeding a dollar a day, a fact of special interest in connection with this controversy where the schedules are supposed to be written for the protection of labor.

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Wages 1860 and 1900 compared in woolen and cotton goods factories of New England.

Year.	Number of employees.	Wages.	Wages per capita.	Value of product.	Value of output per capita.	Pounds of cotton used.	Actual increase in output by weight.
Cotton:							
1860.....	81,403	\$16,720,920	\$205	\$79,859,000	\$794	283,701,306	Per ct.
1900.....	164,944	56,258,202	341	191,690,913	1,162	940,908,114	331
Woolen:							
1860.....	25,583	6,144,847	240	47,722,814	1,474		
1900.....	82,472	31,230,772	378	161,506,277	1,934		

This schedule shows that, counting the best paid labor, the annual average wage of the employees in the cotton and woolen mills do not exceed \$1 a day, and that, therefore, the pretense of better paid labor in the United States in the cotton and woolen mills, at least, is not true, because such wages do not greatly exceed the wages in Europe; and measured by purchasing power, probably do not exceed them at all; and measured by the output of American labor, which is twice as efficient as European labor, the American laborer is not as well paid as European labor. The American manufacturer gets all the net profit. It has been shown in this debate what the enormous profits of the cotton and woolen mills have been, and our statistics clearly demonstrate the inequitable manner in which these profits have been proportioned between the American monopolists and his foreign-born workmen.

AMERICAN AND EUROPEAN WAGES IN PROTECTED INDUSTRIES COMPARED.

I submit this comparison of wages in the United States, Germany, France, and the United Kingdom, with the proper authorities, showing that the wages paid in the United States in the textile industry do not very greatly exceed those paid in Germany, France, and England, while it is conceded that

the output of the American laborer is twice as much as in Europe.

The spinners, for example, in Germany in 1905, at Mulhausen, received from \$6.57 to \$7.30 per week. In France they received \$5.91 and in the United States \$4.12. The weavers, on the contrary, received in Germany \$4.02 to \$4.75; in France, \$4.48 to \$5.19; in the United Kingdom, \$5.11 to \$7.06; and in the United States, \$8.29. So that the weavers in our country received double as much as they did in Germany, and the spinners in our country received a smaller money wage than in either Germany or France.

Mr. SMOOT. Does the table show that the weavers receive less than the spinners in Germany?

Mr. OWEN. Yes, sir.

Mr. SMOOT. Whoever prepared the table does not know a thing about manufacturing, and it can not possibly be true.

Mr. OWEN. The Senator from Utah having corrected the United States census with regard to employees in cotton factories, may now correct the tables used by the Board of Trade of the United Kingdom in their report to Parliament, from which this is taken.

Mr. SMOOT. I know just as well as I know I am alive that there is no country that can employ weavers at a less price than they can spinners. Spinners are boys and girls. Weavers are men and women. It can not be possible. It is a mistake.

Mr. OWEN. I again appeal from the personal assurances of the Senator from Utah [Mr. Smoot] to the records of the Board of Trade of London and of the United States census, from which these figures are accurately taken; and I call attention to the fact that the Senator from Rhode Island, the chairman of the Committee on Finance, when he was giving these tables, confined himself to those parts of the tables favorable to his contention and failed to insert those parts of the tables which were unfavorable to his contention, and such a leadership I neither approve nor follow.

These tables show the differences which I have pointed out, and they speak for themselves and are easily capable of their verification.

Wages in textile industry in Germany, France, United Kingdom, and United States.

In the protected industries.	Germany, 1905, Mulhausen.		France, 1905, Lille.		United Kingdom. Weekly pay, 1906 (W. K. Preston).	United States. Average, 1904.	Hours.
	Weekly pay.	Hours work.	Weekly pay.	Hours work.			
COTTON INDUSTRY.							
Spinners:							
Male.....	\$6.57-\$7.30	66	\$5.91	60		\$4.12	64.55
Female.....						5.16	61.01
Weavers:							
Male.....	4.02-4.75	66	4.48-5.19	60	\$5.11-\$7.06	8.29	60.42
Female.....						7.58	60.13
Piecers.....	4.42-4.87	66	3.51-5.19	60			
Laborers.....	3.81	66	4.10	60			
Dyers.....	3.65-4.62	58-63	4.66-5.25	60-66		6.89	62.48
Mule spinners.....			11.78-12.45	60	8.52-10.95	11.24	59.32
WOOLEN INDUSTRY.							
Spinners.....							
Weavers (Aschen):							
Male.....	7.20-7.79	61	6.22-6.81	60	1.95-2.68	6.52	58.34
Female.....	5.11-5.84	60	5.45-5.84	60	3.16-4.14	9.87	58.47
Combers (Leipzig):							
Male.....	4.38	65	4.20-4.26	60	4.87-5.60	7.11	58.33
Female.....					2.68-3.41	5.49	57.40
Dyers (Leipzig):					5.84	7.86	59.11
SILK INDUSTRY.							
Weavers:							
Silk—							
Male.....	5.11-5.84	58-58½	3.20-3.51	60		9.74	56.52
Female.....						8.19	57.82
Velvet.....	5.84-6.57	58-58½	4.10-4.97	60			
Ribbon—							
Male.....	7.30	58-58½	3.51-4.66	60		10.93	52.98
Female.....						9.84	50.71
Dyers.....	6.57	60	5.84-6.81	60		10.98	55.05

^a St. Etienne.

NOTE.—In 1905 the wages received at St. Etienne, France, by ribbon weavers varied from \$3.51 to \$4.66 per week. In 1906 it was over 100 per cent more than this. In August, 1907, it was from 30 per cent to 50 per cent higher than in 1905. These weavers received as pay, in piecework, from one-half to two-thirds the value of their product.
 Authority for United States figures: Bulletin of the Bureau of Labor, No. 59, July, 1905.
 Authority for foreign figures: Cost of Living in German Towns (1908); Cost of Living in French Towns (1909); Cost of Living of Working Classes, United Kingdom, 1908; Report of Board of Trade to Parliament.

I exhibit a comparison of wages in the United States, Germany, France, and the United Kingdom in the nonprotected industries, which present a very much more favorable wage to the unprotected American workingman and much more favorable hours.
 89032-8445

Comparison of wages in United States, Germany, France, and United Kingdom.

Class of labor. (In the unprotected industries.)	Berlin (1905).		London (Oct., 1905).		Paris (Oct., 1905).		United States—North Atlantic (1904).			
	Weekly wages.	Number of hours.	Weekly wages.	Number of hours.	Weekly wages.	Number of hours.	Weekly wages.	Number of hours.		
Bricklayers and masons.....	\$9.51	53½	\$10.65	50	\$9.35	60	\$25.52	46.92		
Carpenters.....	9.51	53½			10.50	60	18.03	47.89		
Joiners and cabinetmakers.....	7.77	52	11.16	50	9.35	60	20.60	48.00		
Plumbers.....	7.81	53½			9.35	54	16.95	48.40		
Painters.....	7.16	53½	7.10	50	9.35	60	9.50	54.70		
Laborers (building trades).....	6.25	53½			5.84	60	13.88	46.72		
Hod carriers (building trades).....	8.86	53½	9.49	50	5.84	60	17.17	56.38		
Molders.....	8.27-9.41	58½-60			8.17	60	11.23	60	15.34	56.07
Turners.....	9.02-9.41	58½-60	9.49	50	8.17	60	12.73	60	16.73	57.03
Smiths.....	7.30-7.58	58½-60			9.05	60	12.60	60	17.87	56.25
Pattern makers.....	8.77-9.01	58½-60	10.56	50	8.88	60	6.43	60	17.54	58.20
Brewers.....	7.79	57			11.09	48	12.86	42	18.24	52.16
Compositors (printing).....	8.73	54	9.49	50	6.59	60	9.50	58.28		
Street sweepers.....	5.11-5.84	63								

^a Piecework. ^b Time work. ^c Day. ^d Night.

Report of board of trade: Cost of living in German towns, 1908; cost of living in French towns, 1909; cost of living of working classes, United Kingdom, 1908.

Mr. GALLINGER. Mr. President—
The VICE-PRESIDENT. Does the Senator from Oklahoma yield to the Senator from New Hampshire?

Mr. OWEN. With pleasure.

Mr. GALLINGER. I will ask the Senator if he has consulted Bulletin No. 80, published in January, 1909? It is four years later than the one he quoted from. If the Senator will turn to page 63, he will find that in Dundee male shifters are working for \$2.29 a week in the textile mills, and male preparers are working for \$2.51 a week. It seems to be an extraordinarily low wage. There is nothing like it in this country, I take it, and yet that is in the unprotected textile mills of Great Britain and from a recent publication by our Commissioner of Labor.

Mr. OWEN. I have these tables of 1904 and 1905, which

compare the dates as nearly as they could be compared, and have not attempted to compare the tables of Great Britain, made by the board of trade there, with the tables made at a very different period. I have compared them as nearly as they were available of adjacent years. But, I will say to the Senator from New Hampshire, that the question of "the difference in the cost of production at home and abroad" is easily discovered, and he illustrates that he knows how to do it.

I now take a table—Exhibit No. 6, the wages and cost of living in the United Kingdom, Germany, and France, showing the average family income, the cost of living, the articles of food, and so forth. I ask that it may be printed in my remarks without reading.

As Exhibit No. 6, I submit the wages and cost of living in the United Kingdom, Germany, and France.

EXHIBIT 6.
Wages and cost of living in United Kingdom, Germany, and France.

Limit weekly income.	Under \$6.08.			\$6.08 and under \$7.40.			\$7.40 and under \$8.52.			\$8.52 and under \$9.73.			\$9.73 and over.		
	United Kingdom.	Germany.	France.	United Kingdom.	Germany.	France.	United Kingdom.	Germany.	France.	United Kingdom.	Germany.	France.	United Kingdom.	Germany.	France.
Number of returns.....	261	1,065	614	289	1,320	931	416	1,223	1,065	382	692	821	596	737	1,951
Average family weekly income.....	\$5.20	\$5.30	\$5.58	\$6.56	\$6.59	\$6.73	\$7.77	\$7.75	\$7.87	\$8.89	\$8.92	\$9.08	\$12.65	\$11.85	\$12.88
Average number of children.....	3.1	2.3	1.77	3.3	2.5	1.80	3.2	2.5	1.92	3.4	2.8	2.13	4.4	3.8	2.91
COST OF LIVING.															
Bread and flour:															
Cost.....	\$0.74	\$0.64	\$0.73	\$0.81	\$0.70	\$0.76	\$0.80	\$0.74	\$0.82	\$0.82	\$0.83	\$0.89	\$1.05	\$1.09	\$1.15
Amount.....pounds..	28.44	23.04	24.10	29.97	25.05	24.58	29.44	26.06	26.19	29.99	29.83	27.62	37.76	38.21	35.89
Meat:															
Cost.....	\$0.79	\$0.99	\$0.92	\$1.01	\$1.18	\$1.12	\$1.25	\$1.41	\$1.38	\$1.32	\$1.57	\$1.55	\$1.75	\$2.10	\$2.11
Amount.....pounds..	6.42	5.83	5.55	7.57	6.60	6.49	8.66	7.82	7.81	9.25	8.77	8.57	11.87	11.35	11.55
Fish, cost.....	\$0.15	\$0.06		\$0.18	\$0.06		\$0.20	\$0.06		\$0.24	\$0.07		\$0.32	\$0.09	
Eggs:															
Cost.....	\$0.12	\$0.11	\$0.13	\$0.17	\$0.15	\$0.15	\$0.22	\$0.17	\$0.18	\$0.24	\$0.19	\$0.19	\$0.34	\$0.24	\$0.26
Amount.....number..	6.2	6.9	6.9	8.7	9.2	8.1	11.3	10.2	9.3	12.0	11.06	10.2	16.3	14.4	13.4
Milk:															
Cost.....	\$0.16	\$0.25	\$0.15	\$0.23	\$0.31	\$0.18	\$0.31	\$0.34	\$0.20	\$0.33	\$0.40	\$0.22	\$0.41	\$0.44	\$0.27
Amount.....pints..	5.54	10.57	5.81	7.72	12.30	6.88	9.85	12.83	7.6	10.34	14.45	8.1	12.63	16.10	9.73
Cheese:															
Cost.....	\$0.10	\$0.06	\$0.08	\$0.11	\$0.08	\$0.10	\$0.12	\$0.09	\$0.12	\$0.12	\$0.10	\$0.14	\$0.16	\$0.13	\$0.19
Amount.....pounds..	0.67	0.40	0.46	0.70	0.46	0.55	0.79	0.62	0.68	0.77	0.60	0.75	1.02	0.77	1.00
Butter, lard, etc.:															
Cost.....	\$0.41	\$0.49	\$0.42	\$0.51	\$0.60	\$0.47	\$0.58	\$0.65	\$0.50	\$0.62	\$0.72	\$0.55	\$0.90	\$0.90	\$0.72
Amount.....pounds..	2.05	2.56	2.25	2.47	2.79	2.41	2.67	3.07	2.59	2.87	3.45	2.80	3.96	4.23	3.62
Potatoes:															
Cost.....	\$0.18	\$0.20	\$0.15	\$0.20	\$0.21	\$0.16	\$0.21	\$0.21	\$0.16	\$0.20	\$0.23	\$0.18	\$0.28	\$0.29	\$0.24
Amount.....pounds..	14.05	26.04	12.30	15.84	23.96	13.93	16.11	23.81	14.64	15.87	24.63	15.85	19.93	33.55	20.50
Fruit, cost.....	\$0.10	\$0.11	\$0.24	\$0.14	\$0.16	\$0.28	\$0.20	\$0.19	\$0.33	\$0.23	\$0.21	\$0.35	\$0.32	\$0.27	\$0.48
Macaroni, oat meal, etc., cost.....	\$0.09	\$0.07	\$0.08	\$0.10	\$0.09	\$0.10	\$0.12	\$0.09	\$0.10	\$0.11	\$0.10	\$0.11	\$0.14	\$0.12	\$0.13
Coffee, cocoa, and tea:															
Cost.....	\$0.23	\$0.15	\$0.15	\$0.29	\$0.19	\$0.16	\$0.33	\$0.21	\$0.20	\$0.35	\$0.24	\$0.21	\$0.46	\$0.30	\$0.30
Amount.....pounds..			0.44			0.46			0.55			0.55			0.82
Sugar:															
Cost.....	\$0.16	\$0.09	\$0.11	\$0.20	\$0.10	\$0.11	\$0.22	\$0.10	\$0.12	\$0.23	\$0.11	\$0.13	\$0.30	\$0.13	\$0.16
Amount.....pounds..	3.87	1.83	1.48	4.62	1.96	1.50	4.97	1.98	1.72	5.21	2.14	1.83	6.70	2.67	2.22
Sirups, condiments, etc., cost.....	\$0.26	\$0.13	\$0.01	\$0.33	\$0.17	\$0.01	\$0.41	\$0.17	\$0.02	\$0.46	\$0.20	\$0.03	\$0.62	\$0.24	\$0.04
Meals away from home.....	\$0.03	\$0.09	\$0.72	\$0.05	\$0.13	\$0.32	\$0.08	\$0.16	\$0.42	\$0.14	\$0.18	\$0.53	\$0.18	\$0.31	\$0.75
Total expenditure for food:															
Per week.....	\$3.50	\$3.44	\$3.38	\$4.34	\$4.10	\$3.94	\$5.05	\$4.58	\$4.56	\$5.43	\$5.14	\$5.09	\$7.22	\$6.66	\$6.81
Per year.....	\$182.00	\$178.88	\$175.76	\$225.68	\$213.20	\$204.88	\$262.60	\$238.16	\$237.12	\$282.36	\$267.28		\$375.44	\$346.32	

NOTE.—Totals are found by converting the totals in foreign money into United States money, and may differ from true totals. Authority for above table: Report of an inquiry by the Board of Trade for both Houses of the English Parliament, 1908, as to cost of living in German towns; 1909, as to cost of living in French towns.

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As Exhibit No. 7, I submit the income and cost of living in the United States of workingmen's families.

EXHIBIT 7.
Workingmen's families, income and cost of living in the United States, 1891.

Geographical division.	Number of families noted.	Average size of family.	Average income of family.		Average expenditure of family.		Average expenditure for food.	
			Annual.	Weekly.	Annual.	Weekly.	Annual.	Weekly.
North Atlantic States.....	1,415	5.25	\$834.83	\$16.05	\$778.04	\$14.96	\$338.10	\$6.50
South Atlantic States.....	219	5.30	762.68	14.67	700.62	13.47	298.64	5.74
North Central States.....	721	5.46	842.60	16.20	785.95	15.11	321.60	6.18
South Central States.....	122	5.65	715.46	13.76	690.11	13.27	292.68	5.36
Western States.....	90	4.69	891.52	17.15	751.46	14.45	308.53	5.32
United States.....	2,567	5.31	827.19	15.91	768.54	14.78	326.90	6.99

Authority for above table: Bulletin of the Bureau of Labor, United States, No. 59, July, 1905.

As Exhibit No. 8 I submit the quantity and value of the food consumed by workingmen's families in the United States per week, 1901:

EXHIBIT 8.

Quantity and value of certain articles of food consumed by workingmen's families in the United States per week, 1901.
(Average income, \$14.78 per week. Number of families, 2,567.)

Article.	Amount.	Cost.
Bread and flour.....pounds..	17.95	\$0.56
Meats.....do.....	14.78	1.97
Fish.....do.....	1.54	.15
Eggs.....number.....	19.7	.32
Milk.....pints.....	13.7	.41
Cheese.....pounds.....	.31	.05
Butter and lard.....do.....	3.87	.73
Potatoes.....do.....	17.0	.25
Vegetables and fruit.....do.....		.68
Rice.....pounds.....	.48	.04
Coffee and tea.....do.....	1.10	.31
Sugar.....do.....	5.16	.30
Condiments, molasses, etc.....do.....		.11
Other food.....do.....		.39
Total expended for food per week.....		6.27
Total expended for food per year.....		326.90

Authority: Bulletin of the Bureau of Labor, No. 59, July, 1905.

As Exhibit No. 9 I submit the weekly rents workingmen pay in England, Germany, France, and United States.

EXHIBIT 9.

Weekly rents in England, Germany, France, and United States.

Tenements.	London.	Berlin.	Paris.	United States.
Two-room.....	\$1.46	\$1.34	\$1.12	a \$1.91
Three-room.....	1.82	1.98	1.46	
Four-room.....	2.19		1.67	

a Average of 2,567 families, 1901, irrespective of size of tenement, in total United States.

Report of board of trade to Parliament: (1908) cost of living in German towns; (1909) cost of living in French towns; (1908) cost of living of working classes, United Kingdom.

Exhibit No. 10 is the per cent of income of workingmen's families spent for food.

EXHIBIT 10.

Per cent of income of workingmen's families spent for food.

Limit of income.	United Kingdom, 1905.	Germany, 1905.	France, 1905.	United States.
	Per cent.	Per cent.	Per cent.	Per cent.
\$6.08-\$7.30 per week.....	66	62	59	a 42 1/2
\$7.30-\$8.52 per week.....	65	59	58	
\$8.52-\$9.73 per week.....	61	58	56	

a 2,567 workingmen's families.

Authority: Bulletin of United States Bureau of Labor No. 59. Report of board of trade to Parliament on cost of living (1908-9).

IT WOULD NOT BE DIFFICULT TO DETERMINE WITH COMPARATIVE PRECISION THE DIFFERENCE IN THE COST OF PRODUCTION MEASURED BY THE COST OF MATERIALS AND OF WAGES, THE RELATIVE EFFICIENCY OF LABOR, AND THE PURCHASING POWER OF THE WAGE

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RECEIVED. FUTURE TARIFFS SHOULD BE BASED UPON SUCH INFORMATION COMPILED BY EXPERTS EMPLOYED FOR THE PURPOSE. THIS WOULD GIVE A PROPER BASIS FOR DETERMINING THE DIFFERENCE IN COST OF PRODUCTION AT HOME AND ABROAD, AND FOR DETERMINING THE EXTENT TO WHICH THE AMERICAN MANUFACTURER WOULD BE PROTECTED IN PERCENTAGES OVER AND ABOVE THE DIFFERENCE IN THE COST OF PRODUCTION, AND WOULD ESTABLISH A SOUND FOUNDATION UPON WHICH TO WRITE A TARIFF FOR REVENUE WHICH WOULD AFFORD A LEGITIMATE AND REASONABLE INCIDENTAL PROTECTION, WITHOUT GIVING SHELTER TO MONOPOLY.

It will be observed from these tables the vital fact that the American laborer in the protected industries, and especially in the cotton and woolen industries, does not receive the enormous wages in comparison with the European workman in like industries which the advocates of high tariff would have us believe. On the contrary, their wages are very little, if any, better than those of the European workman, and that the workman in the United States, especially in the textiles, has been compelled to supplement his own wages by compelling his wife and his daughter and his children of tender years to help earn sufficient to enable them to keep body and soul together.

THE EXTREME USE OF WOMEN AND CHILDREN IN THE RACE FOR MONEY-MAKING.

An untutored, full-blood Sioux Indian was taken East and shown the glories of its civilization and, when he had been surfeited with sight-seeing, the question was asked him, what had struck him as the most important thing he saw, and he replied: "The way in which the white man makes his little children work."

So evil has been this result of a monopoly-breaking tariff in this Nation that a general alarm has been widely excited, and various States and committees throughout the Nation are engaged in attempting its correction. (Proceedings of the fifth annual conference, Chicago, Ill., National Child Labor Committee, 105 East Twenty-second street, New York.

Bulletin No. 69, on Child Labor, Department of Commerce and Labor, shows that 26 per cent of the male children of the United States between 10 and 15 years of age are breadwinners; 1,264,000 male children between 10 and 15 years are breadwinners; 485,000 female children between 10 and 15 years are breadwinners.

2. If the number of children over 15, wage-earners, and not yet adults were classified, it would be found very large. Table 164, Census Bulletin, page 69, for example, gives the number of children at home, at school, and employed as breadwinners in families in which there are female textile workers 10 to 14 years of age, for Chicago, and New York, and out of 3,595 children over 15 years of age, 190 were at home, 52 at school, and 3,353 employed in gainful occupations. No record is made by the Census of children not employed in gainful occupations under 10 years of age, nor over 15 years of age; so that it is probably no exaggeration to state that four or five million of children are engaged in labor when they ought to be in school or at play.

By Census Volume 2, page cxxxi, it is shown that the number of females engaged in gainful occupations, outside of domestic service was 5,329,292, and the probable number of women and girls now engaged in gainful occupations will probably exceed seven millions; 28 per cent being so employed in Massachusetts, 29.6 per cent in Rhode Island, 24.3 per cent in Connecticut, 20.8 per cent in New Jersey, 23 per cent in New York and 7.9 per cent in Oklahoma. The reason for women being compelled to go into competition with men in the gainful occupations is largely because the men of the family do not receive enough to maintain the family and enable the women to have the means they require and to remain at home where they properly belong

in a civilization of a high order. The driving of the American woman from the home where her activities would best be employed in promoting her own happiness and the happiness of mankind, and where her services to the race would be best employed in raising children and teaching them the lessons of religion, morality, and the sturdy virtues taught by our forefathers, is not the least of the crushing effects of modern monopoly engendered by a monopoly-protecting tariff, and by the unrestrained avarice and ambition with their false standards of life which are thus set up in a mad race for power.

It will be seen by the wages in the textile industries that the cotton spinners of Germany and France are paid more in money than in the United States, the weavers less, and the mule spinners of France more, than those of the United States; that the woolen spinners of Germany and France are paid more money than they are in the United States, while the weavers are paid less, but in considering the fact that the money of the cotton spinners and woolen spinners of France and Germany will buy 50 per cent more than in the United States, the wages they receive are decidedly better. When it is remembered the American workman turns out twice as much as the German or Frenchman, then the ungenerous treatment of the American cotton and woolen spinners is obvious. It is also

obvious that the plea of the Massachusetts and Rhode Island manufacturer that the HIGHER WAGES he is compelled to pay his cotton and wool spinners in order to meet the pauper labor competition of France and Germany is a *monumental falsehood* used to hoodwink the patriotism of the American people and lead them to tax themselves for the poor spinner's sake who toil in the cotton and woolen mills.

It is interesting to observe that labor in the protected industries of Germany, France, and the United Kingdom are paid much smaller wages than in the unprotected industries, and labor might well question the value of a protective system which operates throughout the world to give them less remuneration for their labor than in the unprotected industries.

A COMPETITION-PROHIBITING TARIFF HAS SERVED TO INCREASE PRICES AND LOWER THE PURCHASING POWER OF ALL WAGES AND OF ALL INCOMES.

In the Journal of the Royal Statistical Society for March, 1909, page 68, A. Sauerbeck, an acknowledged authority, gives a comparison of world prices, based on 45 commodities, and using as an index the standards fixed by the period of eleven years, 1867-1877, which in the aggregate was the equivalent of the average of the twenty-five years preceding; that is, from 1853-1877. The index number is 100.

Prices of commodities in 1908.

[By A. Sauerbeck.]

The following table shows the course of prices of 45 commodities during the last twenty years as compared with the standard period of eleven years, 1867-1877, which in the aggregate is equivalent to the average of the twenty-five years, 1853-1877. (See the Society's Journal, 1886, pp. 592 and 648; and 1893, pp. 220 and 247.)

(Summary of index numbers. Groups of articles, 1867-1877=100.)

Year.	Vegetable food (corn, etc.).	Animal food (meat, etc.).	Sugar, coffee, and tea.	Total food.	Minerals.	Textiles.	Sundry materials.	Total materials.	Grand total.	Silver.	Wheat harvest.	Average price of consols.	Average Bank of England rate.	Per cent.
1889.....	65	86	75	75	75	70	68	70	72	70.2	103	98	98	3 1/2
1890.....	65	82	70	73	80	66	69	71	72	78.4	106	96 1/2	96 1/2	4 1/2
1891.....	75	81	71	77	76	59	69	68	72	74.1	108	95 1/2	95 1/2	3 1/2
1892.....	65	84	69	73	71	57	67	65	68	65.4	91	96 1/2	96 1/2	2 1/2
1893.....	59	85	75	72	68	59	68	65	68	58.6	90	98 1/2	98 1/2	3 1/2
1894.....	55	80	65	66	64	53	64	60	63	47.6	106	101	101	2 1/2
1895.....	54	78	62	64	62	52	65	60	62	49.1	91	106 1/2	106 1/2	2
1896.....	53	73	59	62	63	54	63	60	61	50.5	116	111	111	2 1/2
1897.....	60	79	52	65	66	51	62	59	62	45.3	100	112 1/2	112 1/2	2 1/2
1898.....	67	77	51	68	70	51	63	61	64	44.3	120	111	111	3 1/2
1899.....	60	79	53	65	92	58	65	70	68	45.1	113	107	107	4
1900.....	62	85	54	69	108	66	71	80	75	46.4	99	99 1/2	99 1/2	4 1/2
1901.....	62	85	46	67	89	60	71	72	70	44.7	106	94	94	3 1/2
1902.....	63	87	41	67	82	71	71	71	69	39.6	113	94 1/2	94 1/2	3 1/2
1903.....	62	84	44	66	82	66	69	72	69	40.7	104	90 1/2	90 1/2	3 1/2
1904.....	63	83	50	68	81	71	67	72	70	43.4	93	88 1/2	88 1/2	3 1/2
1905.....	63	87	52	69	87	72	68	75	72	45.7	113	89 1/2	89 1/2	3
1906.....	62	89	46	69	101	80	74	83	77	50.7	116	88 1/2	88 1/2	4 1/2
1907.....	69	88	48	72	107	77	78	86	80	49.6	117	84	84	4 1/2
1908.....	70	89	48	72	89	62	73	74	73	40.1	111	86	86	3
Average:														
1869-1908.....	64	86	48	68	92	67	71	75	72	44.6	109	92 1/2	92 1/2	3 1/2
1888-1897.....	62	81	66	70	70	59	66	65	67	61.0	101	101 1/2	101 1/2	2 1/2
1878-1887.....	79	95	76	84	73	71	81	76	79	82.1	97	99 1/2	99 1/2	3 1/2

It will thus be observed that as compared with 100 for 1853-1877, the grand total index number of world prices for 1889 was 72, and for 1899 to 1908 it was 72, a fall in prices due to the demonetization of silver throughout the world.

It will also be observed that the index number for 1889 and 1905 was 72; for 1908 it was 73, thus indicating a singular stability in the grand total of the world prices (London), since 1889, notwithstanding important intermediate variations.

Conceding that the volume of metallic money in the world, together with the law of supply and demand of other materials, are the determining factors fixing the average of world prices, it should be observed that the wonderful increase in the output of modern machinery as applied to all classes of products seems to have been about equalled by the output of metallic money, whose annual rate of gold output has approximately doubled since 1896.

This table also shows the effect upon world prices by the disturbance of commercial credits of the world by financial panic; the panic of 1893 being followed by the lowest world prices in a generation.

It would seem to follow that the lowering of prices stimulated purchases and exchanges and led to a corresponding reaction. The panic of 1907 was followed by an immediate reaction in world prices.

It is important to point out that, notwithstanding the increased output of merchantable articles, the increase of gold

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circulation available for the use of the world markets has been very large, and that this probably accounts for the substantial stability of world prices since 1889. These figures are of intense interest when compared with the changes in prices which have taken place in the United States. Taking the tables of the Statistical Abstract of 1907, it will be seen that middling cotton which was 11.07 cents in 1890 was 11.5 cents in 1906, having reached a very low price of 6.94 cents in 1894, just after the panic, and a still lower point of 5.94 cents in 1898, just after the Dingley bill passed; while standard sheetings for 1890 was 7 cents, and 1906, 7.25 cents, reaching a low point of 5.11 cents in 1894, just after the panic, and its lowest point, 4.2 cents, in 1898, just after the passage of the Dingley bill.

In like manner standard drillings and other cotton cloths fluctuated similarly following the panic and following the Dingley bill.

Mr. President, I now submit a table (No. 202) from the Abstract of Our National Statistics (1907), giving the relative wholesale prices of raw and of manufactured commodities of 1890 to 1906 and per cent of increase in prices for 1906 over prices for each preceding year; and also Table 203, giving the relative wholesale prices of commodities from 1890 to 1906 and the per cent of increase in prices from 1906 over prices for each preceding year by group of commodities.

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Great increase in prices under Dingley Act. Relative wholesale prices of raw and of manufactured commodities, 1890 to 1906, and per cent of increase in prices for 1906 over prices for each preceding year.

Calendar year.	Raw commodities.		Manufactured commodities.		All commodities.	
	Relative price.	Per cent of increase in 1906 over each preceding.	Relative price.	Per cent of increase in 1906 over each preceding.	Relative price.	Per cent of increase in 1906 over each preceding.
1890.....	115.0	9.5	112.3	8.3	112.9	8.4
1891.....	116.3	8.3	110.6	9.9	111.7	9.6
1892.....	107.9	16.7	105.6	15.2	106.1	15.4
1893.....	104.4	20.6	105.9	14.8	105.6	15.9
1894.....	93.2	35.1	96.8	25.6	96.1	30.8
1895.....	91.7	37.3	94.0	29.4	93.6	35.4
1896.....	84.0	49.9	91.9	32.3	90.4	36.5
1897.....	87.6	43.7	90.1	35.0	89.7	31.0
1898.....	94.0	33.9	93.3	30.3	93.4	20.4
1899.....	105.9	18.9	100.7	20.8	101.7	10.8
1900.....	111.9	12.5	110.2	10.3	110.5	12.8
1901.....	111.4	13.0	107.8	12.8	108.5	8.4
1902.....	122.4	2.9	110.6	9.9	112.9	7.7
1903.....	122.7	2.6	111.5	9.1	113.6	8.3
1904.....	119.7	5.2	111.3	9.3	113.0	5.6
1905.....	121.2	3.9	114.6	6.1	115.9	122.4
1906.....	125.9	.....	121.6	.....	122.4	.....

NOTE.—From reports of the Bureau of Labor, Department of Commerce and Labor. This table summarizes wholesale prices of 258 staple commodities. The commodities designated as "Raw" are such as are marketed in their natural state and also such as have been subjected to only a preliminary manufacturing process; this group includes 50 articles. The commodities designated as "Manufactured" are such as have been subjected to more than a preliminary factory manipulation and in which the manufacturing labor cost constitutes an important element in the price; this group includes 208 articles. A relative price, or index number, as it is technically called, of any article is the per cent which the price of that article at any date is of the price of the same article at a date or period which has been selected as the base or standard. The base selected by the Bureau of Labor for this compilation is the average price for the ten-year period 1890 to 1899. The relative prices shown under each group are simple averages of the relatives of all articles included within the group. Average price for 1890-1899=100.

EXHIBIT 6.

Relative wholesale prices of commodities, 1890 to 1906, and per cent of increase in prices for 1906 over prices for each preceding year, by groups of commodities.

Calendar year.	Farm products.		Food, etc.	
	Relative price.	Per cent of increase in 1906 over each preceding year.	Relative price.	Per cent of increase in 1906 over each preceding year.
1890.....	110.0	12.4	112.4	0.2
1891.....	121.5	1.7	115.7	2.7
1892.....	111.7	10.7	103.6	8.7
1893.....	107.9	14.6	110.2	2.2
1894.....	95.9	28.9	99.8	12.8
1895.....	93.3	32.5	94.6	19.0
1896.....	78.3	57.9	83.8	34.4
1897.....	85.2	45.1	87.7	28.4
1898.....	96.1	28.6	94.4	19.3
1899.....	100.0	23.6	98.3	14.5
1900.....	109.5	12.9	104.2	8.1
1901.....	116.9	5.7	105.9	6.3
1902.....	130.5	5.3	111.3	1.2
1903.....	118.8	4.0	107.1	5.1
1904.....	126.2	2.1	107.2	5.0
1905.....	124.2	1.5	108.7	3.6
1906.....	123.6	.....	112.6	.....
1907.....	.....	.....	117.8	.....

Calendar year.	Cloths and clothing.		Fuel and lighting.	
	Relative price.	Per cent of increase in 1906 over each preceding year.	Relative price.	Per cent of increase in 1906 over each preceding year.
1890.....	113.5	5.7	104.7	23.7
1891.....	111.3	7.8	102.7	26.1
1892.....	109.0	10.1	101.1	28.1
1893.....	107.2	11.9	100.0	29.5
1894.....	96.1	24.9	92.4	40.2
1895.....	92.7	29.4	98.1	32.0
1896.....	91.3	31.4	104.3	24.2
1897.....	91.1	31.7	96.4	34.3
1898.....	93.4	28.5	95.4	35.7
1899.....	96.7	24.1	105.0	23.3
1900.....	106.8	12.4	120.9	7.1
1901.....	101.0	18.8	119.5	8.4
1902.....	102.0	17.6	134.3	3.6
1903.....	106.6	12.6	149.3	13.3
1904.....	109.8	9.3	132.6	2.3
1905.....	112.0	7.1	128.8	.....
1906.....	120.0	.....	129.5	.....

^a Decrease.

Relative wholesale prices of commodities, 1890 to 1906, etc.—Continued.

Calendar year.	Metals and implements.		Lumber and building materials.	
	Relative price.	Per cent of increase in 1906 over each preceding year.	Relative price.	Per cent of increase in 1906 over each preceding year.
1890.....	119.2	13.4	111.8	25.3
1891.....	111.7	21.0	108.4	29.2
1892.....	106.0	27.5	102.8	36.3
1893.....	100.7	34.3	101.9	37.5
1894.....	90.7	49.1	96.3	45.5
1895.....	92.0	47.0	94.1	48.9
1896.....	83.7	44.3	93.4	50.0
1897.....	86.6	56.1	90.4	55.0
1898.....	86.4	56.5	95.8	46.2
1899.....	114.7	17.9	105.8	32.4
1900.....	120.5	12.2	115.7	21.1
1901.....	111.9	20.8	116.7	20.1
1902.....	117.2	15.4	118.8	17.9
1903.....	117.6	15.0	121.4	15.4
1904.....	109.6	23.4	122.7	14.2
1905.....	122.5	10.4	127.7	9.6
1906.....	135.2	.....	140.1	.....

Calendar year.	Drugs and chemicals.		House furnishing goods.	
	Relative price.	Per cent of increase in 1906 over each preceding year.	Relative price.	Per cent of increase in 1906 over each preceding year.
1890.....	110.2	8.2	111.1	0.1
1891.....	103.6	2.3	110.2	.....
1892.....	102.9	1.7	106.5	4.2
1893.....	100.5	.....	104.9	5.8
1894.....	89.8	12.7	100.1	10.9
1895.....	87.9	15.1	96.5	15.0
1896.....	92.6	9.3	94.0	18.1
1897.....	94.4	7.2	89.8	23.6
1898.....	106.6	5.1	92.0	20.7
1899.....	111.3	9.1	95.1	16.7
1900.....	115.7	12.5	106.1	4.6
1901.....	115.2	12.2	110.9	.....
1902.....	114.2	11.4	112.2	1.1
1903.....	112.6	10.1	113.0	1.8
1904.....	110.0	8.0	111.7	.....
1905.....	109.1	7.2	109.1	1.7
1906.....	101.2	.....	111.0	.....

Calendar year.	Miscellaneous.		All commodities.	
	Relative price.	Per cent of increase in 1906 over each preceding year.	Relative price.	Per cent of increase in 1906 over each preceding year.
1890.....	110.3	9.8	112.9	8.4
1891.....	109.4	10.7	111.7	9.6
1892.....	105.2	14.0	106.1	15.4
1893.....	105.9	14.4	105.6	15.9
1894.....	99.8	21.3	96.1	27.4
1895.....	94.5	28.1	93.6	30.8
1896.....	91.4	32.5	90.4	35.4
1897.....	92.1	31.5	89.7	36.5
1898.....	92.4	31.1	93.4	31.0
1899.....	97.7	24.0	101.7	20.4
1900.....	109.8	10.3	110.5	10.8
1901.....	107.4	12.8	108.5	12.8
1902.....	114.1	6.1	112.9	8.4
1903.....	113.6	6.6	113.6	7.7
1904.....	111.7	8.4	113.0	8.3
1905.....	112.8	7.4	115.9	5.6
1906.....	121.1	.....	122.4	.....

^a Decrease.

NOTE.—From reports of the Bureau of Labor, Department of Commerce and Labor. The group farm products includes 16 commodities; food, etc., 53; cloths and clothing, 75; fuel and lighting, 13; metals and implements, 38; lumber and building material, 27; drugs and chemicals, 9; house furnishing goods, 14; and the miscellaneous group, 13. Average price for 1890-1899=100.

I also submit Dun's tables showing the variations in prices in the United States.

It should be kept clearly in mind that the federal census is, to a very appreciable degree, influenced by the manufacturing industries of the country favorably to themselves, and this dif-

ference is demonstrated by Dun's tables, which show the increase of prices to be much larger in the United States than as shown by Census Abstract Tables 202 and 203:

Leading classes of necessary articles of daily consumption—Prices, at primary markets, from July 1, 1896, to May 1, 1907.
[Index number, from Dun's Review.]

Date.	Bread-stuffs.	Meats.	Dairy and garden.	Other food.	Cloth-ing.	Met-als.	Mis-cella-neous.	Total.
	Dolls.	Dolls.	Dolls.	Dolls.	Dolls.	Dolls.	Dolls.	Dolls.
July 1—								
1896.....	20.530	8.973	12.662	8.894	22.439	25.851	15.842	115.101
1897.....	15.749	7.485	10.813	7.653	21.147	22.500	16.573	101.920
1898.....	18.057	7.150	13.406	10.987	28.413	23.207	17.290	118.510
1899.....	26.154	10.115	13.530	16.359	45.679	37.079	24.264	173.180
1896.....	45.616	15.685	26.053	27.303	73.485	59.192	31.653	278.987
1895.....	25.404	16.112	18.049	21.057	49.307	38.956	25.551	194.436
1896.....	31.471	17.153	23.472	20.821	45.377	41.762	27.922	207.978
1897.....	36.537	14.278	18.418	20.167	38.169	35.426	25.529	188.524
1898.....	38.416	13.210	23.614	19.720	35.694	27.885	24.786	182.825
1899.....	29.116	13.181	18.121	16.347	35.309	28.355	24.201	164.630
1870.....	25.322	14.161	16.112	13.308	31.480	26.612	21.786	148.781
1871.....	24.809	12.177	20.799	13.823	30.624	27.371	21.907	151.510
1872.....	22.171	11.055	16.019	14.845	32.427	32.643	21.319	150.479
1873.....	20.460	10.114	15.629	13.625	29.411	32.298	21.355	143.089
1874.....	25.657	11.560	19.142	13.678	27.260	25.254	19.582	143.133
1875.....	24.848	13.287	14.918	14.418	25.318	23.515	18.398	134.702
1876.....	18.777	10.726	15.912	12.914	21.747	20.452	15.951	116.479
1877.....	21.812	10.036	11.790	13.321	21.850	15.578	15.160	109.547
1878.....	15.672	8.181	10.608	11.346	19.836	15.789	14.836	96.268
1879.....	17.054	8.239	10.253	9.884	20.420	15.149	16.286	97.285
1880.....	17.461	9.230	12.594	11.539	21.984	18.708	17.139	108.655
1881.....	20.369	11.381	11.311	11.663	20.982	19.295	16.900	111.901
1882.....	25.494	13.740	14.685	11.627	21.202	19.832	16.650	123.230
1883.....	19.018	11.210	12.250	10.726	20.209	18.371	15.764	107.248
1884.....	17.871	11.172	11.369	9.323	19.014	16.272	14.685	99.706
1885.....	16.370	9.205	10.872	8.712	17.740	14.132	13.666	90.697
1886.....	15.311	8.906	10.241	8.570	18.063	14.466	13.669	89.226
1887.....	15.156	8.667	11.188	9.252	18.174	16.035	15.153	93.624
1888.....	16.984	9.416	11.849	9.917	17.447	15.366	14.155	95.134
1889.....	14.351	8.244	9.695	10.912	17.107	14.782	14.600	89.691
1890.....	14.867	8.036	10.711	9.749	17.264	15.506	15.416	91.549
1891.....	19.782	9.217	12.455	9.339	16.501	15.107	13.691	96.092
1892.....	17.426	8.700	10.403	8.733	15.648	14.827	14.252	90.105
1893.....	14.963	10.135	11.710	9.188	15.871	14.030	14.716	90.613
1894.....	15.115	9.389	10.394	8.478	13.860	12.015	14.041	83.292
1895.....	14.765	8.622	9.874	8.689	15.315	11.021	13.233	81.519
1896.....	10.504	7.058	7.872	8.529	13.602	13.232	13.520	74.317
1897—January 1.....	11.729	7.327	10.456	8.170	12.407	13.014	12.399	75.502
July (low).....	10.587	7.529	8.714	7.887	13.808	11.642	12.288	72.455
1898—January 1.....	13.511	7.336	12.371	8.312	14.654	11.572	12.184	79.940
July 1.....	12.783	7.694	9.437	8.826	14.663	11.343	12.522	77.768
1899—January 1.....	13.816	7.520	11.458	9.096	14.150	11.843	12.540	80.423
July 1.....	13.483	7.988	10.974	9.157	15.021	15.635	12.969	85.227
1900—January 1.....	13.254	7.258	13.702	9.200	17.484	18.085	16.312	95.295
July 1.....	14.898	8.906	10.901	9.482	16.324	14.834	16.070	91.415
1901—January 1.....	14.486	8.407	15.556	9.504	16.024	15.810	15.881	95.668
July 1.....	14.904	9.430	11.030	9.086	15.098	15.344	16.617	91.509
1902—January 1.....	20.002	9.670	15.248	8.952	15.547	15.375	16.793	101.587
July 1.....	20.534	11.628	12.557	8.748	15.533	16.084	16.826	101.910
1903—January 1.....	17.104	9.522	14.613	9.418	15.938	17.185	16.578	100.356
July 1.....	17.473	9.269	13.083	9.186	17.136	16.544	16.765	99.456
1904—January 1.....	17.102	8.138	15.287	9.653	17.316	15.887	16.759	100.142
July 1.....	18.244	9.033	10.648	10.406	16.514	15.428	16.919	97.192
1905—January 1.....	18.278	7.950	13.948	10.699	16.319	16.188	16.936	100.318
July 1.....	18.831	8.614	9.982	9.922	17.986	15.016	17.061	98.312
1906—January 1.....	16.554	8.426	14.399	9.822	19.313	17.141	18.806	104.464
July 1.....	17.923	9.677	12.590	9.645	19.177	16.649	19.555	105.216
1907—January 1.....	16.079	9.350	14.965	9.760	19.637	18.087	19.386	107.264
May 1.....	18.165	9.641	14.461	9.824	20.098	17.524	19.242	108.955

NOTE.—In the above table the course of prices of commodities is shown, and in each case the price is multiplied by the annual per capita consumption, which precludes any one commodity having more than its proper weight in the aggregate. Breadstuffs include many quotations of wheat, corn, oats, rye, barley, beans, and peas; meats include live hogs, beef, sheep, and many provisions, lard, tallow, etc.; dairy and garden products embrace eggs, vegetables, fruits, milk, butter, cheese, etc.; other food includes fish, liquors, condiments, sugar, rice, tobacco, etc.; clothing covers the raw material of each industry, and many quotations of woolen, cotton, silk, and rubber goods, as well as hides, leather, boots, and shoes; metals include various quotations of pig iron and partially manufactured and finished products, as well as the minor metals, tin, lead, copper, etc., and coal and petroleum; miscellaneous includes many grades of hard and soft lumber, laths, brick, lime, glass, turpentine, hemp, linseed oil, paints, fertilizers, and drugs. The third decimal is given for accuracy of comparison.

There thus appears by Dun's more accurate tables an increase from 1896 to May 1, 1907, of 46.7 per cent on total average of prices of 1896, and on clothing the increase from January 1, 1897, to May 1, 1907, was 69 per cent, and on miscellaneous articles was 55 per cent.

The two tables from our own census contain overwhelming evidence of the injurious results of the Dingley bill upon labor; it shows, for example, Mr. President, that prices have been increased on raw commodities 25.9 per cent over the average prices from 1890 to 1900, and 49.9 per cent over the prices of raw commodities under the Wilson bill.

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Our prices were already in 1906 much higher than in Europe, so that these increases are the more striking.

Mr. President, do not the manufacturing classes themselves see that such an enormous raise in prices of raw commodities is injurious both to their domestic and foreign trade? Do they not see it necessarily limits the consumption of the people, whose little salaries are fixed, whose little pension can not be increased in dollars and cents, whose purchasing power is limited to a fixed wage, a wage not exceeding, among the manufacturing laboring classes, \$160 per annum per capita?

The obvious result is to restrict consumption of goods, limit the output of goods, lower the factory output, and limit the demand for labor.

Mr. President, in like manner the increase of manufactured commodities in price, including a group of 208 articles, has been 35 per cent since the lower prices under the Wilson bill and an increase of 36.5 per cent upon all commodities above the more reasonable prices under the Wilson bill.

What corresponding increase of wages has labor received? Their wages are relatively less than they were ten years ago, both in relation to the output of labor and in relation to the purchasing power of the wage received; and the demand for labor has been necessarily diminished by preventing the consumption of manufactured and other commodities, because of prices which could not be paid out of the limited number of dollars the ordinary American has received. Such a policy is injurious to the manufacturer, to the wage-earner, to the common citizen consumer, to the business men of the entire Nation, and to our national growth and development.

And differentiating these increases of prices, it will be seen by Table 203 that the prices of 1906 for food are 34 per cent higher than they were in 1896 under the Wilson bill; the cloths and clothing have increased 31.4 per cent above the prices of 1896 under the Wilson bill; that fuel and lighting have increased 40 per cent since 1894 under the Wilson bill; that metals and metal implements have increased 56 per cent above the prices under the Wilson bill; that lumber and building material have increased 55 per cent over the prices under the Wilson bill; that house furnishings have increased 23.6 per cent above the lower prices of the Wilson bill; and miscellaneous articles of various kinds have increased 32.5 per cent above the more reasonable prices of the Wilson bill. Are the American people utterly oblivious to these striking and conclusive facts?

It is perfectly obvious from Sauerbeck tables of the prices of the world and from Dunn's table of American (United States) prices that American (United States) prices have increased far beyond European prices since the low price of 1896, notwithstanding American (United States) prices were then much higher than they were in Europe. It therefore follows, beyond question, that the purchasing power of American wages, even of the starvation wages paid in the cotton and woolen mills, has been lowered in such a way as to greatly harm the American workmen, even in protected industries, and has harmed equally the entire American people, workmen, consumers generally, and even the manufacturers, who are severely taxing each other by high prices—the finished product of the one being the raw material of the other. The only people who have a net profit are those who own and control the successful monopolies.

Is the Finance Committee so committed to the demands of the representatives of organized greed in this country that they will refuse to deal justly by the American people?

Or do they believe that by making the rich richer and the poor poorer they will receive adequate political benefit at the hands of those whom they enrich?

I know, Mr. President, that it has been easy to finance Republican campaigns, and I know many good men have not stopped to think that this money was extorted from the misery and sweat of helpless men, women, and children.

Members of the Senate do not often visit the sweat shops; nor do they often see the sorrow and distress of the individuals who compose the weaker elements of our great Nation. I remind them that 500,000 die annually by our neglect, as shown by the comparison between the death rate of New Zealand and Australia, where better laws prevail, where the maxim of the law is "Better reduce want than increase wealth."

Mr. President, I feel charged with a solemn duty to make a record before the Senate of these conditions, and I deem it a great opportunity to have the privilege of submitting a prayer to the leaders of the Senate that they do not be unmindful or inconsiderate of the need and the rights of the inarticulate mass, and that they do not lend too complacent attention to the trained advocates of unsatisfied greed.

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Senator Orville H. Platt, the late distinguished Senator from Connecticut, once said, in substance, in commenting on the faults of the American legislator, that "The American legislator should not be charged with incompetency. As a rule, he is fairly well qualified; neither can he be justly charged with dishonesty. There are a few who may be dishonest, perhaps, but they do not exercise any control of legislation. The fault of the American legislator is 'good-fellowship' and doing for a friend what under no other circumstances would the legislator for a moment consider. For that reason," said he, "I deem it the highest legislative virtue to be cross and crabbed to all the world, especially in the last ten days of the session."

It will be thus seen that, from Sauerbeck's tables, the increase of the world prices has been much lower than the increases of prices in the United States, and that this difference must be accounted for in some reasonable manner.

The most natural way in which to account for it is to show that the prices in the United States are artificially controlled by monopoly.

And this average high increase must be interpreted in the light of a great offset of the lowering of prices of all products produced by the American people of which monopoly controls the price. For example, crude oil is produced by Oklahoma in vast quantities—approximately 50,000,000 barrels per annum—which sells for less than 1 cent a gallon, while the refined product retails for over 11 cents a gallon. It costs half a cent a gallon to refine it. The low price is fixed by the Standard on the crude and the high price is fixed by the Standard on the refined. And the increase of all prices is in the face of the vital fact that monopoly fixes an extremely low price on the articles produced by the people of which the monopoly controls the price. *The average high price would be far higher except for the very low price fixed by monopoly on its purchases, as on crude oil.* This is not only true with regard to oil, but also is true with regard to cattle, hogs, sheep, hides, wool, various minerals, tobacco, and so forth. This low price of articles bought by monopoly prevented the general average from reaching the high point which they would otherwise reach in the statistical tables is a factor of great importance.

Without regard to statistics, everybody knows that the prices are now very much higher than they have ever been.

The schedules of this bill are approximately 50 per cent on the value of proposed imports and this is proof that the prices in the United States are 50 per cent higher than they are in Europe and abroad on the articles of these schedules by the open confession of the managers of this bill, and I therefore do not need to furnish further proof of this matter as the schedules confess that the prices in this country are approximately 50 per cent higher than they are abroad on articles affected by the present tariff law.

Mr. President, it is of great importance to observe these differences between our present prices and the increase of our present prices as compared with the increase of the prices of the world, because it thus enables us to determine to what extent local conditions have raised our prices above the level of the prices of the world.

WORLD PRICES AND PRICES IN THE UNITED STATES—RISE IN PRICES IN THE UNITED STATES NOT DUE TO INCREASE IN PER CAPITA CIRCULATION.

At first thought it might occur to some one that the higher prices in the United States were due to the larger per capita circulation, but this conclusion is impossible because, while our per capita circulation December 31, 1906 (Statistical Abstract, 1907, Table 269), was \$33.99 per capita, France had a per capita of \$40.88 and Germany \$25.03 and the British Empire \$28.12, with no substantial differences in competitive prices at London, thus exhibiting the interesting fact that this enormous increase of prices in the United States, and the fact that United States prices are much higher than the level of world prices, is not due to our increased circulating medium, but is due to the monopolies in this country which have for commercial purpose raised these prices in America far above the prices in the markets of the world.

That these high prices are not necessary for the maintenance of a reasonable profit is shown by the table of lower prices at which these same American goods are sold abroad by the protected monopolies in this country.

A few of these prices are submitted to prove that the prices in the United States under monopoly will average 50 per cent higher than in the markets of the world:

As evidence of this I submit a table from James G. Parsons showing the differences in discounts between export and home prices.

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TABLE I.—Showing differences in discounts between export and home prices.
[By James G. Parsons, Senate Document No. 54, Sixty-first Congress, first session.]

Articles and description.	Export discount from list.	Home discount from list.	Per cent difference.
Auger bits:			
Irwin's solid center.....	Per cent. 60, 10, and 10	Per cent. 50 and 10	39
Snell's.....	70	60	33½
Snell's "King".....	60 and 10	50	39
Auger handles, Gunn's No. 5, adjustable and ratchet.....			
Bells, Texas cow.....	35	15 and 10	18
Bird cages, Hendryx's brass.....	50 and 10	50	11
Bolt clippers, "New Easy".....	50	30	40
Bolt clippers, "Easy".....	60, 10, and 5	50, 10, and 10	18
Boils:			
Carriage, ¾ by 6 inches and smaller.....	80 and 10	75 and 10	25
Machine, ¾ by 4 inches and smaller.....	80 and 10	75, 10, and 5	19
Tire.....	80, 10, and 5	80	17
Borers, bunghole, Enterprise.....	40 and 2	25	27
Braces:			
Fray's genuine "Spoffords".....	70	60	33½
Fray's ratchet, Nos. 81-161.....	60 and 10	50	39
Fray's ratchet, Nos. 83-143.....	60 and 10	50	39
Fray's ratchet, Nos. 62-142.....	70	50	66½
Fray's ratchet, Nos. 66-166.....	60 and 10	50	39
Fray's sleeve, Nos. 207-214.....	60, 10, and 10	50	54
Fray's sleeve, Nos. 407-414.....	60 and 10	50	39
Fray's sleeve, Nos. 606-614.....	60 and 10	50	39
Fray's plain, Nos. 306-314.....	70	50	66½
Can openers, "King".....	25	0	33½
Cartridges, rim fire.....	60, 10, 10, and 6	50	64
Chains, kennel.....	60 and 10	60	11
Coffee mills, Enterprise.....	40 and 10	20 and 25	11
Door rollers and hangers, Lane's.....	60, 10, 10, and 5	60 and 10	17
Gauges, Disston's steel and center.....	45	25, 7½, and 10	12
Harness snaps:			
Covert's "Trojan".....	50 and 10	40	33½
Covert's "Yankee".....	50	30 and 2	37
Covert's "Derby".....	40 and 10	25	39
Lawn sprinklers, Enterprise.....	40 and 2	30	19
Levels, Starrett's bench and pocket.....	40 and 5	33½ and 5	11
Oilstones, "Lily White" and "Washita" No. 1.....	50	33½	33½
Plumbs, levels, etc., Disston's.....	70, 10, 10, 10, and 5	60 and 10	72
Sausage stuffers, Enterprise.....	40 and 2	25 and 7½	18
Saws:			
Disston's Nos. 7, 107, 107½, 3, and 1.....	45 and 7½	30 and 7½	27
Disston's combination.....	45 and 7½	30 and 7½	27
Disston's Nos. 12, 16, D8, 120, 76, 8.....	40 and 10	25 and 7½	28
Disston's compass and keyhole.....	40 and 10	25 and 7½	28
Disston's butcher.....	50	30	40
Disston's framed wood.....	50	25	50
Disston's band.....	70, 10, and 10	60	65
Scroll saws, Barnes's velocipede.....	30	20	14
Screw-driver & Disston's electric.....	70, 10, 10, and 10	70	37
Smoked beef shavers, Enterprise.....	40 and 10	25 and 7½	28
Squares:			
Disston's try, rosewood handle.....	70, 10, 10, 10, and 5	60 and 10	72
Disston's steel.....	45	25, 7½, and 10	13
Traps, Lovell's rat and mouse.....	50	33½	33½
Trowels, Disston's brick.....	45 and 7½	25	47
Vises:			
Armstrong's plain and hinged.....	80 and 10	60	122
Armstrong's pipe.....	60	50	25
Bonney's.....	50	30 and 10	26

TABLE II.—Showing difference between export and home prices of certain specified articles.

Articles and description.	Export price.	Home price.	Difference.
Auger bits:			
Irwin's solid center, 4-16..... per doz..	\$1.30	\$1.80	P. ct. 39
Irwin's solid center, 16-16..... do..	2.92	4.05	39
Auger handles, Gunn's No. 5..... do..	9.75	11.48	18
Bird cages, Hendryx's No. 316..... do..	13.00	18.20	40
Bolt clippers, "Easy" and "New Easy," No. 1..... each..	1.71	2.03	18
Boils:			
Carriage, ¾ by 6 inches..... per 100..	.60	.75	25
Machine, ¾ by 4 inches..... do..	.57	.68	19
Tire, ¾ by 6 inches..... do..	.65	.76	17
Braces:			
Fray's genuine "Spofford," No. 107..... per doz..	6.30	8.40	33½
Fray's ratchet, No. 81..... do..	10.44	14.50	39
Fray's ratchet, No. 62..... do..	6.90	11.50	66½
Fray's sleeve, No. 207..... do..	7.13	11.00	54
Fray's sleeve, No. 606..... do..	7.56	10.50	39
Fray's plain, No. 306..... do..	3.60	6.00	66½
Bung-hole borers, Enterprise, No. 1..... do..	.74	.94	27
Can openers, "King"..... per gross..	4.50	6.00	33½
Coffee mills, Enterprise, No. 1..... each..	1.22	1.35	11
Files, Nicholson's:			
Mill and round bastard, 3 to 4 inch..... per doz..	.40	.64	60
Mill and round bastard 5-inch..... do..	.48	.68	45
Mill and round bastard, 6-inch..... do..	.59	.75	27
Flat bastard, 3 to 4 inch..... do..	.40	.79	98
Flat bastard, 5-inch..... do..	.48	.83	73
Flat bastard, 6-inch..... do..	.59	.92	56
Flat bastard, 7-inch..... do..	.75	1.03	37
Flat bastard, 8-inch..... do..	.88	1.13	28
Flat bastard, 9-inch..... do..	1.01	1.35	34

TABLE II.—Showing difference between export and home prices of certain specified articles—Continued.

Articles and description.	Export price.	Home price.	Difference.
Files, Nicholson's—Continued.			
Flat bastard, 11-inch.....per doz..	\$1.51	\$1.84	22
Flat bastard, 13-inch.....do.....	2.11	2.52	19
Square bastard, 3 to 4 inch.....do.....	.40	.81	102
Square bastard, 5-inch.....do.....	.48	.88	83
Square bastard, 6-inch.....do.....	.59	.98	66
Square bastard, 7-inch.....do.....	.75	1.09	45
Square bastard, 8-inch.....do.....	.83	1.18	34
Square bastard, 9-inch.....do.....	1.01	1.41	40
Square bastard, 10-inch.....do.....	1.26	1.58	25
Square bastard, 11-inch.....do.....	1.51	1.94	29
Square bastard, 12-inch.....do.....	1.82	2.18	20
Square bastard, 13-inch.....do.....	2.11	2.67	27
Gauges:			
Disston's combined steel.....each..	.55	.62	12
Disston's center.....do.....	.17	.19	12
Harness snaps:			
"Trojan," 1½ loop.....per gross..	2.70	3.60	33½
"Yankee," 1½ loop.....do.....	2.90	3.98	37
"Derby," No. 733.....do.....	2.70	3.75	39
Lamp chimneys:			
Macbeth's No. 502.....per doz..	.40	.68	70
Macbeth's No. 504.....do.....	.50	.82	64
Lawn sprinklers, Enterprise, No. 2.....each..	1.76	2.10	19
Levels, Starrett's 24-inch bench.....do.....	1.28	1.42	11
Plumbs and levels, Disston, No. 12.....per doz..	5.82	10.08	72
Pocketknife and tool kit, Utery's.....per set..	1.15	1.50	30
Rifles:			
Stevens's "Little Scout," No. 14.....each..	1.35	1.75	30
Stevens's "Maynard Jr.," No. 14.....do.....	1.80	2.20	22
Stevens's No. 16.....do.....	2.00	2.60	30
Stevens's "Little Krag," No. 65.....do.....	2.50	3.00	20
Stevens's "Favorite".....do.....	3.47	4.50	30
Sausage stuffers, Enterprise, No. 5.....do.....	2.20	2.61	18
Saws:			
Disston's hand, 30-inch, No. 7.....per doz..	13.74	17.48	27
Disston's hand, 30-inch, No. 16.....do.....	15.30	19.98	28
Disston's combination, No. 43.....do.....	15.26	19.42	27
Disston's butcher, 24-inch, No. 7.....do.....	8.50	11.90	40
Disston's framed wood, No. 60.....do.....	6.00	9.00	50
Disston's band, 2-inch, 18-gauge.....per foot..	.157	.26	65
Barnes's combined scroll and circular.....each..	28.00	32.00	14
Screws, flat-head iron wood:			
Size, ¼ inch, Nos. 1 to 4.....per gross..	.034	.073	115
Size, ½ inch, Nos. 1 to 4.....do.....	.034	.073	115
Size, ¾ inch, Nos. 1 to 3.....do.....	.034	.073	115
Size, 1 inch, No. 4.....do.....	.038	.076	100
Size, 1½ inch, No. 4.....do.....	.04	.079	97½
Screws, flat-head brass wood:			
Size, ¼ inch, No. 1.....do.....	\$0.072	\$0.136	89
Size, ½ inch, No. 6.....do.....	.084	.195	132
Size, ¾ inch, No. 6.....do.....	.084	.211	151
Size, 1 inch, No. 6.....do.....	.096	.227	136
Size, 1½ inch, No. 6.....do.....	.108	.251	132
Screws, round-head iron wood:			
Size, ¼ inch, No. 1.....do.....	.034	.087	156
Size, ½ inch, No. 6.....do.....	.06	.112	87
Size, ¾ inch, No. 10.....do.....	.10	.17	70
Size, 1 inch, No. 16.....do.....	.228	.378	66
Size, 1½ inches, No. 18.....do.....	.412	.67	63
Screws, round-head brass wood:			
Size, ¼ inch, No. 1.....do.....	.072	.168	133
Size, ½ inch, No. 6.....do.....	.16	.329	106
Size, ¾ inch, No. 10.....do.....	.365	.776	131
Size, 1 inch, No. 16.....do.....	.768	1.955	155
Size, 1½ inches, No. 18.....do.....	1.24	3.646	194
Screw-drivers, Disston's electric, 12-inch.....per doz..	1.36	1.86	37
Shoe dressing:			
Whittemore's "Gilt Edge".....do.....	1.20	1.75	46
Whittemore's "Baby Elite".....do.....	.60	.67	12
Shotguns:			
Stevens' No. 105.....each..	2.80	4.25	52
Stevens' No. 107.....do.....	3.00	4.50	50
Stevens' No. 225.....do.....	8.67	9.75	12
Smoked-beef shavers, Enterprise's No. 23.....do.....	4.32	5.55	28
Squares:			
Disston's try, rosewood, 10-inch, No. 1.....per doz..	1.66	2.88	72
Disston's steel, 4-inch.....each..	1.19	1.46	13
Traps, Lovell's mouse and rat, metallic.....per gross..	5.50	7.33	33½
Trowels, Disston's brick, 8-inch, No. 1.....per doz..	4.07	6.00	47
Vises:			
Armstrong's hinged, No. 1.....each..	1.80	4.00	122
Armstrong's combination, with leg sockets.....do.....	3.32	8.00	25
Bonney's No. 112.....per doz..	2.25	2.84	26
Watches:			
Elgin movement, 20-year gold-filled case.....each..	7.98	10.23	28
Elgin movement, silveroid case.....do.....	3.04	4.47	47
Wrenches, Hawkeye "5 in 1".....per doz..	3.60	4.50	25

(Senate Document No. 54, Sixty-first Congress, first session.)

It is thus seen that our own manufacturers, to obtain the protection from foreign competition, not only do not give American consumers the low prices they are entitled to, but they give all the benefit to foreigners. These tables demonstrate that the pretense of high tariff to protect themselves against the cheap labor of Europe is false; that our manufacturers can compete and do compete in the open markets of the world, and that they actually do give to foreigners the benefits they

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deny to Americans, of whose patriotic self-sacrifice they take wrongful advantage.

Protection's favors to foreigners is strongly set forth in Senate Document No. 54, Sixty-first Congress, first session, prepared by James G. Parsons, and submitted by me to the Senate, and to which I refer for the most abounding evidence for the truth of my contention—that this bill and its immediate predecessors, the Dingley bill and the McKinley bill, were written under the color of serving the American laborer, when, in point of fact, it has done nothing of the kind, but, on the contrary, favors the foreigner at the expense of the American.

The defense of this indecent practice has been abundantly answered in Document 54, and I shall not take the time to further comment upon it.

A similar table, showing that our prices are 50 per cent higher than world prices, is submitted (Exhibit 12), prepared by Byron W. Holt, of New York.

Our great agricultural products have their prices fixed by the markets of the world, except where freight prevents.

The price of corn per bushel was 55 cents in 1892 and 53 cents in 1906, and wheat was 93 cents in 1891 and 82 cents in 1906, and exported cattle in 1891, \$81.25, and \$93.17 in 1906 under improved methods of feeding and transportation, while cotton was 10 cents in 1890 and 11 cents in 1906.

We have a right to expect cheapening of manufactured products because of the constant increasing improvements in machinery—and in this we are disappointed—and a rise in the price of agricultural products produced from an area necessarily limited, and in this we are not gratified.

The prohibitive tariff has increased the cost of living of the workman and of every other person in the United States, and, therefore, has diminished the purchasing power of the wages received.

I have submitted Table No. 202, Abstract of Census, 1907, page 577, which shows that raw commodities have increased since the Dingley bill went into effect 49.9 per cent, manufacturers' commodities have increased 32.3 per cent up to 1906, and all commodities have increased 35.4 per cent up to 1906, and still higher in 1909.

Mr. President, I now submit Tables 197 and 206, which show in detail the increase of price of food products, showing lard to have increased, since 1896, 38 per cent, corn meal 29 per cent, fresh pork 41 per cent, salt pork 55 per cent (Statistical Abstract of Census, 1907), and similar increases in other things required by the consumer.

LABOR IS HARMED BY THESE HIGH PRICES.

Mr. President, it is obvious that the laboring man who receives a fixed wage, or the laboring woman who receives a given number of dollars, whether in the factory, on the farm, in the mine, in the forest, or in domestic service, by an increase of 34 per cent in the price of all articles to be bought with wages received will be required to pay \$134 to buy the same amount of goods which cost \$100 in 1896 under the Wilson bill.

This means the equivalent of a flat loss of 25 per cent of the narrow wages received by the working people, and shows that the results of this tariff have been seriously injurious to the working people, because of these artificial prices.

HIGH PRICES INJURIOUS TO SALARIED PEOPLE.

Under these high prices it would take, in 1906, \$1,354 to buy as much as \$1,000 bought in 1896; in other words, a salaried man who received a salary of \$1,354 in 1896 could save out of it \$354, but to buy the same things in 1906 would take his entire salary of \$1,354, and leave him nothing saved.

The effect of these high prices on the salaried man is to diminish the purchasing power of his salary 25 per cent.

This is the probable reason why Congress raised the salaries of Members of Congress and of Senators 50 per cent; it was to keep the Senators and Members of Congress from suffering the injury which the Dingley bill inflicted on the balance of the country.

HIGH PRICES ARE INJURIOUS TO THE MANUFACTURERS.

High prices on raw material (and one manufacturer's raw material is the finished product of another manufacturer) has the effect of making it more difficult for American manufacturers to compete in the markets of the world, because their first cost on this very account is heavier than would be the case with their foreign competitors.

Our manufacturers do compete, however, on a considerable scale, because of the greater efficiency of the American workman and of American invention and improved processes, and because of rebates in foreign material bought and reshipped in manufactures.

In this way a market is afforded foreign material and denied our own materials unless they compete with foreign material at world prices.

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But if the manufacturers could obtain a uniform cost of material 35 per cent less than it is now our commerce would be greatly multiplied, the activity of our factories wonderfully stimulated, all of America's laboring elements would be employed, and the productive energies of the Nation brought to the highest degree of activity and efficiency.

If lower prices should prevail, we would avoid the evil of underconsumption and need have no fear of overproduction.

The percentage of weekly earnings, retail prices, and the weekly earnings as measured by retail prices is shown by the Bureau of Labor bulletin, July, 1905:

	Weekly earnings per employee.	Retail prices.	Weekly earnings as measured by retail prices.
	Per cent.	Per cent.	Per cent.
1890.....	101.0	102.4	98.6
1891.....	100.8	103.8	97.1
1892.....	101.3	101.9	99.4
1893.....	101.2	104.4	96.9
1894.....	97.7	99.7	98.0
1895.....	98.4	97.8	100.6
1896.....	99.5	95.5	104.2
1897.....	99.2	96.3	103.0
1898.....	99.9	98.7	101.2
1899.....	101.2	99.5	101.7
1900.....	104.1	101.1	103.0
1901.....	105.9	105.2	100.7
1902.....	109.2	110.9	98.5
1903.....	112.3	110.3	101.8
1904.....	112.2	111.7	100.4

100 equals the standard prices averaged between 1890-1900.

It will be observed that even by these tables, coming from sources interested in putting the best face on the matter, the weekly earnings bought no more in 1904 than they did between 1890 and 1900, while they rose in 1896 to 104.2 from 96.9 in 1894, showing an increased purchasing power of over 7 per cent following the passage of the Wilson—lower tariff—act.

Mr. President, the tables prepared by Edward Atkinson, of Boston (Exhibit 2), showing the relative number of persons who could be affected by a tariff as far as their wages are concerned in the so-called "protected or partially protected industries," should not be forgotten. It will be shown by these tables that 10,381,765 persons are farmers, planters, overseers, agricultural laborers, gardeners, florists, nurserymen, dairy men and women, and other agricultural pursuits; lumbermen and raftsmen, stock raisers, herders and drovers, turpentine farmers and laborers, and wood choppers, to which must be added all persons in professional service, 1,258,739; all persons in domestic and personal service, 5,580,657; and all persons in trade and transportation, 4,766,964; making a total of 21,788,125; and estimating those who are engaged in other services which could not be regarded as in any degree open to competition, it is found that out of a total of 29,074,117 there could not be exceeding 600,000 persons occupied in arts which would require a protective duty. This table is very carefully drawn and is convincing to a sincere and disinterested student. It therefore appears that very little over 2 per cent of the American people are employed in such a way as to really require any measure of so-called "protection," while 100 per cent of our people are taxed about 50 per cent on an average on all dutiable goods, to their very great injury, and without even benefiting the 2 per cent who are employees, mostly of foreign birth or parentage, in the so-called "protected industries," while nearly all of such industries are owned by monopolies who give their foreign employees the lowest wages in America and keep millions for themselves.

MONOPOLY.

This bill ought not to pass, because similar bills heretofore have established, and this bill will continue to maintain, monopoly, labor's chief oppressor, and will be followed by high prices, low wages, greater mortality to labor, increased crime, and extravagant and corrupt standards.

Mr. President, no man familiar with history of his country will seriously question that when the tariff has its schedules so high as to prevent competition from abroad it must engender monopoly at home.

The first step of triumphant monopoly is to cut off foreign competition; the next step is easily effected by any of a variety of successful expedients.

First. By the policy of placing a control of the stock of competing companies in the hands of a trustee for the purpose of preventing competition. This was nothing more nor less than a conspiracy in restraint of trade. The courts in due time

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pronounced the so-called "trust" an unlawful combination. The reason why it was unlawful was because it violated the common law of the English-speaking people. *It violated the common law, which holds as void any contract in restraint of trade.* The common law of our States holds a man is entitled to buy at a price fixed in a free competitive market, and that any restraint of trade denying the citizen this common-law right is a fraud upon him. *The present tariff law and the proposed law is conspicuously guilty of this sin,* although its error has not yet been declared by the courts. A test case should be brought.

Indeed it is a form of robbery under the color of law and carried on under the safeguards of organized society; *it is a fraud to impose a prohibitive tax under the pretense of raising revenue, but in reality to protect monopoly.* It is a species of immoral conspiracy which ought not to be endured by any nation of intelligent and liberty-loving men.

The contracts putting the control of the stock of competing companies in the hands of a "trustee," being the first form in which organized monopoly became conspicuously bad, has led to the term "trust" being loosely and incorrectly used to describe any monopoly.

Second. Another expedient by which monopoly was established was "a gentleman's agreement," by which prices were fixed by verbal agreement and not by contract. This was nothing more nor less than a verbal conspiracy, and was no less a fraud and unlawful than if the verbal agreement had been a legal contract in writing. The only difference between the two was the greater difficulty of detection of the combination.

The gentleman's agreement usually proved inefficient, because men engaged in this character of fraud could not trust each other.

Third. Another form by which the American people have been defrauded by monopoly is where a giant corporation, like the Standard Oil Company, sets a fixed price on crude oil and a price on the refined products, and because of its power intimidates the independent refiner and compels the refiner through fear of destruction, in the crafty ways so fully described by Ida Tarbell in the history of Standard oil, to recognize and maintain the prices so fixed. In this way the Standard Oil Company, through its subsidiary companies, sets the price of crude oil in Oklahoma of the best quality at 41 cents a barrel. No refiner wishes to violate this rule for fear of the Standard, and no refiner dares to offer to sell refined oil at less than the Standard price for fear of the Standard. It only costs one-half cent a gallon to refine petroleum, and crude oil costs 41 cents a barrel in Oklahoma. The people ought to get very cheap oil, but they do not get it, because the Standard Oil Company overshadows the land and controls the market, both of crude oil and of the refined products.

It is a common practice for the independent refiners to stand on the prices fixed by the Standard, both on crude and refined, for fear that they will be destroyed. The history of the past is strewn with the wreckage of companies who have ventured to cut the prices of the Standard Oil Company.

I think the Congress of the United States ought to impose a rule on interstate corporations using the mails and enjoying public protection that they shall not vary their price to the consumers of the United States, except in so far as the difference in freight justifies. In this way the Standard Oil Company could not put the price of refined below cost locally for the purpose of running out an independent competitor in a local field while the Standard at the same time raises the price in another field, with which to make the consumer pay the cost of this illegitimate warfare on a competitor. If the Standard were compelled to give the same price plus freight in all parts of the United States to the consumer, the Standard could not in that event afford to lower its local price for the purpose of killing off a petty competitor. And I appeal to the leaders of the Republican party in the Senate of the United States to bring in an amendment to this bill providing this remedy.

I am sure the chairman of the Committee on Finance will appreciate the force of this observation, and if he does not afford the country the relief which I invite him to do he at least shall have no complaint of me that he did not receive a wise and virtuous suggestion from Oklahoma. I assure him that if he will submit the proper amendment he can rely upon the Senators from Oklahoma giving him enthusiastic support in such a policy.

I pause to ask the chairman of the Committee on Finance whether he will bring in or support such an amendment.

I appeal to the leaders of the Republican party in the Senate of the United States to bring in an amendment to the bill providing this simple, effective remedy against monopoly. If we want to establish competition in the United States, if we hope

to maintain competition in the United States, we must protect the little competitor and not permit him to be killed off by ingenious processes. Otherwise we might as well recognize now that monopoly is fixed and is to be dealt with as monopoly. If we deal with it as monopoly, then a different process would be available, which I suggest to the Senate of the United States, and that is, conceding monopoly to be established, conceding that we can not control or that we will not control monopoly, I suggest that monopoly, having the power of taxation of the American people without limitations, shall be controlled by being limited in the dividends it may pay upon its invested capital, determined by physical valuation.

Fourth. But another and far more dangerous form of monopoly, skillfully drawn to avoid the decisions of the Supreme Court of the United States with regard to contracts in restraint of trade, is the more recent successful plan of merging one corporation with another, such as illustrated in the United States Steel Corporation, by which all competitors of any importance were absorbed. It was organized in 1901, and at that time absorbed a number of gigantic concerns, to wit: Federal Steel, National Tube, American Steel and Wire Company, National Steel, American Tin Plate, American Steel Hook, American Sheet Steel, American Bridge, Shelby Steel Tube, The Carnegie Company, The Lake Superior Consolidated Iron Mines, and acquired interests in numerous other companies, such as the Pittsburg Steamship Company, The Oliver Iron Mining Company, The National Steel Company, including The Sharon Steel Company, The Union Steel Company, The Donora Mining Company, The Republic Coke Company, The River Coal Company, The Sharon Coke Company, The Sharon Ore Company, The Sharon Sheet Steel Company, and a controlling interest in the companies of the Sharon Coal and Limestone Company and the Sharon Tin Plate Company, and directly and indirectly controlling the American Coke Company, The Continental Coke Company, The H. C. Frick Coke Company, The McClure Coke Company, The Southwest Connellsville Coke Company and the United Coal and Coke Company, consolidated under the title of H. C. Frick Coke Company, acquiring also the Clairton Steel Company in May, 1904, The St. Clair Furnace Company. This contract carried with it the stock of the Champion Iron Company, The Clairton Land Company, the St. Clair Terminal Railroad Company, and 51 per cent of the stock of the St. Clair Limestone Company; in April, 1905, the Heckler Coke Company was acquired. On April 15, 1907, by lease United States Steel obtained the control of the Great Northern Railroad Company ore properties through the Great Western Mining Company, a subsidiary company of the United States Steel Corporation, and so forth.

These gigantic mergers of the various companies, by which their competition with each other was effectually destroyed, formed the new company, which issued a total of stocks and bonds of about fourteen hundred millions, a large part of which was "watered," having no physical value corresponding with the face values of the stocks and bonds issued.

In 1907 this gigantic merger company took over the Tennessee Coal, Iron and Railroad Company, which was itself composed of various companies merged together in the same fashion as the United States Steel Corporation, and was its only great competitor; under the control of this great merger company are various water-supply plants, natural-gas properties, pipe lines, ore docks, a multitude of iron mines, and some 25 railroad companies.

By these gigantic mergers competition is effectually controlled under the forms of law, and the resulting giant corporation has such a dominating and masterful position that smaller corporations dare not compete or cut the price or attempt to do so. Competition is thus utterly destroyed.

Moody's manual for 1907, page 2320, gives over 1,000 companies absorbed or merged by or into other companies for 1907.

The smaller corporations engaged in the same business are indeed of some use to the giant monopoly, because the smaller corporation being in existence and doing business at the same prices fixed by the larger corporation, the greater concern can point to the smaller concern as evidence to the common people that there is active competition in the field. The common people may accept the testimony, but it will be a Barmecide Feast when they test the prices.

When the people threaten to remove the monopoly tariff, which shelters monopoly, all of the agents of monopoly join in one mighty chorus in defense of the poor little independent man who will be utterly ruined if the tariff is lowered a particle. But the smaller concern is used as a highwayman might hold up a child to ward off a merited chastisement. It is, however, no chastisement and no injustice whatever to the monopoly to take down the tariff wall that shelters monopoly from reason-

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able competition, but merely a just action in restoring the competition which never should have been interfered with.

The United States Steel Corporation, I am informed, permits no organized labor in its service. The thoughtlessness of this monopoly of its labor, and its forgetfulness of its moral obligation toward poor human beings engaged in its service has been shown with great force in a recent philanthropic investigation conducted under the Russell Sage Foundation in the "Pittsburg Survey." What these giant monopolies are capable of doing when not restrained by any other consideration than what is called "business" and the pressure for "dividends," "dividends," "dividends," is set forth in great detail in the "Journal of Constructive Philanthropy," published by the "Charity Organization Society of the city of New York," 105 East 22d street, New York; Robert W. deForest, president; J. P. Morgan, treasurer; Edwin T. Devine, general secretary, 105 East 22d street, New York City, in "Charities and the Commons" in the issues of January, February, and March, 1909.

What a monopoly tariff does for its protected workmen is abundantly set forth in this wonderful report of the unspeakable conditions which have grown up under our system of government, where the beneficiaries of the tariff have forgotten manhood, and have forgotten womanhood, and even childhood in their insane pursuit of wealth and power.

Ida M. Tarbell, a critical and learned student of sociology, has described it in a few words in the American Magazine of May, 1909:

A TARIFF-MADE CITY—WHAT IT DOES FOR ITS WORKMEN.

The city of Pittsburg is the greatest monument in this country to the practice of high protection. For fifty years it has been the stronghold of the doctrine. For fifty years it has reaped, as no other center in the United States, the benefits of prohibitive duties.

The town lies at the heart of a district in which is produced from one-quarter to one-half of all the various kinds of American iron and steel, as well as a goodly proportion of all our tin, plate glass, and machine-shop products. All of these articles have for years had the American market practically to themselves. All of these articles have for years been exported and sold at less prices than the American consumer can buy them. All these industries have produced enormous fortunes. So many, so conspicuous are they, that a recognized American type in Europe and the United States is the "Pittsburg millionaire." Now, it is certain the tariff produced the Pittsburg millionaire, but that was not what the tariff was fixed for by the Congress of the United States. The tariff was laid to protect and help the Pittsburg workman. According to the protectionist argument, Pittsburg, as the bulwark and center of protected industries, should produce the happiest, most prosperous, and best conditioned workmen in the United States. How is it?

There has just been published in *Charities and The Commons* (now *The Survey*) one of the most significant pieces of investigation the country has seen. It is the result of a year or more of work on the part of a band of trained investigators commissioned by the Charities Publication committee. It gives a blueprint of Pittsburg—the place itself, the people, and their work. What does this blueprint show of the workingman under protection?

It shows him working *twelve* hours a day for SEVEN days in the week, and once in two weeks filling a "long turn," or a twenty-four-hour shift. It is not simply the exceptional man who overworks in this cruel fashion. The twelve-hour day is the extreme of an "altogether incredible amount of overwork by everybody," so the Survey declares. Can you make a man by these hours? Is it any wonder that those who lived and walked among these men preparing this Survey report their saying: "Too tired to read—too tired to think. I work and eat and sleep." Any wonder that they report the God-fearing women crying out for the old country: "We might not have been able to live so well there; but, oh, man, we could have brought up the children in the fear o' God and in a land where men reverence the Sabbath." Any wonder that those men who have not the restraining influence of a family drown fatigue at night in saloons and brothels?

And what do they earn for their toil? In the tariff-protected industries, steel and iron, the greatest number receive a wage, says the report, "so low as to be inadequate to the maintenance of a normal American standard of living—wages adjusted to the single man in the lodging house, not to the responsible head of a family." And this in industries where "to protect the workingman" this country has for years taxed itself millions upon millions of dollars. The estimated tariff profit in the steel trust alone in 1907 was \$80,000,000. Who got the money? Go look at the steel palaces and chateaux in New York and Paris. Go ask the Pittsburg millionaires who fill the glittering places of pleasure in the great cities of Europe and this country, who figure in divorce and murder trials, who are writing their names on foundations and bequests and institutions.

How does this "protected" workingman live? What kind of households are these "buildd on steel?" The reporter of the situation summarizes them: "Evil conditions were found to exist in every section of the city. Over the omnipresent vaults graceless privy sheds flouted one's sense of decency. Eyrie rookeries perched on the hillsides were swarming with men, women, and children—entire families living in one room and accommodating boarders in a corner thereof. Cellar rooms were the abiding places of other families. In many houses water was a luxury, to be obtained only through much effort of toiling steps and straining muscles. Courts and alleys fouled by bad drainage and piles of rubbish were playing grounds for rickety, pale-faced, grimy children. An enveloping cloud of smoke and dust, through which light and air must filter, made housekeeping a travesty in many neighborhoods; and every phase of the situation was intensified by the evil of overcrowding—of houses upon lots, of families into houses, of people into rooms."

Among the worst illustrations of these typical conditions are certain properties owned by the very corporations who are reaping wealth from the tariff-protected products. These beneficiaries of the generosity of the American people, these gentlemen who, when they see the taxation in their interest threatened, hold up the laborer and his good as a reason for continuing it, what do they say when these conditions are pointed out to them: "We don't want to go into the housing business."

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We are manufacturers, not real estate dealers. We may be forced to build houses in certain new districts in order to attract and hold labor, but in an old, settled community let the laboring man take care of himself. We don't believe in paternalism.

They have had no more interest in preserving the lives of the men who do the terrible toil necessary to their wealth than in giving them decent housing. For years the death rate from typhoid fever in Pittsburg has been the highest of any city in the civilized world. Everybody knew it. Everybody knew why. There was no supply of pure drinking water. A filtration plant was needed. Did any Pittsburg millionaire offer to build it—insist that the industries which called the vast army of labor to Pittsburg should build it? No; they left a corrupted city government to fight over the appropriations for the work and scattered in endowments and in institutions in other cities and other States many times the five millions needed in Pittsburg to save the lives of the workmen. They hold up to the world for admiration their love of great material problems—they argue with the American people that their skill in solving these problems is a good and sufficient reason for continuing general taxation in their favor. But a problem which, worked out, would benefit nobody but the humble two-dollar-a-day man who sweats out his life in the heat of their profitable furnaces does not interest them. It might savor of paternalism!

Not even the child has touched them. The conditions under which the children of the poor are brought up in Pittsburg are such that babies die like flies. Of those along the river, a settlement worker told Samuel Hopkins Adams, when he was working on health conditions for the Survey: "Not one child in ten comes to us from the river-bottom section without a blood or skin disease, usually of long standing. Not one out of ten comes to us physically up to the normal for his or her age. Worse than that, few of them are up to the mental standard, and an increasing percentage are imbecile."

As to the schools, here is what an authority says: "The school buildings are in many cases crowded, dark, dirty, often of three stories, and bad fire risks. The condition of the children in these schools, good and bad, rich and poor, may be known by the large proportion having defective teeth, reduced hearing, imperfect vision. An excessively large number of them are mouth breathers, partially so because they are unable to breathe through their noses in the smoky air of Pittsburg, and a very considerable number are below the stature and the weight determined for the average child. In a large percentage the defects of teeth, nose, and throat bring them below the physical normal. These are the children that wear out in childhood."

Is it a wonder that this gentleman suggested: "Ought not the Pittsburg schools to be closed and the children repaired?"

This Pittsburg Survey is the most awful arraignment of an American institution and its resulting class pronounced since the days of slavery. It puts upon the Pittsburg millionaire the awful stamp of greed, of stupidity, and of heartless pride. But what should we expect of him? He is the creature of a special privilege which for years he has not needed. He has fought for it because he fattened on it. He must have it for labor. But look at him and look at his laborer and believe him if you can.

Justice takes a terrible revenge on those who thrive by privilege. She blinds their eyes until they no longer see human misery. She dulls their hearts until they no longer beat with humanity. She benumbs their senses until they respond only to the narrow horizon of what they can individually possess, touch, feel. She makes, as she has in Pittsburg, a generation of men and women who day by day can pass hundreds of tumbled-down and filthy homes, in which the men and women who make their wealth live, and feel no shock; who can know that deadly fevers and diseases which are preventable are wiping out hundreds of those who do their tasks, and raise no hand. Little children may die or grow up stunted and evil within their sight and no penny of their wealth, no hour of their leisure, is given them. Women may pass hours of incessant toil and die, broken and unhonored, within their sight, and they raise no hand. Wealth which comes by privilege kills. The curse of Justice on those who will not recognize injustice is the sodden mind, the dulled vision, the unfeeling heart.

I. M. T.

I was interested after reading this distressing record of the misery and degradation of the employees in protected industries at Pittsburg, and their great poverty, to observe, in striking contrast, that Mr. H. C. Frick, one of the masters of the iron, steel, and coke monopoly, was reported by the public press as trying to buy an oil painting by Holbein from the Duke of Norfolk for \$350,000. I could not help thinking how scandalous it was to take the labor of these poor people and dissipate it in such folly.

The papers announce also that Mr. Schwab, another steel magnate, was successfully "bucking the tiger" at Monte Carlo, and gambling on a gigantic scale. No doubt he has millions which he may hazard at the gambling table and not feel the loss, but where does he get it? He gets it out of the grimy sweat of a labor so poorly paid that the women and children must, of necessity, suffer degradation and physical, social, and spiritual degeneration.

The morning papers state that a New York lady now suing her husband for divorce has spent in the last ten years \$770,000 in various interesting and fanciful extravagances, paying from \$500 to \$800 for dresses, having scores of servants to dance attendance and promote the wildest vagaries of fashion. One can not pick up a paper without reading the unseemly and indecent waste of the national resources by those beneficiaries who profit by monopolies sheltered under a noncompetitive tariff, one which prevents all competition, and gives them the power to combine at home for the purpose of fleecing the American people and picking their pockets wholesale by prices which are 50 per cent higher than the prices in the markets of the world. Side by side are babies dying like flies for want of proper food and air and decent environment. The omnipotent God will surely punish a nation or a party that sees these evils with callous heart and offers no remedy.

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Some one might say that Ida Tarbell's picture is too graphic. I do not think it possible to convey in two pages the terrific arraignment of our civilization which is exhibited in the Pittsburg Survey.

But I submit another authority, whose calm and disinterested judgment and statement of the facts ought to command the attention of the entire nation.

RESULTS OF PITTSBURG SURVEY.

Prof. Edward T. Devine, of New York City, general secretary of the Charity Organization Society of the City of New York (see Vol. III, Amer. Sociological Soc., May 1, 1909), gives a sketch of the results of the Pittsburg Survey, describing what was found to be the actual fact at this great center of the protective industries. He says they found the following results:

I. An altogether incredible amount of overwork by everybody, reaching its extreme in the twelve-hour shift for seven days in the week in the steel mills and the railway switch yards.

II. Low wages for the great majority of the laborers employed by the mills; not lower than in other large cities, but low compared with the prices—so low as to be inadequate to the maintenance of a normal American standard of living; wages adjusted to the single man, not to the responsible head of a family.

III. Still lower wages for women, who receive, for example, in one of the metal trades in which the proportion of women is great enough to be menacing, one-half as much as unorganized men in the same shops and one-third as much as the men in the union.

IV. An absentee capitalism, with bad effects strikingly analogous to those of absentee landlordism, of which also Pittsburg furnishes noteworthy examples.

V. A continuous inflow of immigrants with low standards attracted by a wage which is high by the standards of southeastern Europe, and which yields a net pecuniary advantage because of abnormally low expenditures for food and shelter, an inadequate provision for sickness, accident, and death.

VI. The destruction of family life, not in any imaginary or mystical sense, but by the demands of the day's work, and by the very demonstrable and material method of typhoid fever and industrial accidents, both preventable, but costing last year in Pittsburg considerably more than a thousand lives, and irremediably shattering many homes.

VII. Archaic social institutions such as the aldermanic court, the ward school district, the family garbage disposal, and the unregenerate charitable institution, still surviving after the conditions to which they were adapted have disappeared.

VIII. The contrast—which does not become blurred by familiarity with details, but on the contrary becomes more vivid as the outlines are filled in—the contrast between the prosperity on the one hand of the most prosperous of all the communities of our western civilization, with its vast natural resources, the generous fostering of government, the human energy, the technical development, the gigantic tonnage of the mines and mills, the enormous capital of which the bank balances afford an indication, and, on the other hand, the neglect of life, of health, of physical vigor, even of the industrial efficiency of the individual. Certainly no community before in America or Europe has ever had such a surplus, and never before has a great community applied what it had so meagerly to the rational purposes of human life. Not by gifts of libraries, galleries, technical schools, and parks, but by the cessation of toil one day in seven, and sixteen hours in the twenty-four, by the increase of wages, by the sparing of lives, by the prevention of accidents, and by raising the standards of domestic life, should the surplus come back to the people of the community in which it is created.

The details of this tragic condition is found in the January, February, and March numbers of Charities and Commons, 1909, published in New York.

Mr. President, I have not the slightest doubt that the great and powerful city of Pittsburg, supplied as it is with some of the best brains and best men in the world, will correct, or at least abate, in some degree these conditions. I have no doubt that public sentiment throughout the United States will so influence our great commercial monopolies that they themselves will be led to a more considerate treatment of their laborers and cease to regard them as machines of iron or wood, to be worn-out in production and renewed by others. I have the confidence in the patriotism and good sense of the leaders of both of the great parties of our country to believe that they will not endure the prolonged continuance of these conditions.

THE PROFITS OF MONOPOLY.

The Senator from Iowa gave us a graphic description of the unreasonable profits of the United States Steel upon its watered stock. Its net earnings after paying interest on bonds of subsidiary companies and the accounts of miscellaneous expenditures and charges amounted to one hundred and fifty-six millions. Its products for 1906 amounted to 13,511,149 tons of ingots, out of which was produced 10,578,433 tons of finished products.

Its assets for 1906 are stated (Moody's Manual, p. 2282) at \$1,681,309,769; its net profits for dividends 1906 were \$98,219,088, exceeding \$9 a ton on 10,578,433 tons of product, not counting profits to subordinate corporations.

Its profit on the finished product has exceeded \$9 a ton, collected from the consumers of the United States under a tariff which prohibits the consumer buying elsewhere, and thus

enables this gigantic corporation and its independent allies to exercise a complete monopoly of all our people.

The proposed schedule in this bill of 31.65 per cent average tariff upon all metal and all manufactures of metal operates not for the benefit of labor, but to establish monopolies which control labor, compel it to disorganize, imposes cruelty and extraordinary conditions upon labor, and, together with other monopolies, established in like manner, pick the pockets of the laboring men and of all other men from the Atlantic to the Pacific by artificial prices, which the retailer and jobber is compelled by penalties to observe, so that the wages received by labor is craftily and fraudulently taken out of his pockets by these stealthy organizations, whose lobbyists now infest this capital and falsely advise Senators and Members with regard to their duty in the premises.

Side by side with these abnormal developments will be found hundreds of thousands of honest companies, working at reasonable profits, engaging in legitimate competition, content with the ancient maxim of—

Live and let live,

and who are also victimized by the exactions of monopoly in greater or less degree as the case may be.

The prices which are lowered in the United States by legitimate competition are so far offset by the unreasonable high prices of monopoly that the general average has gone far above the markets of the world, as I have heretofore shown.

Mr. President, several Senators have shown on the floor the enormous profits made by various monopolies.

The authoritative record can be found in Moody's Manual of 1907, a volume of twenty-five hundred pages, giving the accounts of the corporations doing business in the country, but not by any means all of the monopolies. In these tables will be found the enormous profits which have been advertised to the public stating what they have made. The record does not tell the entire story by any means, but it tells enough. The manner in which the people of the United States are unjustly taxed by these artificial high prices in the interest of monopoly is shown by sugar.

Our record shows that the people of the United States consume 2,993,979 tons of sugar per annum. The London price is 2 cents a pound less than the New York price, so that the people pay about \$40 a ton for sugar in excess of the London price—approximately one hundred and thirty millions of dollars—while the duty collected is only sixty millions, leaving a profit of seventy millions to the monopolies and interests protected by the tariff, amounting in this one item to about \$5 per annum for every family in the United States.

In similar manner will be shown the profits to the trusts on pig iron, on steel billets, on steel rails, as compiled by the Actuary of the Treasury. (S. Doc. 45, 61st Cong., 1st sess.)

PIG IRON.		Per ton.
United States	-----	\$17.75
United States duty	-----	4.00
United States price, less duty	-----	13.75
Germany	-----	11.21
France	-----	11.25
Belgium	-----	11.75
England	-----	11.00

United States production of pig iron, 1907, 25,781,361 tons; duty, \$4 per ton; tax on consumer, \$103,125,444; government revenue, 1907, \$1,466,825.

BILLETS, STEEL.		Per ton.
United States	-----	\$24.71
United States duty	-----	6.72
United States value, less duty	-----	17.99
Germany	-----	14.88
France	-----	15.00
Belgium	-----	15.50
England	-----	15.14

United States production, 1906, 23,398,136 tons; duty, \$6.72 per ton; tax on consumers, \$157,235,474; government revenue, 1906, \$590,663.

RAILS, STEEL.		Per ton.
United States	-----	\$25.41
United States duty	-----	7.84
United States price, less duty	-----	17.57
Germany	-----	17.84
France	-----	17.99
Belgium	-----	18.59
England	-----	18.14

Average of above—Europe

United States price	-----	25.41
Difference	-----	7.27

United States production of steel rails, 1907, 3,977,872 tons; difference in price, home and abroad, \$7.27; tax on consumer, \$28,919,129; government revenue, 1907, \$30,670.

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NAILS.		Per ton.
United States	-----	\$47.13
United States duty	-----	11.20
United States price, less duty	-----	35.93
Germany	-----	33.60
France	-----	34.60
Belgium	-----	33.00

United States production, wire nails, 1906, 512,800 tons; United States duty, \$11.20 per ton; tax on consumer, \$5,743,360; government revenue, 1907, \$91; cost to the people for each dollar collected by the Government, \$63,114.85.

RÉSUMÉ.

	United States revenue.	People pay additional.	Cost to the people for each \$1 tax collected by the Government.
Sugar	\$60,135,181.00	\$70,641,821.00	\$2.17
Pig iron	1,466,825.00	109,125,444.00	71.23
Steel billets, etc.	590,663.00	157,235,474.00	267.05
Steel rails	30,670.00	28,919,129.00	943.91
Nails, wire	91.00	5,743,360.00	63,114.85

Census Bulletin 57, 1905, points out the confessed profits on various manufacturing enterprises, a few of which I give.

CENSUS PROFITS ON WOOL MANUFACTURING, CLOTHING, AND TILE.

Census Bulletin No. 57, 1905, gives the following statistics on woollen and worsted goods and clothing manufactures, and so forth, from which the profit can be calculated:

Number of establishments	8,873
Expenses:	
Salaries paid 28,454 officials and clerks	\$30,015,521
Wages paid 394,893 workmen	163,503,042
Miscellaneous expenses	98,564,867
Cost of materials	514,002,738
Total expenses	806,086,168
Value of product	911,399,841
Profit	105,313,673
Capital	529,892,740
Approximately 20 per cent.	

MEN'S CLOTHING.

Number of establishments	4,504
Expenses:	
Salaries paid 13,210 officials and clerks	\$13,703,162
Wages paid 137,190 workmen	57,225,506
Men over 16	58,769
Women over 16	75,468
Children under 16	2,963
Miscellaneous expenses	57,695,240
Materials	185,793,436
Total expenses	314,417,344
Value of product	355,796,571
Profit	41,379,227
Capital	153,177,500
About 27 per cent.	

WOMEN'S CLOTHING.

Number establishments	3,351
Salaries paid 10,920 officials and clerks	\$9,975,944
Wages paid 115,795 workmen	51,180,193
Men over 16	42,614
Women over 16	72,242
Children under 16	849
Miscellaneous expenses	24,340,282
Materials	130,719,996
Total expenses	216,225,415
Value product	247,661,560
Profit	31,436,145
Capital	73,947,823
About 42 per cent.	

BRICK AND TILE.

Number of establishments	4,634
Salaries paid 3,690 officials and clerks	\$3,530,474
Wages paid 66,021 workmen	28,646,005
Miscellaneous expenses	6,969,161
Cost of materials	16,316,499
Total expense	55,462,139
Value product	71,152,062
Profit	15,689,923
About 22 per cent.	

The profits of men's clothing amounts to 27 per cent, on women's clothing 42 per cent, and yet side by side with this manufacturer's profit the sweating system is in full force (an interesting account of which will be found in H. R. Report 2309, 52d Congress, 2d session), with ruinous conditions under which oppressed labor earns its miserable bread; industrious young

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women, twelve hours a day in the shops of unremitting industry, and increasing speed, earning \$4, \$5, and \$6 a week. For a \$10 suit 85 cents is paid for the making of a coat, 25 to 35 cents for the pants, and 20 to 25 cents for the vest; for a \$15 suit \$1.50 is paid for making the coat, and so on. It is no wonder, of course, people living in abject wretchedness of the sweatshops

exhibit a very great mortality as compared with other people, and develop tuberculosis and other diseases.

The CONGRESSIONAL RECORD of June 4, 1909, gives a table of some of the profits of the cotton mills of the country, submitted by Senator SMITH of South Carolina. I ask that it be printed in the RECORD.

Statistics relative to cotton-mill stocks as investments.

Name of company.	Date of incorporation.	Capital.	Surplus.	Debt.	Earnings per share, 1907.	Dividends, 1907.	Total dividends for eight years.	Average dividends for eight years.	Book surplus per share.	Capitalization per spindle.	Par value.
Amoskeag.....	1831	\$5,760,000.00	\$3,720,691.00	\$1,425,000.00	\$21.30	\$16.00	Per cent. 126	Per cent. 15.75	\$84.59	\$10.76	\$100.00
Androscoggin.....	1890	1,000,000.00	1,123,894.00	16,559.00	24.91	10.00	75	9.37	112.38	13.93	100.00
Bates.....	1852	1,200,000.00	1,376,361.00	117,565.00	41.87	35.00	130	16.25	114.61	14.61	100.00
Border City.....	1880	1,000,000.00	333,598.00	500,000.00	37.50	23.50	119	14.87	33.35	12.51	100.00
Richard Borden.....	1871	1,000,000.00	502,174.00	541.00	32.62	20.00	*101	12.62	50.21	10.37	100.00
King Philip.....	1871	1,500,000.00	851,765.00	150,431.00	25.65	6.00	168½	21.25	55.78	11.10	100.00
Dartmouth.....	1895	600,000.00	685,105.00	470,529.00	52.50	66.00	158	19.75	114.18	5.00	100.00
Dwight.....	1841	1,200,000.00	1,299,219.00	735,740.00	103.94	12.00	100	12.50	108.23	5.45	500.00
Great Falls.....	1823	1,500,000.00	990,000.00	338,603.00	21.33	12.00	117	14.62	64.00	11.36	100.00
Laurel Lake.....	1881	600,000.00	184,251.00	None.	23.24	14.00	190½	23.75	37.08	10.03	100.00
Massachusetts Cotton.....	1839	1,800,000.00	1,431,690.00	2,160,763.00	41.30	5.00	50	6.25	79.53	14.13	100.00
Lawrence.....	1831	1,250,000.00	787,000.00	500,000.00	25.27	8.00	122	15.25	62.96	12.50	100.00
Pacific.....	1853	3,000,000.00	6,332,854.00	None.	550.00	320.00	124	15.50	2,110.95	1,000.00	
Pepperell.....	1899	2,550,000.00	1,628,487.00	117,940.00	12.00	12.00	168	19.75	63.71	10.27	100.00
Sagamore.....	1879	900,000.00	355,693.00	607,899.00	48.53	30.00	85	10.63	39.52	9.89	100.00
Troy.....	1814	300,000.00	474,294.00	2,816.00	335.00	67.00	189	23.62	794.90	6.31	500.00
Union.....	1879	1,200,000.00	584,044.00	None.	46.00	35.50	183	22.87	48.67	10.89	100.00
Whitman.....	1895	1,500,000.00	945,411.00	474,245.00	29.76	8.00	58½	7.25	63.02	11.85	100.00

* In addition to which a 25 per cent dividend was paid.

For eight years average annual dividends for group, 15.65 per cent.

† In addition to which a 100 per cent dividend was paid.

The merger in the capital of earnings is not shown, nor in plant improvements out of earnings, which would make the earnings still larger. W. Irving Bullard, of Danielson, Conn., a great cotton manufacturer, is quoted as saying at Boston April 16, 1908:

A summary of 100 cotton mills in Oldham district, in England, shows the following remarkable facts: Capital invested, \$30,501,230; net earnings, \$6,605,785; average earning per mill, \$66,055; dividend, 15½ per cent.

The average dividend disbursements for these 100 mills was 15½ per cent, while the net earnings show an average of 35½ per cent.

The indecent treatment of helpless labor by organized capital is not confined to America, but we ought to lead the world in the conservation of human life and unrewarded toil by laws wisely and humanely drawn.

The recent giant monopolies, engendered and sheltered by the prohibitive tariff, are responsible for the unrest of the country.

The American Tobacco Company, which has become sufficiently powerful to fix the price of all tobacco raised in the United States, advertises its assets for 1906 at \$278,628,564. By merger and otherwise it controls the American Cigar Company, American Stogie Company, the Havana Tobacco Company, with various subcompanies, the American Snuff Company, the Lorillard Company, and so forth. The impatience and violence of the tobacco raisers in Kentucky and Tennessee, known as the "Night Riders," is due directly to the tyranny of this company, which, being strong enough to control prices, is enabled to exercise its will on the tobacco growers, who have been making a blind effort to protect themselves by force. In like manner the crushing effect of extreme poverty, due to the processes which I have described, is leading to actual crime in many ways and is responsible for the growth of radical socialism and anarchism throughout the world.

DISTRIBUTION OF WEALTH.

In "The Social Unrest," John Graham Brooks, on page 161, quoting Thorold Rogers (Oxford Economy), says:

In a vague way they (the laborers) are under the impression that the greater part of the misery which they see is the direct product of the laws enacted and maintained in the interest of particular classes. And on the whole they are in the right.

Quoting Professor Smart, of Glasgow:

But when machinery is replacing man and doing the heavy work of industry, it is time to get rid of that ancient prejudice that men must work ten hours a day to keep the world up to the level of the comfort it has attained. Possibly, if we clear our minds of cant, we may see the reason why we still wish the laborer to work ten hours a day is that we, the comfortable classes, may go on receiving the lion's share of the wealth these machines, iron and human, are turning out.

So Professor Cairnes, an economist noted for ability and caution, in his "Leading Principles" (ibid., 162), says:

Unequal as is the distribution of wealth already in the country, the tendency of industrial progress—on the supposition that the present separation between industrial classes is maintained—is toward an

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inequality still greater. The rich will be growing richer; the poor at least relatively poorer. It seems to me, apart altogether from the question of the laborers' interest, that these are not conditions which furnish a solid basis for a progressive social state; but, having regard to that interest, I think the considerations adduced show that the first and indispensable step toward any serious amendment of the laborer's lot is that he should be, in one way or another, lifted out of the groove in which he at present works and placed in a position compatible with his becoming a sharer in equal proportion with others in the general advantages arising from industrial progress.

Spahr's table for the distribution of wealth in the United States, taken from his work, "The Present Distribution of Wealth in the United States," when our national wealth was \$60,000,000, is as follows:

Class.	Families.	Per cent.	Average wealth.	Aggregate wealth.	Per cent.
Rich.....	125,000	1.0	\$263,040	\$32,880,000,000	54.8
Middle.....	1,362,500	10.9	14,180	19,320,000,000	32.2
Poor.....	4,762,500	38.1	1,639	7,800,000,000	13.0
Very poor.....	6,250,000	50.0	.....	.....	.....
Total.....	13,500,000	100.0	4,800	60,000,000,000	100.0

The inequalities have been steadily growing worse, and when a single person's fortune is estimated at a thousand millions and is gathering in \$50,000,000 per annum of the net proceeds of the products of the labor of this country, while millions of human beings can not lay aside \$50 apiece per annum, what must be the inevitable result? It is this condition, half understood, that is developing rapidly a sentiment of radical socialism, discontent, and social unrest.

Moody's Manual of 1907, page 30, presents a "General Summary" of corporations offering stocks and bonds for sale to the stock exchanges and recorded by him in great detail in a volume of nearly 3,000 pages, as follows:

	Total stocks and bonds.
Steam railroad division.....	\$15,436,758,000
Public utilities division.....	8,130,464,000
Industrial division.....	10,156,333,000
Mining division.....	2,525,173,000
	36,248,668,000
Page 10, Report (1907) Comptroller of the Currency, resources national banks.....	8,390,328,402
Page 35, Report (1907) Comptroller of the Currency, resources other banks and trust companies.....	11,168,511,516

In addition to this enormous volume of corporate wealth, which comprises a registered one-third of our national wealth, there is an unregistered volume of corporations which are close corporations which do not sell stock, which are personal corporations, amounting to thousands of millions of dollars.

I respectfully call your attention to the Statistical Abstract of 1907, Table 244, which sets forth the wealth of the United

in the stocks and bonds of weak financiers who could not stand the storm.

Another purpose was to discredit Theodore Roosevelt, whose heart had been moved by a resolute purpose to protect the people against such sinister forces.

In his message of January 31, 1908, he said:

WHO COMMIT HIDEOUS WRONG.

The attacks by these great corporations on the administration's actions have been given a wide circulation through the country, in the newspapers and otherwise, by those writers and speakers who, consciously or unconsciously, act as the representatives of predatory wealth—of the wealth accumulated on a giant scale by all forms of iniquity, ranging from the oppression of wage-workers to unfair and unwholesome methods of crushing out competition, and to defrauding the public by stockjobbing and the manipulation of securities. Certain wealthy men of this stamp, whose conduct should be abhorrent to every man of ordinary decent conscience and who commit the hideous wrong of teaching our young men that phenomenal business success must ordinarily be based on dishonesty, have during the last few months made it apparent that they have banded together to work for a reaction. Their endeavor is to overthrow and discredit all who honestly administer the law, to prevent any additional legislation which would check and restrain them, and to secure, if possible, a freedom from all restraint, which will permit every unscrupulous wrongdoer to do what he wishes unchecked provided he has enough money. The only way to counteract the movement in which these men are engaged is to make clear to the public just what they are seeking to accomplish in the present.

The absurd fluctuations of stocks controlled by these high financiers, I set forth at the time, illustrate the unspeakable folly of any citizen trusting himself upon a market capable of such uncontrolled manipulation. Monte Carlo is perfectly innocent by the side of this gigantic gambling house with its wonderfully improved modern machinery for misleading the judgment of the ordinary citizen, with its secret pitfalls and ingenious traps by which to defraud our people.

The spirit of monopoly—the idea of getting something for nothing—has done a great harm to the American people. Hundreds of thousands of people are the beneficiaries of it and many millions are the victims of it. Those who are enriched by it set new standards of extravagant living, of wasteful expenditure, and of false pride and bad example, the imitation of which has made the American citizen notorious throughout the whole world.

This bill, Mr. President, is a taproot from which monopoly partly draws its power, fattens, grows strong, and overshadows the land like an evil tree killing and impairing the life of those who stand beneath.

The violent manner in which the monopolists of this country juggle the stock market subjects it to tremendous changes from time to time, as shown in the following quotations:

These ranges are since 1900, and will be found in the New York Times Weekly National Quotation Review, page 13, of October 21, 1907:

	High.	Low.
Adams Express.....	315	114
Allis Chalmers Co.....	27	4
Amalgamated Copper.....	130	33
American Beet Sugar Co.....	33	9
American Cotton Oil.....	57	24
American Express.....	272	142
American Grass Twine.....	62	3
American Hide and Leather.....	13	2
American Ice Securities.....	94	20
American Linseed Co.....	39	5
American Snuff Co.....	250	26
American Steel Foundries.....	18	3
American Woolen Co.....	48	7
Achison, Topeka and Santa Fe.....	110	18
Baltimore and Ohio.....	125	55
Delaware, Lackawanna and Western.....	509	171
Denver and Rio Grande.....	53	16
Duluth, South Shore and Atlantic.....	24	4
General Electric.....	334	109
Great Northern preferred.....	348	140
Iowa Central.....	57	11
Kanawha and Michigan.....	76	10
Kansas City Southern.....	39	7
Kniekerbocker Ice.....	85	8
Lake Erie and Western.....	76	12
Manhattan Beach.....	22	4
Missouri, Kansas and Texas R. R.....	43	9
National Biscuit Co.....	85	23
New York, Chicago and St. Louis.....	76	11
New York Central.....	174	99
Norfolk and Western.....	97	22
Northern Pacific.....	700	45
Northern Central.....	250	150
Ontario Mining.....	13	1
Pennsylvania Railroad.....	170	110
Peoria and Eastern.....	59	5
Pere Marquette.....	106	20
Pullman Co.....	268	148
Reading.....	164	15
Tennessee Coal and Iron.....	166	25
United Railways Investment.....	98	9
United States Cast Iron.....	53	6
United States Express.....	160	45
United States Leather.....	29	6
United States Steel.....	55	8

I call attention to some of these figures, however: Adams Express went from 114 to 315, about 300 per cent; the Allis-Chalmers Company went from 4 to 27, over 600 per cent. Amalgamated Copper, one of the giant concerns of this country, from 33 to 130, 400 per cent. And so it goes on through the list.

THE MONOPOLY PROTECTING TARIFF SHORTENS THE LIFE OF LABOR AND EXPOSES IT TO GREATER MORTALITY.

Mr. President, in the last forty years the world has wonderfully improved in medical knowledge. It has wonderfully improved in inventive processes, which have led to increased conveniences of life, which have developed the most important economies of production, manufacture, and distribution.

All of these things have tended to the prolongation of human life where people could receive the full benefit of them; so much so, that it is probably no excessive estimate to say that the average of human life in the well-to-do classes has been increased by a period of ten years. It has been one of the wonderful developments of increasing modern intelligence.

It is a grievous thing, therefore, to observe that notwithstanding these great benefits, which ought to be a common heritage of the human race, and notwithstanding the increasing longevity of the well-to-do classes, the entire average of life shown by the mortality tables has not been improved. The number of persons who die per thousand is substantially the same.

Mr. President, I submit the comparative mortality statistics of our country and the other civilized nations of the world.

The mortality statistics exhibit the remarkable fact that just in degree as poverty obtains and governments permit monopoly, without protecting the weaker elements from dangerous exposure, just in that degree the number of deaths from all causes rises in the annual average.

It is a very important matter, and it shows that just in degree as thoughtful men write their laws for the preservation of human life to that degree is human longevity extended; to that degree there is the conservation of the best of all national resources—the lives of the children, the lives of the workingmen and working women of the country.

The following table gives the number of people per thousand, who died in the following countries from 1903 to 1906 (p. 28 of the Mortality Statistics of the Census Office for 1907):

Country.	1903.	1904.	1905.	1906.
Ceylon.....	25.9	24.9	27.7	34.3
Hungary.....	26.1	24.8	27.8	24.8
Roumania.....	24.8	24.4	25.4	-----
Spain.....	25	25.8	25.9	26.2
Austria.....	23.8	23.7	25	-----
Italy.....	22.4	21.1	21.9	20.8
Japan.....	20	21.2	21.9	-----
France.....	19.2	19.4	19.6	19.9
German Empire.....	20	19.6	19.8	-----
United States.....	16.1	16.6	16.2	16.1
Netherlands.....	15.6	15.9	15.3	14.8
Norway.....	14.8	14.3	14.8	13.7
Denmark.....	14.7	14.1	15	13.5
United Kingdom.....	15.8	16.5	15.5	15.6
Australasia.....	11.8	10.8	10.5	10.6
New Zealand.....	10.4	9.6	9.3	9.3

There is no table which has ever been read in this body that has such vital significance as that table, which shows that if the people of the United States took the same pains to preserve the life of the Nation that New Zealand has done, we would save over six to the thousand; and, measured by our 80,000,000 people, it would mean a saving to this country of over 500,000 lives annually. Pittsburg is no exception in the exposure of human life to bad conditions. It is merely illustrative.

The policy of New Zealand is expressed in their great motto, "Better reduce want than increase wealth;" and when you reduce want, even if it be at the expense of increasing wealth, you prolong human life. You make life worthy to be lived, and you raise the standard of men physically, morally, and spiritually.

Let our national standard be "Men first, then wealth."

New Zealand has abolished monopoly and given a more even distribution of the opportunities of life to willing labor than any other country in the world, and it offers to the United States an example of how to care for its people, because the difference of these vital statistics of an average of 9.9 deaths per annum out of a thousand and 16.3 per thousand, makes a difference of 6.4 per thousand, or the vast multitude of 512,000 people who annually die in the United States in excess of the deaths that would occur under more favorable conditions of life. Are they not worth preserving as fully as we agree on the conservation of our other national resources?

The death rates in our cities, especially the industrial cities, seems to run still higher than the general average; for example, the annual average number of deaths from all causes, per thousand population for 1901 to 1905, was as follows (id., pp. 91 and 92):

In Massachusetts:	
Boston	18.8
Fall River	20.3
Lowell	20.2
Providence, R. I.	18.8
New York City	19.0
Pittsburg, Pa.	20.7
Philadelphia	18.2
Norristown, Pa.	24.5

Notwithstanding the fact that the cities with their opportunity of cooperation in improved water supply, sewerage, hospital service, and sanitary supervision ought to have better health than those less favorably situated. The heavy death rate in cities is due to the extreme high death rate among the very poor, who are compelled to live in insanitary places and are otherwise exposed, while the more favored population of the cities would show a better rate than the average.

TABLE 21.—Death rates from all causes per 1,000 population in registration States in 1900.

Connecticut	169.77
Maine	174.93
Massachusetts	177.36
Michigan	138.67
New Hampshire	179.79
New Jersey	173.78
New York	179.21
Rhode Island	190.78
Vermont	169.62

Table 95, Abstract of the Census, 1900, shows a heavy mortality in manufacturing cities and in cities where negroes live. For example, per thousand, from all causes:

Augusta, Me.	26.4
Baltimore, Md.	21.0
Bildeford, Me.	23.2
Boston, Mass.	21.1
Cincinnati, Ohio	19.1
Hoboken, N. J.	21.1
Jersey City, N. J.	20.7
Pittsburg, Pa.	20.0
Philadelphia, Pa.	21.2

The Census Bulletin No. 77 gives an interesting account of 42 of the so-called "dusty trades," showing, for example, that of polishers who die between 25 and 34 years, 56 per cent of such deaths are due to consumption. That the per cent of like deaths due to consumption in each age group is very high; for example, between the ages of 25 and 34 years, 70 per cent of the grinders who die, die of consumption; 59 per cent of the tool makers, 50 per cent of the gold-leaf makers, 50 per cent of brass workers, 56 per cent of printers, 66 per cent of compositors, 61 per cent of engravers, 52 per cent of stone workers, 50 per cent of marble workers, 56 per cent of glass blowers, 46 per cent of glass cutters, 44 per cent of plasterers, 49 per cent of paper hangers, 62 per cent of lithographers, 68 per cent of the hosiery and knitting mill employees, 50 per cent of spinners, 53 per cent of weavers, 50 per cent of rope makers, 55 per cent of cabinetmakers, 62 per cent of wood turners, 55 per cent of hatters, 52 per cent of silk-mill employees, 58 per cent of upholsterers, showing that workers in these dusty trades are very liable to die of tuberculosis.

This table shows that the exposure of human life to dust and hard conditions leads to the destruction of human life by tuberculosis in a serious way. I think these tables are of interest.

Mr. President, I deem it my duty to call the attention of the country to the fact that this death rate stands in startling contrast to the death rate of New Zealand, where the average for 1901 to 1906 was less than 10 deaths per thousand. It is equally important, in considering the reason for the greater security of life in New Zealand, to remember that in New Zealand the people take great care to prevent the destruction of human life by the extremes of poverty.

Finally, Mr. President, I wish to call the attention of the Senate to the fact that in New Zealand great pains is taken to protect the people against monopoly, against the appropriation of everything in heaven and on earth, everything visible or invisible by men, because they happen to have piled up available credit at their command. In New Zealand they believe that the land was made for the use and benefit of the living generation, who make it desirable to live in. Therefore they control monopoly in that great Republic. We have copied them before in their political processes when we adopted the greatest of all means for the control of fraud in elections by the adoption of the Australian ballot, and we will do well to imitate them in other matters, where they protect the living generation against the uncontrolled and natural ambition and greed of man for wealth and power.

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BETTER REDUCE WANT THAN INCREASE WEALTH.

In New Zealand they do not impose a tariff tax artfully drawn to make the poor poorer and the rich richer. In New Zealand they do not establish a tariff under the false pretense of raising revenue, where the legislator openly or secretly intends the tariff rate not to raise revenue, but to prevent importation, to prevent competition, and to protect monopoly in the home market.

THE PURPOSES OF TAXATION.

Constitutionally, a tax can have no other basis than the raising of a revenue for public purposes, and whatever governmental exaction has not this basis is tyrannical and unlawful. A tax on imports, therefore, the purpose of which is not to raise a revenue, but to discourage and indirectly prohibit some particular import for the benefit of some home manufacture, may well be questioned as being merely colorable, and therefore not warranted by constitutional principles. (Cooley, Prin. Con. Law, 57.)

The Supreme Court of the United States, in the Topeka case, said: "To lay with one hand the power of the Government on the property of the citizen and with the other to bestow it upon favored individuals to aid private enterprises and build up private fortunes is none the less a robbery because it is done under the forms of law and is called 'taxation.' This is not legislation; it is a decree under legislative forms." (20 Wall., 664, in Loan Asso. v. Topeka.)

New Zealand pursues the policy

BETTER REDUCE WANT THAN INCREASE WEALTH

and imposes a 10 per cent inheritance tax on estates of one hundred thousand and more, and imposes also an income tax.

New Zealand does not hesitate to protect her working units from excessive house rent, providing concrete houses at a low rate of interest.

I am not unaware of the fact that this latter suggestion will furnish occasion to the clamorous advocates of special privileges to burst into a chorus of denunciation against New Zealand, that this is socialism. It is true that it is socialistic. But no wise policy should be condemned by a mere epithet "socialism," for our post-office system and common-school system, and municipal waterworks, sewers and streets system are "socialistic." New Zealand believes that the land upon which the New Zealanders live and move and have their being ought not to be monopolized by the very rich, nor used by them through the acquirement of titles to dictate terms upon which the New Zealanders shall be allowed to live.

The New Zealanders must be a very foolish people. They actually believe that the land upon which they live should be controlled in the interest of the living generation of men who cultivate it and make it beautiful. I understand that this foolish doctrine is contrary to the fundamental canons of monopoly.

It violates the fundamental law of Continental Europe and of Great Britain. It would overthrow the idea of the good old days of William the Conqueror when he took charge of Britain and parceled the lands among his warlike leaders.

These titles have thence come down in the good old way, and the dukes and princes of England, and of Germany, of Austria, and of Russia still hold the titles and in measure still impose their will upon the inhabitants thereof. It is also true that this special class of landed nobles, who exercised monopoly of the land, having finally learned that they could only eat so much and only wear so much and only occupy a given number of palaces were obliged to throw out the younger brothers of each succeeding family, and, human selfishness having become satiated in princely and luxurious living, have turned themselves to some extent to the service of their fellow-men. But they have had the wisdom and been compelled to limit the extortion which their legal rights made possible.

Indeed, they had a great example in France, which was serviceable in teaching them not to go too far. It was this monopoly of land—the Senator from New York [Mr. DEWEY] to the contrary notwithstanding—which caused the French revolution, sending the land monopolists to the guillotine, and resulted in the minute subdivision of the lands of France among those who tilled the soil and made it productive.

Mr. President, one might be misunderstood in discussing the greed of modern times. I do not blame an individual for exhibiting the natural tendency of human life. I do not blame a man for becoming greedy for wealth and power; all of us have these impulses; but I do blame the laws which persist in sheltering him at the expense of those who are entitled to protection in the constitutional right to life, liberty, and the pursuit of happiness.

I wish to call attention to what is the effect of monopoly. Monopoly is worse in Europe than in our country because under the rule in Europe the land was monopolized in the first place by imperial power, and the control of the land was handed down to dukes, princes, and various others, and those people who come to our shores and are willing to submit to any kind of treatment do so because they come from conditions of monopoly more severe than those which we have in our own country.

It was the monopoly of land which led to the French revolution, notwithstanding the comments of the Senator from New York, who attributed it to other reasons. Thomas Jefferson, when minister to France in 1785, pointed out the terrific effect of land monopoly in that Empire. He said:

The property of France is absolutely concentrated in a very few hands, having revenues of from half a million of guineas a year downward. These employ the flower of the country as servants, some of them having as many as 200 domestics, not laboring. They employ also a great number of manufacturers and tradesmen, and, lastly, the class of laboring husbandmen. But, after all, there comes the most numerous of all the classes; that is, the poor, who can not find work. I asked myself what could be the reason that so many should be permitted to beg who are willing to work in a country where there is a very considerable proportion of uncultivated lands? Those lands are undistributed only for the sake of game. It should seem, then, that it must be because of the enormous wealth of the proprietors, which places them above attention to the increase of their revenues by permitting these lands to be labored.

I have always felt sorry for the French nobility, for the so-called "flower of France," and have wondered why it was they were incapable of realizing the fatal danger which their greed, their extravagance, and their frivolity engendered. They played with a powder magazine of human passion which finally exploded.

Our laws should protect the people in the peaceful enjoyment of life, liberty, the pursuit of happiness, and of the fruits of their own industry. If the laws fail, there will be built up in this country a powder magazine of human passion that may some day explode with fatal consequences.

A safety valve has been furnished, for possible danger to the land monopolist and other thence engendered monopolists of continental Europe, by modern transportation, which has permitted their great surplus of population to go to other parts of the world and build up homes by their peaceful labor, where they would not be subject to princes or potentates or to tyranny in any form, whether governmental, religious, or plutocratic; and our forefathers came to this land to free themselves from this tyranny and to establish a government whose fundamental doctrine was that the precious privileges of life, liberty, and the pursuit of happiness were inalienable. That is to say, Mr. President, the individual could not deprive himself of them if he would; that he had no right to deprive himself of these things.

It has remained for the representatives of the people in Congress to permit the dangers of monopoly to grow up by special privileges granted by statute, by building up a monopoly breeding tariff, by which foreign competition has been cut off and home competition controlled and commercial mastery of our people established by the organization of trusts, by secret agreements, and by gigantic mergers, which embraced in one corporate body every competitor.

Mr. President, there is no evil to a free people more dangerous in every way than financial and commercial monopoly.

When a monopoly is organized strong enough to dictate the prices of the product of labor, or to dictate the prices of the necessities of life to the laborer and the entire people, there has also been established a *commercial master on the one side and a commercial slavery on the other*. The Standard Oil Company, which fixes the price of crude oil to the producer and fixes the price of kerosene and gasoline to the consumer, regardless of values either to one or the other, exercises a commercial mastery that differs in degree, but does not differ in kind with the mastery which Pharaoh exercised over the Egyptians when he established a monopoly in corn in Egypt.

Mr. President, under the advice of Joseph, Pharaoh and his captains stored all the surplus corn of Egypt during seven years of plenty. They exercised their legal rights. During the seven years of drought which followed they had the richest monopoly recorded in history.

The price of corn went up; the price of corn went sky-high under this monopoly of the home market. The Holy Bible advises us that, in exchange for enough of this monopolized product—

Joseph gathered up all the money that was found in the land of Egypt, and in the land of Canaan, for the corn which they bought.

And when money failed in the land of Egypt, and in the land of Canaan, all the Egyptians came unto Joseph and said, "Give us bread, for why should we die in thy presence? for the money faileth."

And Joseph said, "Give your cattle; and I will give you for your cattle, if money fail."

And they brought their cattle unto Joseph, and Joseph gave them bread in exchange for horses, and for the flocks, and for the cattle of the herds, and for the asses.

And the Egyptians then gave up to this triumphant monopoly all of their land in exchange for corn for bread.

And Joseph bought all the land of Egypt for Pharaoh, for the Egyptians sold every man his field because the famine prevailed over them, so the land became Pharaoh's.

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Then Joseph said unto the people, "Behold I have bought you this day, and your land for Pharaoh: lo, here is seed for you, and ye shall sow the land.

"And it shall come to pass in the increase, that ye shall give the fifth part unto Pharaoh, and four parts shall be your own, for seed of the field, and for your food, and for them of your households, and for food for your little ones.

Mr. President, we probably in this day of greater liberty and greater enlightenment would rise in revolution against the dictation of Pharaoh in this form, but the practice upon which Pharaoh acted, the principle upon which he established a monopoly in a necessary of life by the exercise of his legal rights and thereby acquired, by mastery of prices, all of the property of the Egyptians and made them his commercial servants and slaves, are in full play in this Republic under the operation of a thousand varieties of monopolies, dictating prices upon all of the necessities of life and gradually absorbing, I may say, Mr. President, rapidly absorbing, all of the property of this Republic.

Pharaoh and his captains gave the Egyptians four-fifths of what they produced. The present masters of monopoly do not give to labor so large a part of what it produces. I have demonstrated by Exhibit 1 the wages paid as compared to the value of the gross product, and have demonstrated by those tables that taking the raw materials at the factory and calculating the additional value created directly by labor, it does not receive one-half of the value it actually creates, much less four-fifths, which was the rule established by Pharaoh.

Mr. President, it may seem austere to recall the monopoly of Pharaoh, but I think it very important that the Senate of the United States should consider and feel itself more actively responsible for the development and care of the interest of the productive masses of the Republic. I have no desire to hold the leaders of the Republican party responsible for the drift of modern times. I shall be content to see them exert themselves to retain its good features and restrain its bad features.

I am willing to exculpate them. I will be very glad to see them take advantage of a great opportunity to make themselves permanently the representatives of the people if they will only give those things to the people which they are in honor bound to give to enable them to enjoy life, liberty, the pursuit of happiness, and the fruits of their own industry, which are now filched from them by prices 50 per cent higher than the prices of the world.

WHO IS GETTING ALL THE NET PRODUCTS OF LABOR IN THIS COUNTRY?

Mr. President, it is perfectly obvious to thoughtful men that the tremendous accumulation of wealth in a few hands is leading to the rapid monopolization of every natural opportunity. Nearly all of our national transportation is so controlled. There is obvious control by monopoly of telegraph, telephone, the express, of lumber, of building material, of coal, of cotton manufactures and woolen manufactures, of farm machinery, of oil, of iron, of steel and their products; and on the other hand we have a rather pitiful condition of extreme poverty exhibiting itself in all of our great cities, side by side with this enormous concentration of wealth.

Mr. President, I believe we have the best people in the world; that even our masters of monopoly have shown a greater measure of liberality in their gigantic benefactions to the people from whom their fortunes have been drawn than any men in the history of the world. I rejoice in their benevolence. I know that they are neither hard-hearted nor lacking in generous impulse; they have simply been following the rules of business established by a rigorous commercial age, where "dividends" were emblazoned on every battle flag and "success"—"financial success"—was the only standard. It is no wonder that the weak and the poor and the inarticulate mass have been forgotten in the fierce contest for wealth and power.

We have a wonderful country and a great and magnificent people. We have a great mass of the middle classes of people, who are not in penury, have neither riches nor poverty, but comprise the bulwark of this Republic, whose patriotism, whose wisdom, whose penetrating intelligence can be perfectly relied upon; and the petty larceny of the two millions of our revenue by the sugar trust, to which they pleaded guilty in New York within the last few days, being but a trivial circumstance beside the universal plundering of the national pocketbook by the wholesale fraudulent prices fixed by the monopolies of this country, our great middle class, conservative and sound, will soon correct these evils at the ballot box.

I am deeply disappointed that the party in power has apparently lost its opportunity to serve the people by removing the tariff wall sheltering monopoly and by lowering prices in the United States.

MONOPOLY HAS SUBJECTED LABOR TO IRREGULAR EMPLOYMENT.

The panic of 1907 was caused by monopoly and by the dangerous plutocracy our system has erected in the United States, as I fully set forth on February 25, 1908. This panic threw out of employment millions of men, two millions of whom are out of employment now, according to the recent report of Samuel Gompers, president of the American Federation of Labor, from whose report I quote:

Permit me to call attention to this: At the beginning of December, 1908, I sent out a circular letter to the executive officers of a number of international trade unions of America and got from them a report as to the state of employment and unemployment, and from the reports which were made to me within fifteen or twenty days I culled the following information:

The blacksmiths report during the past year about 50 per cent of the trade unemployed; those employed averaging about four days a week.

Boiler makers and iron-ship builders, 30 per cent unemployed.
 Boot and shoe workers, 25 per cent unemployed.
 Bridge and structural-iron workers, 25 per cent unemployed.
 Carpenters and joiners, 40 per cent unemployed.
 Wood carvers, 30 per cent unemployed.
 Cement workers, 30 per cent unemployed.
 Cigar makers, 10 per cent unemployed.
 Commercial telegraphers, 15 per cent unemployed.
 Coopers, 15 per cent unemployed; two-thirds of the employed working half time.

Elevator constructors, 40 per cent unemployed.
 Steam and hot-water fitters, employment in the West fair; in the East fully 40 per cent unemployed and working about one hundred and eighty days a year.

Freight handlers, about 30 per cent unemployed.
 Glass-bottle blowers, about 20 per cent unemployed. On account of conditions of the trade, no work is performed during July or August.

Window-glass blowers, 20 per cent unemployed.
 Granite cutters, about 15 per cent unemployed.
 Hatters, men working about three-fourths time.
 Hod carriers and building laborers, 60 per cent unemployed.
 Hotel and restaurant employees, 30 per cent unemployed.
 Machinists, 20 per cent unemployed.
 Railway maintenance-of-way employees, 25 per cent unemployed.
 Butcher workmen, 40 per cent unemployed.
 Coal miners, work about two hundred days during the year.
 Painters and decorators, 70 per cent unemployed.
 Pattern makers, 30 per cent unemployed.
 Pavers and rammer men, 25 per cent unemployed.
 Printing pressmen, 20 per cent unemployed.
 Shipwrights, joiners, and calkers, 50 per cent unemployed.
 Tile layers, "state of employment very poor."
 Tin-plate workers, 40 per cent unemployed.
 Tobacco workers, working on two-thirds time.
 Iron molders, 70 per cent unemployed.

I am sure it is not an exaggeration to say that there are now in our country, and have been with little variation since October, 1907, nearly 2,000,000 of wage-earners unemployed.

Secretary STRAUS. Do you mean by that that before that period those 2,000,000 were employed?

Mr. GOMPERS. I do, sir.

Secretary STRAUS. Are there not always some unemployed?

Mr. GOMPERS. In some trades, some callings, and seasons, yes, sir; but up to October, 1907, and for a few years just prior thereto, it was a practical fact that any man who could work could find work to do. I refer to the condition now of the men who want to work and who can find no work to do.

It is probably one of the greatest tributes that can be paid to all our people—and I think in a great measure that credit belongs to the organized workers, organized labor—that during that whole period of nearly eighteen months, and two winters, with so vast a number of unemployed, life and property have been secure and public order has been maintained; and I know of no force in all our country so potent as a conservator of the public peace as the much-abused and maligned labor organizations. In this morning's papers we read of a demonstration of the unemployed in Berlin yesterday, where the sabers of the soldiery were drawn to disperse hungry crowds. It is set forth in the cablegrams that the unemployed there proposed socialistic remedies for relief. I do not know of what those remedies or propositions for relief consisted. I take it that any proposition coming from the poor crowd of fellows who want work or relief would be regarded as extremely radical. But the American workmen ask for no relief that can at all be construed as socialistic. The relief which we ask for the men and women of our country who have been walking the streets in idleness for eighteen months we ask upon high patriotic, practical, and humane grounds, and for good economic reasons. I know, of course, that we are often met, when these matters are presented, with the statement that they are paternalistic, and that our form of government does not admit of the Government undertaking projects that would smack of paternalism. Yet in the great calamity which overtook the people of Italy quite recently the Government of our country generously and promptly appropriated \$800,000 as the direct gift of the American people as a whole—this in addition to the many generous contributions of our people in their individual capacity. No word of adverse criticism has been indulged in. On the contrary, the appropriation of this vast sum of money was looked upon as a duty which in common humanity the people of our country owed to a stricken people. It is only referred to to illustrate the thought that the lingering hunger and misery due to the unemployment of our people, brought about by forces entirely beyond their control, should receive consideration at the hands of our government, both national and state.

THE MONOPOLY PROHIBITIVE TARIFF HAS EXPOSED AMERICAN LABOR TO TYRANNY.

Mr. President, the monopolies established under the prohibitive tariff have almost entirely destroyed the organizations of labor among their employees and have driven out in large measure the liberty-loving Americans and have introduced in their place foreigners, who know but little of liberty—Slovaks, Bulgarians, Hungarians, Poles, Greeks, Italians.

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The American workman has been subjected to foreign pauper competition; he has been refused the right to organize for his own protection.

He has been denied his political liberty.

He has been compelled to march in political parades against his will.

He has been compelled to vote against his conscience under the threat of being discharged or denied the opportunity of working for his living.

THE DEFENSE OF THESE SCHEDULES UNSOUND.

Mr. President, the chairman of the Committee on Finance, on June 4, made the only defense which has been offered of these high schedules, and in discussing the matter he said:

In general, it may be stated that the wages of textile operatives in America are double those of England, France, and Germany. A very exhaustive inquiry has recently been made into the subject of wages by the British Board of Trade, which shows that in Germany the wages of cotton weavers run from 16s. 6d. to 19s. 6d., or from \$4.12 to \$4.87 per week; that in France the wages run from 16s. 10d. to 19s. 2d., or from \$4.20 to \$4.79 per week; that in Great Britain the wages run from 16s. to 24s. 11d., or from \$4 to \$6.22 per week.

For the United States the Bureau of Labor, in Bulletin No. 77, July, 1908, shows that the average wages of all cotton weavers for the year 1907 was \$9.74. In addition, I may state that in many of the fine yarn mills of New England making high-priced fancy fabrics the weavers earn from \$11 to \$13 per week.

Many of the fabrics that will be dutiable under these provisions are valued at a dollar a pound. The cost of the cotton is 20 cents a pound at the outside, leaving 80 cents a pound for cost of labor in various forms in this country. Suppose that labor costs twice as much in the cotton-manufacturing States of the United States as it does in our competing countries abroad, it is easy to see by a mathematical calculation that 50 per cent ad valorem, to say nothing about 45 per cent, will not equalize the conditions on these various high-priced goods between our own and competing countries.

If this was an original proposition, and we were to submit to the Senate rates which were protective and adequate, in view of the difference in the cost of production, we could not make them any lower than those fixed in these specific rates which we have asked the Senate to adopt.

The chairman takes the wages of the cotton weavers of Germany, France, and Great Britain for 1905, reported by the British Board of Trade to Parliament, just after the panic, and compares these wages with the weavers in the United States for 1907, and withholds the statement made in the report from which he quotes that the wages of ribbon weavers at St. Etienne, France, was twice as great in 1906 as in 1905 and 50 per cent higher in 1907 than in 1905.

The chairman does not point out that the spinners, both male and female, in the United States, by these same tables, were paid less wages in the cotton industry in the United States than they were in Germany or France. The male spinners received \$4.12 a week in the United States, \$5.91 in France, and \$6.57 in Germany, and the spinners in the woolen industries were paid \$6.52 in the United States, \$6.22 to \$6.81 in France, and \$7.20 to \$7.79 in Germany. The foreign weavers were paid less than our weavers and the foreign spinners were paid more than our spinners, and the chairman of the Committee on Finance withholds this important fact.

It is impossible to follow a leadership that is either careless or inaccurate in making statements for the guidance of the Senate. The chairman has withheld information from this body, and the quotations he offers, being a partial truth, are wholly untrustworthy and misleading.

Mr. President, this is the only defense that has been made, and in effect it amounts to this, that a pound of fabric of cotton costs 20 cents a pound for the cotton and 80 cents a pound for the cost of labor.

The chairman proves too much; he leaves nothing for capital. The statement is obviously false. He leaves nothing for capital, for the enormous dividends paid by the cotton mills of his State.

He is flatly contradicted by the census, which shows that the total labor cost in the entire textile industry is 19.5 per cent of the gross value of the product.

He is flatly contradicted in his contention by the census reports as to every schedule.

He is flatly contradicted by Carroll D. Wright's report on relative labor cost in 446 individual cases.

The aggregate value of the products of cotton mills for 1900 was \$332,806,156 (vol. 10, Table 14). The materials used cost \$116,108,879 (Table 13), and the total wages (Table 9) amounted to \$86,689,752, and for cotton small wares amounted to \$63,194.

Total cost	\$332,806,156
Material cost	\$116,108,879
Total wages	\$86,689,752
Per cent of labor to gross product	26
Average per cent of tariff rate fixed by the Senate bill	47.14

Approximately twice as much as the total wages paid the American workmen, thus sheltering the manufacturer in monopoly by excluding foreign goods.

The chairman of the Committee on Finance, in the face of these census reports, rises in his place as an expert and tells

this Senate that the labor cost of these manufacturers is 80 per cent, when the truth is 26 per cent, and he justifies the cotton schedules upon this gross and indefensible error.

Granting that foreign goods have no labor cost whatever, 26 per cent is the maximum schedule to protect the American workmen; 26 per cent is the maximum average rate required if the Republican platform is to be carried out of providing the difference in the cost of production at home and abroad.

If the labor cost abroad is one-half the labor cost in the United States, the rate required to prevent the foreign manufacturer from having the advantage in cheaper labor would be 26 per cent, the American cost, less 13 per cent, the European cost, or a net rate of 13 per cent.

The difference in the labor cost at home and abroad would therefore be 13 per cent and not 47 per cent, as the schedule is written.

Mr. President, the gross error, to use the mildest terms possible, of the Committee on Finance and the advocates of a pro-

hibitive tariff runs in like manner through other schedules, the proof of which I submit. Taking the table of the committee itself in print No. 3 of April 12, 1909, page 68, I place side by side with the proposed ad valorem rate the total percentage of labor cost to the value of the product, the proof of which will be found in Exhibit 1, taken from the census reports, and in the volumes on manufactures, of census, 1900, and is verified by the figures of the Committee on Finance giving wages and the value of products in columns 8 and 9.

I ask attention to the recapitulation compiled by the Committee on Finance April 12, 1909, and ask permission to print that table with an interlineation which I have placed in it showing, from the figures submitted by the chairman of the Committee on Finance in that table, what is the percentage of wages to value of product as shown in 1904.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? The Chair hears none.

The matter referred to is as follows:

Estimated revenues.

RECAPITULATION.

[Compiled by Committee on Finance, April 12, 1909. The ad valorems are based on the dutiable values.]

Schedules.	Value of merchandise (dutiable and free).	Revenue under--		Equivalent ad valorems.		Volume IX, Census 1900. ^b	Census of manufactures, 1905 ^a (calendar year 1904).		Percentage of labor cost to value of products by wages and value, as shown, 1904. ^b
		Present law (act of 1897).	Proposed bill (H. R. 1438).	Present.	Proposed.		Wages.	Value of products, including custom work and repairing.	
				Per ct.	Per ct.				
A—Chemicals, oils, and paints.....	\$42,067,649.85	\$11,187,405.69	\$11,754,112.83	27.62	28.20	8	^b \$44,258,256	^c \$572,848,476	7.5
B—Earths, earthenware, and glassware.....	31,303,008.97	15,350,019.67	15,247,487.70	49.03	48.70	37.1	154,652,719	420,044,049	36.7
C—Metals, and manufactures of.....	68,018,829.55	21,872,195.72	21,523,639.22	32.44	31.65	12.7	652,109,633	3,130,253,195	20.8
D—Wood, and manufactures of.....	24,493,810.00	3,705,024.34	2,723,058.08	15.12	11.21	-----	378,461,021	1,393,489,978	27.1
E—Sugar, molasses, and manufactures of.....	92,781,081.69	60,338,523.31	59,637,940.54	65.03	65.30	-----	23,536,189	413,333,428	5.6
F—Tobacco, and manufactures of.....	29,959,081.79	23,125,037.41	26,113,185.29	87.20	87.18	18.9	62,640,303	331,117,681	18.9
G—Agricultural products and provisions.....	63,925,575.39	19,181,915.93	20,504,281.57	30.16	32.28	5.7	100,839,004	2,194,833,891	4.5
H—Spirits, wines, and other beverages.....	24,083,429.93	16,318,120.14	20,518,168.77	70.69	83.89	8.9	43,924,676	474,487,379	9.2
I—Cotton manufactures.....	31,879,814.07	14,291,023.65	15,023,742.16	44.81	47.14	26.0	217,955,322	1,014,094,237	21.4
J—Flax, hemp, and jute, and manufactures of.....	114,172,202.94	49,009,583.31	50,353,133.25	43.67	44.07	13.3	27,223,574	185,094,092	14.6
K—Wool, and manufactures of.....	62,818,797.81	33,554,815.89	30,554,815.83	58.13	58.19	19.7	135,060,063	767,210,990	17.6
L—Silks and silk goods.....	38,813,839.26	22,313,703.39	23,581,096.60	52.33	60.76	22.6	26,767,943	133,288,072	20.0
M—Pulp papers and books.....	20,005,025.62	4,136,029.42	4,042,076.14	20.67	21.88	16.2	123,003,633	548,957,239	22.5
N—Sundries.....	135,821,481.05	20,893,513.49	31,307,603.27	22.50	23.06	19.9	^d \$40,593,182	^e \$1,954,228,027	18.3
Total from customs.....	779,140,621.87	329,110,914.39	338,973,303.34	-----	-----	-----	^f 2,331,938,518	^g 13,534,180,743	-----
Net increase.....	-----	-----	9,862,388.95	-----	-----	-----	-----	-----	-----
Total luxuries, articles of voluntary use, dutiable.....	289,411,904.28	140,837,283.47	169,454,103.74	52.48	55.47	-----	-----	-----	-----
Total necessities, dutiable.....	489,728,717.59	179,273,627.92	178,519,199.60	36.77	36.69	-----	-----	-----	-----
Total entries for consumption, dutiable and free.....	1,415,402,284.78	-----	338,945,001.07	-----	23.95	-----	-----	-----	-----
Total necessities, dutiable and free.....	1,125,990,389.50	-----	178,519,199.60	-----	15.85	-----	-----	-----	-----

^a Industries grouped to conform as nearly as possible with the articles enumerated in the respective schedules of the tariff law. Industries with products named in two or more schedules are credited to the schedule which includes the major product. The value of products for each group is the sum of all products of all industries in the group, and hence includes a large amount of duplication due to the product of one industry serving as material for another.

^b Should be \$56,796,143; addition erroneous.

^c Should be \$767,401,417; addition erroneous.

^d Percentage of wages to value of product calculated and inserted by R. L. OWEN.

^e Should be \$273,959,320 (see page 67).

^f Should be \$1,495,686,437 (see page 67).

^g Should be \$2,277,838,543.

^h Should be \$13,270,192,088.

SCHEDULE A—CHEMICALS, ETC.

Mr. OWEN. This table shows that the percentage of labor to the value of the product in Schedule A, for example, by the very figures given by the Finance Committee itself, is only 7.5 per cent, while the proposed schedule is 28 per cent—four times as high as the entire labor cost involved in the product.

SCHEDULE B—GLASSWARE, ETC.

In like manner in Schedule B the total labor cost is 36 per cent. The total labor cost in Europe, if it were half as much, would leave the net difference in labor cost only 18 per cent, while the proposed tariff is 48 per cent for Schedule B.

SCHEDULE C—METALS, ETC.

In like manner Schedule C exhibits a total labor cost of 20 per cent. The difference in this labor cost and the European labor cost, accepting the statement of the chairman of the Committee on Finance that the labor cost in Europe is only half as much, would be 10 per cent, and the difference in labor cost for which the protection might be required would not exceed 10 per cent, but the proposed rate is 31 per cent—three times as high as it ought to be for protective purposes.

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SCHEDULE D—WOOD, ETC.

In Schedule D the total labor cost is 27 per cent, and the difference in labor cost in this country and abroad would be 13½ per cent, not counting freight, which would be as much more in favor of this heavy material; and here the proposed rate is 11 per cent, and this schedule ought to be absolutely free in order to protect our forest and conserve our natural resources otherwise, as well as supply our people with cheap building material and our publishers with cheap paper.

SCHEDULE E—SUGAR, ETC.

In Schedule E, sugar, and so forth, the labor cost is 5.6 per cent; the difference in labor cost would be less than 3 per cent, which would be more than offset by freight, and here the proposed duty is 65 per cent, giving a complete monopoly to the sugar trust, which takes nearly all the profit, leaving a small fraction of the profit to the sugar planter.

SCHEDULE F—TOBACCO, ETC.

The total percentage of labor cost in tobacco manufactures is 18.9 per cent. The difference in this country and abroad, taking the word of the chairman of the Committee on Finance,

would be approximately 9½ per cent; the ad valorem rate of the Senate bill is 87 per cent.

SCHEDULE G—AGRICULTURAL, ETC.

Here the labor cost is 4.5 per cent; the difference in labor cost could not possibly equal the freight, and these products might as well be free, with some very minor exceptions, even from a standpoint of absolute protection.

But instead of corresponding with the rate required to protect, the rate is put at 32 per cent, which is perfectly silly, and should not deceive the most stupid man that ever plowed a furrow. For example, the tariff on corn is 15 cents a bushel (par, 227), and the total amount imported in 1907 was 9,000 bushels, and the amount raised was 2,595,320,000 bushels.

And the farmers of the country are flattered with 15 cents a bushel tax to keep the pauper labor of Europe from running them out of their cornfields. The American farmer who does not see the hypocrisy of this schedule and the profound contempt which it exhibits for his intelligence is assuredly incapable of reason.

SCHEDULE I—COTTON MANUFACTURES.

The labor cost in cotton manufactures, according to the figures of the chairman of the Committee on Finance, is 21.4 per cent. The difference in the labor cost in the United States and abroad would be between 10 and 11 per cent. The schedule is put at 47 per cent.

SCHEDULE J—FLAX, ETC.

In like manner the difference in the cost of labor in the production of flax, hemp, and jute goods is 7 per cent. The schedule is 44 per cent.

SCHEDULE K—WOOL, ETC.

The difference in the cost of production measured by labor in this country and abroad is about 8 per cent. The tariff is 58 per cent.

SCHEDULE L—SILK, ETC.

Silk and silk goods: The difference in labor cost of production is 10 per cent, but the proposed tariff is 60 per cent, so as to insure a monopoly.

SCHEDULE M—PAPER, ETC.

Pulp, paper, and books: In this schedule the difference in the labor cost of production at home and abroad is between 11 and 12 per cent. The tariff schedule is 21 per cent.

SCHEDULE N—SUNDRIES.

And, finally, in sundries the difference of labor cost in this country and abroad is 9 per cent, while the Committee on Finance imposed an equivalent ad valorem of 23 per cent.

I challenge the chairman of the Committee on Finance to answer this exhibit, and invite him to use all of his experts, and to put on the pages of the CONGRESSIONAL RECORD his answer, where it may be critically examined by the scholars of the country.

I charge him before the country and before the eyes of civilized mankind with writing these schedules, under the pretense of protecting the American workingman, far above the total cost of the labor in the gross product, which would not be justified even if the percentage of labor cost in similar articles abroad was absolutely nothing. But granted that the labor cost abroad is one-half what it is in the United States, I put in this table the maximum average rate, thus measuring the difference in the cost of production at home and abroad, and call the attention of the country to it.

The defense of these monopoly protecting schedules has been as remarkable as the schedules themselves. To my inquiry as to why the rates were not adjusted to the difference in the cost of production at home and abroad, the first defense was that of the Senator from New Hampshire, that the inquiry as to what was the difference in the cost of production at home and abroad was absurd.

Mr. President, I have demonstrated that the answer of the Senator from New Hampshire is itself absurd, if it were offered in perfect good faith, as I am sure it was.

The next answer would appear to come from the Senator from Massachusetts, who, having explained a question I did not ask, saw fit to suggest he could not give the Senator from Oklahoma the understanding with which to comprehend, and when I succeeded in enabling him to understand my question he confessed that he was not prepared to answer it.

The Senator from Rhode Island, the chairman of the Committee on Finance, whose genuine good temper at least I always admire, suggested as a proper answer to my inquiry that I was "new to the Senate," a polite way of suggesting a lack of learning and understanding which is commonly practiced by the managers of the committee on committees when they can not answer intelligently an embarrassing question,

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The Senator from Montana, another one of the able defendants of this totally indefensible bill, with its monopoly-protecting schedules, thought it a sufficient answer to suggest that the Senator from Oklahoma could not expect to be furnished with intelligence.

Mr. President, I invite the defenders of this bill to put upon the face of the CONGRESSIONAL RECORD an answer to these tables which I have submitted, showing the relative labor cost of our manufactures and the gross disparity of the schedules they submit in comparison with the lower rates which would properly measure the difference in the cost of production at home and abroad.

The proponents of these schedules, in my opinion, can not answer my objections without putting themselves to utter confusion, if they answer in a spirit of perfect moral and intellectual integrity and frankness, because it contains a multitude of items which are practically prohibitive, which produce no revenue worth mentioning, and has resulted necessarily in the exclusion of foreign competition, followed by combinations in restraint of trade and the establishment of monopoly prices—charging the people too much for what they buy from monopoly and paying them too little for what they sell to monopoly. This is why the Republican organization pledged itself to revise the tariff and made the people believe it would be a downward revision.

I give a table of examples of these prohibitive duties, together with the paragraph of the bill, duty, the revenue, and the table from which the information is drawn.

These are but a few of the items which might be multiplied indefinitely.

EXHIBIT 14.

It should be remembered that in products of wholesale international use our imports may be prevented by a small tax where it makes the imports unprofitable, so that the prohibitive rates which average just high enough to prevent competition, as shown by the table below, serve as a great check to international commerce and lower the amount of revenue which we ought to receive under a system of liberal imports and exports.

The trivial reductions claimed to have been made by the Senate bill as amended are of no consequence, because the rates lowered were so far above the prohibitive point that lowering the rates leaves them still prohibitive and reminds me of the quotation of my colleague from Macbeth:

Then be these juggling fiends no more believed,
Who palter with us in a double sense,
Who keep the word of promise to our ear,
And break it to our hope.

TAXING RAW MATERIALS INJURIOUS TO AMERICAN MANUFACTURERS AND NATIONAL COMMERCE.

Mr. President, when we tax by the tariff the materials needed by our manufacturers, whether such materials are raw materials or partly in the process of manufacture, we put our American manufacturers at a serious disadvantage in competing with foreign manufacturers in the markets of the United States and obstruct our own commercial expansion.

Foreign countries provide their manufacturers in large degree with free raw material, and therefore with cheaper materials needed for manufacture. Foreign manufacturers have, therefore, this advantage over our manufacturers in competing for the markets. Taxing raw materials used by our manufacturers will, for this reason, limit our foreign exports of manufactured goods. This means limiting the production of American factories. This means restricting the number of our workmen, lessening the demand for their labor, lowering their wages; and, what is more, means also a smaller output and a consequent greater cost to the consumer (over and above the increased cost imposed by higher raw materials), for the reason that the greater the output the more economic the production.

Cheaper material means a greater foreign market for American productions; it means increased demand for American labor; it means higher wages for American labor; and it means cheaper prices for American consumers, always believing, as I believe, that the artificial prices now fixed by monopoly will be in due season abated.

American manufacturers are at a further disadvantage because they sell to foreigners the goods needed in more advanced manufactures cheaper than they do to each other within our own borders. Because of this, millions of capital created by American labor is going abroad to get the advantage of these cheaper prices and to employ, not American workmen, but foreign workmen. (See North's report.)

ANY OBSTRUCTION TO COMMERCE LIMITS THE OPPORTUNITIES FOR THE LEGITIMATE EMPLOYMENT OF BOTH CAPITAL AND LABOR.

Mr. President, it is perfectly obvious, that having provided a tariff high enough to equal "the difference in the cost of production at home and abroad," so as to put our manufacturers

on a perfect level with the manufacturers of foreign lands in the cost of production, that any further tax upon our imports or our exports, or upon their imports or exports is merely a barrier to a free interchange of commerce, limiting both our commerce and their commerce.

There is a very important factor in commerce separate and apart from the question of equality of cost. We import woolen goods, cotton goods, silk goods, and we export goods of the same material to the very countries from which we import such goods. The factor entering into this proposition is not one of cold economy alone, for it obviously would be more economical to buy our woolen goods in our own country and save the difference of freight and the same thing would be true for the Europeans—that it would be better for them to keep their goods at home from a standpoint purely of economy.

But the question of economy is not the only factor controlling or guiding exports and imports. It is a question of taste and of personal fancy that causes Americans to buy French, Scotch, or English goods, and which causes the Scotch, English, and French to buy American goods. We enlarge their markets by buying their stuff. They enlarge our markets by buying our stuff. We increase the demand for their labor; they increase the demand for our labor; and we export no more than we import, for the volume of our exports is determined by the volume of our imports (using these terms to cover credits and expenditures).

VOLUME OF EXPORTS CONTROLLED BY VOLUME OF IMPORTS.

This question can be reduced to a mathematical demonstration, properly interpreted. It is only necessary to take the unit of the export or of the import to determine this question. When the American exports \$100,000 worth of goods in any form, whether in cotton bales or in cotton cloth, he receives from his foreign customer a hundred thousand dollars in money, or credit, which he may convert at his will into cash or into goods, and his export will be balanced with an import or its mercantile equivalent in cash, in credit, or expenditure abroad, or with work performed, as in carrying freights, and so forth.

A vast multitude of such transactions do not alter this substantial truth. It merely enlarges and emphasizes it, and it may be taken as a sound commercial maxim that our exports are balanced by our imports and our imports are balanced by our exports, and when we obstruct our imports we obstruct our exports, and thereby diminish the world's demand for the goods of our manufacturers; we thereby diminish the world's demand for the products of American labor; we thereby diminish the demand for American labor; we thereby diminish the employment of American labor and lower the wages of American labor.

BALANCE OF TRADE.

[Giffen Essays in Finance, 161.]

Tables showing the balance of trade are apt to mislead men. For example, our statistics will exhibit in one column our imports, in another column our exports, and the balance is called the "balance of trade." If we have exports more than we have imports in these tables the balance of trade is said to be in our favor.

This conclusion of the balance being in our favor is unmitigated nonsense. Whenever we ship goods from the United States we get what our citizens regard as the equivalent, in cash, credits, or other property.

He who attempts to draw any conclusion whatever as to a nation's wealth or poverty from the mere fact of a favorable or unfavorable balance of trade has not grasped the first fundamental principle of political economy. (R. T. Ely, Problems of To-day, p. 28.)

The plain truth is our statistics, showing merely "exports" and "imports," do not and can not take into account our credits abroad or the credits of foreigners in the United States.

They do not and they can not take into account the payment by the United States of exceeding \$100,000,000 annually for ocean-going freight and passengers carried exclusively in foreign bottoms. These tables can not take into account expenditures of citizens of the United States abroad, which probably exceed \$100,000,000 per annum.

These tables do not take into account millions of dollars shipped abroad by foreigners working in the United States.

These tables do not take into account numerous foreign investments made by citizens of the United States in foreign lands and by foreigners in our land.

These tables do not take into account even the transfer of great estates from the United States abroad by international marriages.

The plain truth, which can not be disputed without stultification, is this, that for every export we receive its equivalent in cash or credit, and for every import we pay in cash or credit.

The available gold in the world, which is the basis of what we call "cash," is a comparatively small amount. The total gold in the United States amounted to one thousand five hundred

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and ninety-three millions December 31, 1906. (Statistical Abstract of the United States, 1907, pp. 742.)

The annual production of gold in the world amounted to four hundred millions in 1906. Germany had over a thousand millions in gold, and France about a thousand millions in gold, and the British Empire about a thousand millions in gold in 1906, and all of the gold money on earth combined did not exceed seven billions.

No thoughtful man will pretend that we can pursue a policy by which our exports would be paid in gold and not paid in the goods and credits and properties of foreign countries. It can therefore be taken as true that our exports are paid for by imports, and that when we limit our imports we limit our exports and our national commerce under a law as fixed as the law of gravitation.

Mr. President, the Senator from New Hampshire made a single defense with regard to these schedules which I desire to answer, and it is the only defense, outside of that of the chairman, so far as I have observed in the Record, that I regard as meeting the matter in any degree, and that is the statement, in effect, that by lowering these schedules we would invite into this country the imports of other countries, which would throw out of employment our own laborers.

This theory, Mr. President, is not sustained by the theory of economic teaching which shows that inevitably exports are always paid for by imports and imports are paid for by exports. If we examine into the individual transactions of which the aggregate is composed, we will observe that when any American ships abroad any export, whether it be cotton or cotton goods of any kind, he is immediately paid in cash or cash credits or its equivalent, and therefore there comes back to the United States the immediate equivalent of that which the American exports. That individual export is instantly balanced. Since the whole must be composed of its several parts, it follows that exports are paid for by imports and imports are paid for by exports, and when we reduce the tariff and invite into our country foreign exports in effect we stimulate American industries; we enlarge the productive power of the American factory; we increase the demand for labor and the employment of capital; and we put ourselves in the attitude of shipping abroad more things than we now ship and enlarging both our exports and imports in like volume. I think the reason why our imports and our exports compare so unfavorably with the other nations of the earth is largely because we have followed the Chinese method of excluding, in large measure, the products of other lands.

I wish to call attention to our status as to imports and exports per capita.

COMPARISON OF THE COMMERCE OF THE UNITED STATES AND OTHER COUNTRIES.

We plume ourselves on our tremendous commerce in exports and imports when, in point of fact, our rank among other nations of the world in the quantity of our foreign commerce per capita is entirely discreditable to us. In the quantity of our exports and imports we rank far inferior to every highly civilized country in Europe, as the following table will exhibit, taken from the Statistical Abstract of the United States for 1907, page 738:

Imports and exports per capita of countries, 1906.

Country.	Imports.	Exports.
United States.....	17.30	22.10
Argentina.....	34.87	54.87
New Zealand.....	70.23	85.70
Australia.....	53.77	79.70
Belgium.....	93.90	75.39
Canada.....	45.08	39.84
Costa Rica.....	22.53	29.25
Chile.....	21.25	29.89
Cuba.....	62.31	66.06
Denmark.....	64.32	55.55
France.....	25.86	24.77
German Empire.....	28.05	22.56
Netherlands.....	184.36	143.01
Norway.....	36.22	21.91
Sweden.....	29.23	22.93
Switzerland.....	81.97	59.97
United Kingdom.....	68.45	42.49
Uruguay.....	21.13	38.84

The imports of the German Empire, of France, United Kingdom of the Netherlands, of Norway and Sweden, of Switzerland, exceed their exports by hundreds of millions, but the exports of Siam, Egypt, Peru, British Indies, Haiti, Cuba, Mexico, Russia, Santo Domingo, and the Congo have their exports exceeding their imports, and we are not in a good class if civilization and intelligence are considered.

We are in the activity of our foreign commerce, however, decidedly ahead of the Congo Free State, Persia, Peru, Paraguay, India, Siam, and Turkey. Our country can feel but little pride in the school of political economy, if organized blind greed can be called a school of political economy, controlling the United States and its pitiful comparison with the foreign output of the other intelligent nations of the world. Let us at least equal Great Britain, which has learned the economic truth that prohibitive tariffs obstruct and do not promote commerce, and let us act upon that policy, retaining our tariff for revenue, high enough for honest incidental protection and no higher.

Our patriotic citizenship has been grossly misled by the leaders of the party in power as to our comparative commercial activities.

The growth of our exports and imports show a small relative increase:

Our total imports:	
1881	650,000,000
1890	773,000,000
1900	830,000,000
1907	1,415,000,000
Our total exports:	
1881	883,000,000
1890	845,000,000
1900	1,370,000,000
1907	1,853,000,000
Population in—	
1881	58,000,000
1890	62,000,000
1900	75,000,000
1907 (estimated)	88,000,000

It will be seen from these tables that notwithstanding the tremendous improvement in modern machinery and the increased output from that source, and the wonderful growth of seagoing vessels and their freight-carrying capacity, our exports and imports have about doubled in twenty-six years and have not increased much faster than our population. This is a discreditable showing to the intelligence of the American people.

It will thus be seen, Mr. President, that our exports and imports are small compared to the exports and imports of nations whom we have been taught to believe inferior to us; but in the building of a nation we are ourselves vast consumers of our own products, and this must stand to our credit.

It will also be seen that our exports and imports have not grown in the last quarter of a century much more rapidly than our population, which shows in fact that we have not kept pace in foreign exports with the enormous productive capacity of modern machinery and invention.

These are facts worthy of consideration, which tend to show the natural consequences of obstructing our imports by prohibitive taxes, by vexatious and difficult regulations; and the present bill is peculiarly unwise because instead of providing a substantial reduction on the prohibitive tariff rates and removing the obstructions to our commerce it has utterly failed to do so. On the contrary, it has increased many items and the average of all items, and the crowning absurdity is offered in proposing to penalize foreign countries, who are already largely excluded from our markets, by threatening them with a 25 per cent advance on rates now largely prohibitive unless they promptly remove within the year the tariff obstructions which are obnoxious to us, and thus we invite the retaliation of the nations of all the world. Nations are composed of individuals, and the law of human nature which governs the individual will govern nations to a substantial degree.

OUR NATIONAL PROSPERITY IS NOT DUE TO A PROHIBITIVE TARIFF, BUT IN SPITE OF IT.

Mr. President, it has been a common practice for the advocates of the high tariff to claim that the prosperity of the people of the United States and the employment of its people is due to the so-called "protective tariff;" nothing could be more utterly fallacious.

Modern prosperity is due to the dissemination of human knowledge through the printing press, inventions of labor-saving machinery, hundreds of thousands of inventions under the reward of personal patents granted by the United States, granted by Great Britain, by Germany, by France, by Norway and Sweden, by Italy, by Japan, by every civilized country in the world.

The United States has granted over 900,000 different patents covering art in manufacture, but the art to which we are chiefly indebted for our modern prosperity is the development of paper making and the printing presses, by which the learning and the knowledge of all men is made the common property of every man and enriched him beyond all computation.

Out of these inventions have sprung the incredibly cheap manufacture of cloth and fabrics of every description; of metals in a multitude of forms, from Bessemer steel to the Waterbury watch, made by machinery and distributed to man at an in-

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credibly cheap price. The telegraph, the telephone, the modern railway, the mail service, and every agency of civilization have been brought into service by the wonderful increase of the intelligence of man. China has just completed its first railway built by Chinese engineers and workmen, and soon will be the joint heir of the wonderful increase in human knowledge.

All of the nations of the world prosper in this magnificent development of the human race, due to the increased intelligence of man, due to modern processes, springing chiefly, and above all, from the great invention of Gutenberg.

Mr. President, not long since I stood upon the banks of the Niagara River. Down the canal below the great falls I saw a great wood yard, and saw two men passing pieces of wood to an endless belt. I followed it down the bluff nearly 200 feet; below a giant penstock of 7 feet in diameter delivered a column of water upon a turbine wheel developing over 1,000 horsepower, which caused to spin with lightning speed French burr wheels, against which these pieces of wood were placed and pressed by hydraulic pressure.

They melted almost instantly, and the macerated fiber by an endless belt, passing immediately to the paper factory on top of the bluff, was automatically delivered into a circular vat with moving arms; adjacent was a man engaged in putting into this vat sizing; the prepared mixture was fed upon an endless belt, porous—the water dripped through, the sheet of wet paper emerged, passing through a series of rolls, the last ones heated by steam, and at the end of the comparatively small room the material which a few minutes before had been logs of wood appeared as rolls of news paper ready for the Hoe press.

At Herald square, New York, I saw these same rolls being fed like lightning into giant printing presses and emerging a modern newspaper, a miracle of design; hundreds of thousands of copies turned out in a few short hours, full of learning, literature, art, full of business, full of wit and humor, full of the news of the whole world gathered together by the ablest men with the aid of the telephone and telegraph; filled with beautiful illustrations and photographs of everything conceivable.

Mr. President, where is the advocate of the prohibitive tariff so lacking in common sense or intellectual integrity that he will assert that these great advances of the human race, which are common to all the civilized nations, whether they have or whether they have not a protective tariff, nevertheless enjoy all of these things. Let those who believe that these things are due to the protective tariff support this bill and applaud it. But those that see that these things are due to the development of the human race and to the providence of God can be misled by no such shallow sophistry.

Mr. President, England has been very prosperous; she is the mistress of the seas; the sun never sets upon her dominions; her wealth is enormous. The prosperity of England is not due to the protective tariff, but to the policy of the greatest freedom of international commerce.

France and Germany have the protective tariff and are likewise prosperous, but they are prosperous in spite of the protective tariff and not because of it. The prosperity of the whole world is due to the increasing intelligence of the human race, its mastery over the forces of nature, its substitution of machinery for the labor of man.

"Protectionists justly contend that the high tariff of 1897 has not ruined the foreign trade of the United States, which on both its import and export sides has exhibited a great advance." Undoubtedly this contention is true, but the obstructions interposed in commerce has not served to make the imports and exports of the United States contrast favorably with the exports and imports of other nations. The imports and exports of the United States do not compare favorably with those of the civilized nations of the world, as I have already shown.

One thing should be settled for all time, and that is such prosperity as we have can not be due to the artificial obstruction of our international commerce.

HOW THE PRESENT SYSTEM WAS ESTABLISHED.

It would seem incredible that the monopoly engendering policy could be established and persisted in against the will of the people, and I shall endeavor to show how this has occurred and its proper remedy.

In 1856 both parties were agreed on a low revenue-producing tariff. For fifteen years everybody had been content with the low Walker tariff of 1846. The exigency of the civil war required a high tariff for the extra revenues demanded at that time.

Like all tariffs this Morrill tariff of 1861 raised the prices on the consumer and gave the American manufacturer a special opportunity to make money at the expense of the consumer.

When the war was over the question of lowering the tariff began to be considered.

The Protective Tariff League was thereupon organized, with far-reaching affiliations, powerful press agencies, with an educational bureau which instructed every boy who approached the voting age throughout the United States in the sophistry of a high tariff, appealing to his patriotism to stand by American labor. This policy has had abundant success, but it could not have succeeded except for the political changes in party administration which had taken place prior to the war.

This change to which I refer was the transfer of the power directly from the people through the agencies of precinct conventions, nominating delegates to county conventions, county conventions composed of delegated delegates to select delegates for the state convention, state conventions composed of delegates delegated by delegated delegates.

These political functionaries were thrice removed from the people, the state delegates being delegated by county delegates, the county delegates being delegated by precinct delegates, and the precinct delegates probably delegated by the local representatives of what is known as the "machine politician" and his petty circle.

In machine politics the precinct manager will call a primary at some place convenient for his control and probably inconvenient for the attendance of the people. He will notify his strikers in advance and be sure of a sufficient number to put through a slate and plan agreed upon. In this manner the machine can evade a wholesome public opinion and manipulate the delegates to the county convention, and with this machine county convention a machine state convention is assured.

In this manner any person having an important material interest to serve, such as establishing or maintaining a policy of government, permitting some people to tax other people for their benefit, have a political opportunity.

All that the Protective Tariff League and its commercial and political allies had to do under this system of government was to have a proper bureau established, see to it that representatives of the system were in place to manage the machine politics; and in this way they have been able to control nominating conventions—county, State, and national—and the will of the great body of the people could not make itself freely felt, being unorganized and not clearly realizing the manner in which the monopoly-producing system was taxing them.

The Protective Tariff League and the representatives of selfish commercial interests, the beneficiaries of the manipulations of our statutes, have intertwined and interwoven themselves with the organization of the Republican party in such a manner as to be inextricable. They have successfully appealed to the well-known patriotism of the great body of Republican citizens and skillfully trained them to believe as true, things which were not true in fact, and were sophistical in reason and unsound in conclusion. This process has gone on until it has become impossible to separate the political and patriotic impulse from the commercial, so that men of high character and upright purposes find themselves used against their will and are more often used in total unconsciousness of the fact that they are being used by commercial interests under the color of patriotism and party pride. The machine method of politics is a bad method and ought to be abated.

BOTH PARTIES HAVE BEEN AFFECTED BY THIS EVIL.

It is this method which sometimes sends to the Senate of the United States representatives who would not be the choice of the people at a popular election.

It is natural therefore that the election of Senators by direct vote, or the nomination of Senators by direct vote should not be approved by those who have been or might expect to be indebted to machine politics hereafter for their own preferment.

It was a recognition of this abuse, which has grown up in our country, that led the Democratic party at Denver, which, I freely confess, is not entirely purged of this evil of machine politics, to put the query to the people of the United States, Shall the people rule?

The true remedy for this condition is not by an inconsequential debate with the chairman of the Committee on Finance, who has spent months and years over these schedules without ever touching the only question of importance, to wit, the difference in the cost of the production at home and abroad, but it is to be found by reducing the political machine to innocuous desuetude and the restoration of the people's rules by the direct primary, allowing each citizen, regardless of party, to

nominate and elect his representative in county, State, and Nation, and to establish an "initiative and referendum," with its salutary check on the representatives of the people.

Machine politics glorifies organization and forgets that the best safeguard of society is to allow the actual sentiment of the majority of the people having appreciable education to rule and not take that power out of their hands by clever machine manipulation.

When we follow delegation of power from the citizen to the primary delegate, from the primary delegate to the county delegate, from the county delegate to the nominee for the legislature, from the member of the legislature to the United States Senate, a Senator chosen in this manner is four degrees removed from the people.

Through machine politics selfish interests can exercise an undue influence in our parties and in our administration of government. I can not but feel that the influences of monopoly in this country are in present control; that this bill is written to serve their purposes; to make the rich richer and the poor poorer; to benefit the few at the expense of the many.

In making this comment I do so with the profound conviction that this condition can not be greatly prolonged, but that the American people will in a short time cause the laws to be so amended as to promote the greatest of all modern needs—the more equitable distribution of the proceeds of human labor.

Ill fares the land to hastening ills a prey,
Where wealth accumulates and men decay.

Mr. President, I do not desire to detain the Senate longer. I have taken some pains to show that in the protected industries the labor of the country is not paid as well as in the unprotected industries; that labor has continued to receive a diminishing part of the proceeds of labor; that labor has not received a fair share of its own product. I have undertaken to show how labor was naturally oppressed by the upbuilding of gigantic monopolies in this country, whose policy was to close up factories, to pay labor as small a wage as possible, to raise prices, and to limit the output; to tax the people as high as they thought the "traffic would bear," and to control their wage-earners, both commercially and politically. That is a very natural thing for them to do. They are not greatly to blame if the law permit. The lawmaker is greatly to blame if the law continues to permit.

But I have also demonstrated that our census shows, in the most overwhelming and convincing manner, that this bill has paid no attention whatever to "the difference in cost of production at home and abroad;" that that difference, even if the foreign manufacturer paid nothing whatever for his labor, could not exceed nineteen and a fraction per cent for pure protective purposes, while many of the rates in this bill exceed 100 per cent. Having shown this, having pointed out what the effect has been upon the wages and general conditions of labor and upon the mortality of human life under this system of government which we have been following; having submitted the suggestions for the amendment of these conditions, in the hope that perhaps in the future they may be of some use to future students of these questions, I am done.

I have called attention to the policy of New Zealand, which protects human life first, which has controlled monopoly, in order that the poorer and the weaker elements of society may have a better opportunity to live. I have called attention to what the necessary result is of gigantic fortunes piling up until the fortune of a single individual will reach nearly a thousand millions; that its only effect upon this country must be to absorb all of the transportation and transmission companies, all the coal mines, all of the purchasable lumber and ores, all of the purchasable real estate, all of the things visible and invisible desired by men and generally grouped together and called the "opportunities of life."

There can be but one result, and the Senate is in honor bound to consider this and to find a way to control it and correct it, in order to protect the children and the women, as well as the men of this country.

I can do nothing more than appeal to the Senate and to call their attention to their responsibility in this matter. Having done so, I have discharged the only duty which it is possible for me to discharge. I have given many days of hard labor to this question, and of unremitting industry, in a desire to place upon this record the truth, and nothing but the truth, in the hope that it might appeal to the leaders of the Senate, and, if it did not, that it might appeal to the people of the United States.

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