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THE TARIFF.

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SPEECH

OF

HON. ROGER Q. MILLS,

OF TEXAS,

IN THE HOUSE OF REPRESENTATIVES.

Tuesday, April 17, 1888.

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Both of the great political parties now represented in the Government have by repeated and authoritative declarations condemned the condition of our laws which permit the collection from the people of unnecessary revenues, and have in the most solemn manner promised its correction; and neither as citizens nor partisans are our countrymen in a mood to condone the deliberate violation of these pledges.

GROVER CLEVELAND.

No matter who may desert or who may falter, the great fight for reform will go on. This country does not belong to either the monopolists or the communists, and the people will save it from both.

JOHN G. CARLISLE.

Of all the false pretenses with which protection mocks its victims, the assumption that labor is helped or protected by taxing its earnings is the flimsiest.

WILLIAM R. MORRISON.

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The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 9051) to reduce taxation and simplify the laws in relation to the collection of the revenue—

Mr. MILLS said :

Mr. CHAIRMAN : During our late civil war the expenditures required by an enormous military establishment made it necessary that the burdens of taxation should be laid heavily in all directions authorized by the Constitution. The internal revenue and direct taxes were called into requisition to supplement the revenues arising from customs, to aid the Treasury to respond to the heavy demands which were being daily made upon it. The duties on imports were raised from an average on dutiable goods of 18.84 per cent., in 1861 to an average of 40.29 per cent. on dutiable goods during the five years from 1862 to 1866, inclusive. This was recognized at the time as an exceptionally heavy burden. It was stated by the distinguished gentleman who then presented to the House the bill so largely increasing the duties, and which to-day bears his honored name, that it was demanded by the exigencies of war and must cease on the return of peace. In his own words he said: "This is intended as a war measure, a temporary measure, and we must as such give it our support."

More than twenty years have elapsed since the war ended. A generation has passed away and a new generation has appeared on the stage since peace has returned to bless our common country; but these war taxes still remain; and they are heavier to-day than they were on an average during the five years of the existence of hostilities. The average rate of duty during the last five years, from 1883 to 1887, inclusive, on dutiable goods amounts to 44.51 per cent., and during the last year the average is 47.10 per cent. Instead of the rate of taxation being reduced to meet the wants of an efficient administration of the government in time of peace, it continues to grow and fill the coffers of the Government with money not required for public purposes, and which rightfully should remain in the pockets of the people.

After Congress had so largely increased the duties on imports, and thus bestowed most liberal and generous bounties on our manufacturers, a light internal tax was imposed on the products of domestic manufacture to help the Government meet the heavy demands of war. The internal tax imposed on home manufactures was but a tithe of the heavy burden imposed, on the people by the increased duties on foreign goods. It brought to the Treasury in 1866 \$127,000,000—a sum which was less than 5 per cent. upon the value of the manufactured product of that year. It was thought not to be unreasonable to require this small contribution from those whose bounty Congress had increased from 18 to 40 per cent. in the price of their products.

But, Mr. Chairman, that tax is gone. It could not be retained. It was a tax on wealth. It came out of the pockets of the manufacturer. As soon as the war was ended complaint was made that this tax was a war tax, that it was no longer necessary, and it was repealed. Congress imposed a tax on incomes, too, to help the Government meet the expenditures of war. It brought to the Treasury, in 1866, \$72,000,000. The official reports showed that four hundred and sixty thousand one hundred and seventy persons of the whole population had incomes above the exemption, and they had \$707,000,000 of net annual income, while the balance of the people had nothing beyond what was required for annual support. Yet scarcely had the war ended until this tax was declared to be exceedingly odious, inquisitorial, and oppressive, and Congress was asked to repeal it, and it is gone.

Congress thought it was unjust to require 460,170 persons who had an annual income of \$707,000,000 to pay anything to support the Government, and they hurriedly swept that "odious" measure from the statute-book. Besides these there were taxes on the receipts of railroad companies, taxes on insurance companies, taxes on express companies, taxes on bank capital, bank deposits, and bank checks, but they are gone. Congress lent a willing ear to the demands of wealthy corporations and individuals and took all the burden from them, but the war taxes on clothing, like the poor, we have always with us. These taxes were given up at a time when our interest-bearing debt of more than \$2,000,000,000 was staring us in the face and demanding from the Government more than \$140,000,000 annually to meet its interest.

With these facts before their eyes they made haste to roll all the burdens of taxation off the shoulders of the wealthy and lay them upon the shoulders of those who could only pay as they procured the means by their daily toil. Could not that \$127,000,000 contributed by the manufacturers from the rich bounties which the Government had given have been retained until the war debt was paid? Could not the \$72,000,000 from incomes been held for a few years longer? Could not the tax on the receipts of the wealthy corporations have been continued for one decade?

If these taxes had been kept ten years longer we would to-day have no national debt, and in addition to the moderate reductions now proposed we could give back to the people the hundred millions now required to pay its interest and sinking fund. Upon what economic principle or principle of justice were these taxes repealed and the whole burden laid on articles going into daily consumption, and which must be obtained by the labor of mind and muscle?

Was the tax of 3 per cent. on the domestic blanket paid by the manufacturer more oppressive than than the tax of 79 per cent. on both foreign and domestic blankets paid by the people?

Was the tax of 3 per cent. on a wool hat paid by the manufacturer more oppressive than the tax of 73 per cent. on both paid by the consumer? Was the tax of 3 per cent. on women's and children's clothing paid by the manufacturer more oppressive than the tax of 82 per cent. on both foreign and domestic goods of the same kind paid by the consumer? Was a tax of 3 per cent. on railroad companies, banking companies, insurance companies, express and telegraph companies, more oppressive than an 88 per cent. tax on woolen shawls? Was a 3 per cent. tax on incomes more oppressive than an 80 per cent. tax on a woolen shirt?

The party then in power certainly thought so, for the taxes on wealth are gone, but the war tax on clothing, the war tax on food, the war tax on the implements of labor still remain with us, and the war against our prosperity, our labor, and our commerce is still being vigorously prosecuted—a war that is exhausting in its destructive invasions on labor, whether it is employed in agriculture, manufactures, commerce, or mining. Every effort that has been made to bring this war on the industries of the country to an end and to restore the Government to the peace establishment has been resisted at every step, and so far every effort to end this unjustifiable invasion of the rights of the people has been defeated.

The gentlemen who represent the minority of the Committee on Ways and Means boast that they have reduced taxation \$360,000,000. They point with pride to the splendid column which they have erected. but that column has no stone in it

to tell of their devotion to the masses who live by daily toil. It is built of blocks of marble, every one of which speaks of favoritism to the wealthy, of special privileges to the rich and powerful classes. In 1883 they finished this magnificent shaft, which they have been for years erecting, and crowned it with the last stone by repealing the internal tax on playing-cards and putting a 20 per cent. tax on the Bible.

We on this side of the House have been trying to reduce taxation on the necessities of life to the people and so far without success. The minority of the committee charge that we have accomplished nothing to compare with what they have done. That indeed would be a grave charge if the gentlemen who make it could show that their united opposition had not been thrown across our path at every step. But it does not lie in their mouths to charge this side of the House with failing to reduce taxation. Whenever we have brought bills into the House to reduce taxes on the necessities of life they have mustered nearly their entire strength to defeat us.

The members from that side who have come to our help could be counted on the fingers of one hand. Twice they have stricken out the enacting clauses of our bills to reduce taxation and twice they have refused even to consider the question of reducing taxation on the people.

Now, sir, what has been the result of this policy? Enormous taxation upon the necessities of life has been a constant drain upon the people—taxation not only to support all the expenditures of Government, but taxation so contrived as to fill the pockets of a privileged class, and taking from the people \$5 for private purposes for every dollar that it carries to the public Treasury.

This is one of the vicious results of the war tariff. The taxes, both for public and private purposes, are paid by labor. They are assessed on labor. Now, let us see how it benefits labor, as it is claimed to do. Suppose a laborer who is earning a dollar a day by his work finds a suit of woolen clothes that he can buy for \$10 without the tariff tax, then the suit of clothes can be procured for ten days' work; but the manufacturer comes to Congress and says: "I must be protected against the man buying this cheap suit of clothes," and Congress protects him by putting a duty of 100 per cent., or \$10 more. Now it will require the laborer to work twenty days to get his suit of clothes. Now tell me if ten days of his labor have not been annihilated? Has he not been required to work twice as long under the tariff as he would have done without to obtain his suit of clothes?

But how has that duty affected the manufacturer? If it required him to work ten days to produce the suit of clothes worth \$10, he now produces them by five days' work, for he receives \$20 for ten days' work, and, of course, \$10 for five days' work. The manufacturer has had his work reduced half, the laborer has had his increased double. But it is said that the tariff helps the laborer by doubling his pay, because it builds up manufactures everywhere. But if that is true the tariff at the same time that it doubles the value of the manufacturer's product ought to double the value of the laborer's pay; but the tariff takes his money and puts it in the pockets of the manufacturer and pays him in promises which it never redeems.

There are woolen goods, as we have shown in the report of the committee, bearing duties from 100 to 180 per cent., but I have taken 100 per cent. for the greater ease of illustrating the effect. The benefits of the tariff all go one way. They go from the consumer to the manufacturer, but not from the manufacturer to the consumer. Suppose that the tax on the 60,000,000 of consumers amounts to \$10 per head, then it is a tax of six hundred millions; if it is only \$5 per head, it is three hundred millions taken out of the pockets of the consumer and put into the pockets of the manufacturers. The tax on the four hundred millions of goods imported goes into the public Treasury; the tax levied on domestic manufactures, by raising their price, goes into the pockets of the manufacturers.

But, Mr. Chairman, the excessive taxation imposed on the people is not the largest injury that it inflicts upon them.

The greatest evil that is inflicted by it is in the destruction of the values of our exports. Remember that the great body of our exports are agricultural products. It has been so through our whole history. From 75 to over 80 per cent. of the exports of this country year by year are agricultural products. Cotton is first, then bread stuffs, pork, beef, butter, cheese, lard. These are the things that keep up our foreign trade, and when you put on or keep on such duties as we have now—war duties which were regarded as so enormous even in the very midst of hostilities that they were declared to be temporary—when you put on or retain those duties, they limit and prohibit importation and that limits or prohibits exportation. It takes two to make a trade. All the commerce of all the countries of the world is carried on by an exchange of commodities—commodities going from the country where they are produced at the least cost to seek a market in those countries where they can

either not be produced at all or where they can be produced only at the highest cost of production.

We are the great agricultural country of the world, and we have been feeding the people of Europe, and the people of Europe have got to give us in exchange the products of their labor in their shops; and when we put on excessive duties for the purpose of prohibiting the importations of their goods, as a necessary result we put on an excessive duty upon the exportation of our own agricultural products. And what does that do? It throws our surplus products upon our own markets at home, which become glutted and oversupplied, and prices go down. So it is with the people of Europe who are manufacturing and producing things that we can not produce, but which we want. Their products are thrown upon their home markets, which are glutted and oversupplied, and their prices likewise go down. And whenever, from any cause, prices start up in Europe, our tariff being levied mainly by specific duties upon quantity, not upon value, the tariff goes down, and then we see large importation and, as a result, large exportation.

Then we see a rise in agricultural products; then we see the circulation of money all through the whole of our industrial system; we see our people going to work, our manufactories starting up, and prosperity in every part of the land. Witness the history of 1880. After the long depression lasting from 1873 to 1880 prices suddenly rose in Europe. The prices of all the products which they export to us began to rise in the latter part of the year. What was the result? As prices rose there the tariff went down, the obstructions became lower, and the imports came in.

Our imports increased about \$200,000,000 in one year. What was the result of that? Our exports increased largely. The prices of wheat, of cotton, of corn, of all the products that we export went up; not only the prices of that which was exported, but also the prices of that which was consumed at home. We exported in 1880 \$685,000,000 worth of agricultural products, and in 1881 \$730,000,000. During last year we exported only \$523,000,000 worth of agricultural products. About 15 per cent. of our agricultural products have to seek a foreign market, and in 1881 the proportion rose to 20 per cent.

I have a letter here, which I will not stop to read, from the statistician of the Agricultural Department, in which he places the value of the present crop of the United States at three billions five hundred millions, and he says that if the prices of 1880 now obtained the value of the crops would be in excess of four billion dollars. Here, then, is a loss, according to this estimate, of not less than \$500,000,000. How much greater the value of the crop would be he does not say.

But when we see the prices of agricultural products in 1881, when we exported \$730,000,000 worth of agricultural products, and then compare them with 1887, when the export of agricultural products fell to \$523,000,000, we can form some estimate of the great loss to our farmers by stopping exportation. In 1881 wheat was worth \$1.19 per bushel; it is now 68 cents. In 1881 corn was worth 63 cents per bushel; it is now worth 44 cents. The exports of our agricultural products have fallen during the last year far below those of 1881, and the prices have correspondingly fallen.

If the prices of 1881 obtained to-day the wheat crop of 1887 would be increased over its present value \$232,000,000, and if by exportation to foreign markets we could have each year since 1881 realized the price of that year, the wheat growers would have realized on their annual crops since then a thousand millions of dollars more than they did. In the low prices of corn since then they have lost double that. Some part of the low prices is to be attributed to large crops, but by far the greater cause is the restriction of the market for the sale of farm products.

If the tariff imposed a revenue duty sufficient to obtain money enough to support the Government but not high enough to impede importation, then our foreign trade would grow rapidly and our agricultural products would find ample markets and good prices. But just as long as we continue to stop importation by high duties, just so long will we stop exportation; and our agricultural surplus continuing to increase and its markets being limited the prices must continue low. The tariff robs the farmer on one side by increasing the prices of what he buys; it robs him on the other by decreasing the price of what he sells.

But it is insisted that if we lower the duties and let foreign goods be imported it will stop our manufactories—that it will turn our people out of employment or reduce their wages. It will do nothing of the sort. What will we import and what did we import when prices rose and the duties fell in 1880? We imported more of the same articles which we were importing before the prices rose. We will import more of the things we can not produce or which can be produced cheaper in other countries than at home. If we look to our table of imports in 1880, we will see that over sixty millions of the increase was of articles in the free-list and about one

hundred and twenty-five millions in the dutiable list. The increase of imports free of duty will not hurt the manufacturer or the laborer.

We always import more coffee, more tea, more of everything that is required to meet the wants of the people when prices are high, because when prices are high the country is more prosperous and the people are better able to buy and pay for what they want, and the tariff is then lower and dutiable articles are more largely imported to compete for sale with the home products. In looking through our consumption statement we see that a certain line of articles are imported from year to year; then observing the periods when prices are high and the tariff low you will see that the same articles are imported in larger quantities.

Our manufacturers do not then stop. They go on with increased activity. They did not stop in 1880 when the large importation set in. It gave them renewed life; their wheels flew faster, their machinery worked more constantly, and their operatives were all employed. Why is this? Why, Mr. Chairman, we can produce at least 90 per cent. of all the manufactures consumed in this country more cheaply at home than they can be produced anywhere in the world and delivered here. This 90 per cent. which we can produce at a lower cost than any other people can will not be hurt by importation.

I have here a letter from the Chief of the Bureau of Statistics, which shows that in 1850 with a low tariff the consumption of domestic manufactures in the United States was 88.39 per cent. of the whole, and of imports 11.61 per cent. In 1860, with a still lower tariff, our home manufactures constituted 87.57 per cent. and the consumption of imports was 12.43 per cent. In 1870 the consumption of domestic manufactures was 93.14 per cent. and 6.86 per cent. of imports, and in 1880 were consumed 92.58 per cent. of home manufactures and 7.42 per cent. of foreign manufactures. Now, it is evident from these figures that under any circumstances we can hold 90 per cent. of the market against the world.

If we had no tariff, if all the custom-houses were torn down and the Government was supported by direct taxation, not more than 10 per cent. of all the manufactured products consumed by all the people would be imported into the country. Senator Sherman, in a speech delivered three months ago, quoted a statement of ex Consul Dudley, that nine-tenths of all the articles of manufacture consumed by the people could be procured as cheaply here as in England. He indorsed the statement as correct. I deny the accuracy of the statement. If he had said that nine-tenths of all the manufactures consumed in the United States could be produced more cheaply here than in England he would have been nearer the truth. If nine-tenths of all the manufactures consumed here are cheaper here than in England it is because they are produced at a lower cost. Then what objection does he see to reducing the tariff?

What use have our manufacturers for the tariff at all? Why are they constantly beseeching Congress not to ruin them by reducing the war rates? They can produce nine-tenths of their products and sell them cheaper than their rivals in England, but they do not do it. If they do sell nine-tenths of their products cheaper than English manufacturers, why is it that they and our friends on the other side not only resist every effort that we make to reduce these war taxes, but are asking now that the tariff on woolen goods shall be raised? Why are they demanding that woolen cloth shall be raised to 128 per cent., women's and children's dress goods to 102, flannels to 121 per cent., hats to 134 per cent., and knit goods to 135 per cent.? Why do they resist the reduction of the duty on steel rails to \$11 a ton? Why oppose the slight reduction we propose in cotton goods?

The manufacturer is not so much interested now in the foreign market as the farmer. Less than 2 per cent. of the \$7,000,000,000 of his annual product goes to the foreign market; but the farmer sends 15 per cent. of his products there, and would send a larger per cent. if the way was open. The manufacturer looks to the home market for the sale of 98 per cent. of his product. Then is it not a matter of the deepest concern to him to have that home market prosperous? Is not every one who sells goods interested in having customers able to purchase and pay for everything they want? Would not manufacturers make more money by selling their goods to American people with pockets full of money than to wild Indians who had none?

It is essential to the American manufacturer that he shall have a prosperous market in which there is a constant and active demand for his goods, and that he have such market both at home and abroad so that his customers may be as many as possible, that they be constantly increasing in pecuniary ability so that they can buy largely and pay promptly for all they buy. These things being true, and his dependence being almost exclusively on the home market, he should do everything in his power to help his customers grow in wealth. Who are his customers? The

farmers. How are they to become prosperous and grow in wealth? By selling their products in the markets that demand them and offer for them the highest price. Where are those markets? In foreign countries. But those markets are closed to him unless Congress will let him bring back the goods he will obtain in exchange. If to-day the barriers against importation were broken down and our imports should increase from two to three hundred millions, that importation would create a demand for that amount of agricultural products to be exported to pay for them, and that would increase the price of farm products all through the land. It would distribute money among the whole sixty millions of people, placing a dollar beside every want with which it could be satisfied. He would find that he had a market then at home far more valuable to him than it would be with the 10 per cent. of importations kept out and the prices of all farm products forced down so low that the farmers would have nothing with which to buy.

But, Mr. Chairman, it is said that this will injure our labor. It is said a high tariff makes high wages for labor. It is said if we reduce the tariff wages must be reduced. How is it high tariff makes high wages for labor? How can it be explained? Why, they say, as a matter of course, if you increase the value of the domestic product, the manufacturer is able to pay higher wages. Unquestionably he is, but does he do it? No. Mr. Jay Gould, with his immense income from his railroad property, is able to pay his bootblack \$500 a day, but does he do it? Oh, no; he pays the market price of the street. He gets his boots blacked and pays his nickel like a little man. [Laughter.] Mr. Vanderbilt, from the income arising from the interest on the immense amount of bonds of the Federal Government he has got, can afford to pay his hostler \$10,000 a year. He is able to do it; his bonds enable him to do it, but does he do it? Oh, no; he goes out into the market and employs his labor at the market value, and pays the same price that the humblest citizen in New York does.

High tariff does not regulate wages. Wages are regulated by demand and supply and the capacity of the laborer to do the work for which he is employed. If high tariff regulated wages how is it the wages in the different States of the Union are different while the tariff is all the same from Maine to California? In every part of the territory of the United States the tariff is the same. How is it the wages are not the same? How is it that wages in the different localities in the different States are different? What is the cause? What is it which disturbs the tariff and prevents it from fixing a high rate of wages all over the country for labor?

We find by the census the rate of wages in the cotton industry is lower in Rhode Island than in Pennsylvania, and we find the wages in the iron business are higher in Rhode Island than in Pennsylvania. Why is that so? It is not the tariff that does it, it is the demand and supply of the people to do the work demanded of them. There are more cotton operatives in Rhode Island and the supply is greater, and therefore the wages are lower. The same thing is true about the iron business in Pennsylvania. The wages of cotton operatives in Pennsylvania are higher because there are fewer in Pennsylvania than in the State of Rhode Island. It is not the tariff that regulates the wages. Well, what is it that fixes the high rate of wages in this country?

It is admitted by all who are well informed on this subject that our rate of wages is higher than anywhere else in the world, that England is higher than France, and that the rate of wages is higher in France than in Germany. Why is this? Germany and France both have a protective tariff to guard against the free-trade labor of England. What then is it that makes higher wages? It is coal and steam and machinery. It is these three powerful agents that multiply the product of labor and make it more valuable, and high rate of wages means low cost of product. A high rate of wages means that cheap labor has got to go; and the history of our country in the least fifty years demonstrates that as clearly and as conclusively as any mathematical problem can be demonstrated.

Fifty years ago, Mr. Edward Atkinson shows, it required five persons, two carders, two spinners, and one weaver, working by the old methods, to make eight yards of cloth in one day. They got 20 cents a day; a dollar for the whole five. The labor cost of the cloth was  $12\frac{1}{2}$  cents a yard, and calculating 300 working days in a year the whole product of these five cheap laborers was 2,400 yards of cloth, but when coal and steam and machinery were harnessed together to produce cloth, five persons to-day in New England produce 140,000 yards of cloth. The labor cost of the cloth is 1.08 cents per yard. The wages of labor, instead of being \$60 a year, or 20 cents a day, is \$287 per annum for each.

The result of the labor saving machinery used was an enormous increase in productive capacity. The result of that was a great increase in the rate of wages, and

The further result was a great decrease in the cost of production. The old hand-wheel and the old methods of labor have had to depart before the all-conquering march of coal and steam and machinery. They had to go because the small amount of product of the article drove them out of the field. It is not the rate of wages, it is the article which the labor makes and the cost at which that article can be produced—the lower cost—which drives the rival article out of the market. Such is the history which has been written in our country in the last half century.

Mr. Chairman, Mr. Edward Atkinson, one of the clearest thinkers and writers on political economy of the present day, in his little book on *The Distribution of Products*, lays down the principle that high rate of wages means low cost of product, and low rate of wages means high cost of product. He says that "the cheapest man is the one who works the greatest amount of machinery with the least stops." I read a paragraph from his book, on page 44 :

In any given country like the United States, where the people are substantially homogeneous, where the means of intercommunication are ample, where there are no hereditary or class distinctions, and where there is no artificial obstruction to prevent commerce, high rates of wages in money will be the natural and therefore necessary result of low cost of production in labor.

Again, on page 46, he says :

Hence, it follows that although the total production of any given thing may not be concentrated at the very best point, it will yet be found to be true that where the conditions are the best, the cost, measured in terms of days of labor, will be lowest, and the wages, measured in terms of money per day, will be the highest, the high money wages being the necessary consequence of the low labor cost. Conversely, low rates of money wages are the natural and necessary result of a high labor cost of production.

Now, then, "it follows," he says, on page 56,

That the nation which has diminished the quantity of human labor in greatest measure by the application of machinery produces goods at the lowest cost, and by exchange with the hand-working nations, who still constitute the majority of the people of the world, is, by way of such exchange, enabled to pay the highest rate of wages in money, because their goods are made at the lowest labor cost.

In order to prove that fact Mr. Atkinson made an investigation into the condition of two old manufacturing houses in the State of New Hampshire; he compared two periods—1830 with the year 1884. He found that in 1830 the wages per annum were \$164 in gold to each operative. This increased until 1884, when it amounted to \$290 in gold.

Now as to the efficiency of the labor employed. In 1830 the total number of yards of cloth produced by each operative was 4,321 per annum, while in 1884, mainly by the aid of improved machinery, it had been increased to 28,032 yards. The cost of the labor per yard was 1.9 cents in 1830, and but 1.07 cents in 1884.

Let us now reduce these differences to percentages and compare them in that form. There was, as I have shown, a great increase in the productive capacity of each operative, but there was a decrease in operatives per thousand spindles of 60 per cent.

The pound of material turned out by each spindle or operative was taken as a unit of measurement, and Mr. Atkinson's table shows that the pounds that each spindle turned out was increased 22 per cent., and the pound that each operative turned out in a day had increased 190 per cent.; the pounds that each operative turned out per hour increased 240 per cent. The increase of wages of operatives per hour (for the number of hours were made less) increased 240 per cent. The wages of the operative per annum had increased 64 per cent., and per hour 94 per cent., while the labor cost per yard had decreased 41 per cent. The other house showed the same condition. It showed that productive efficiency had increased in spindles 276 per cent., in pounds per operative 214 per cent. while wages increased 77 per cent., and labor cost per yard decreased 44 per cent.

This great revolution in production, wages, and cost is not the work of the tariff, but of coal, steam, and machinery. These three powerful agents have produced these marvelous results. The effects inevitably follow the cause—high rate of wages because so much more service is rendered the employer, low cost of product because so much more is done in a given time. I repeat it, the tariff has had nothing to do with bringing about the great change, and it is impotent, utterly impotent, to increase the rate of wages.

But, Mr. Chairman, I want to call the attention of the committee to a statement found in the report of the United States Census. This is the report in reference to the wages in the manufacturing industries of the country, and I call special attention to a report of an ax manufacturing establishment in Connecticut on page 158. This gentleman who makes the report compares the operations of his house from his books in 1840 with 1880. In steel fitting, in ax making, each operative turned out 600 pieces per day in 1840. In 1880 each operative turned out 1,250 pieces per

day. Each operative received in 1840 24 cents per hundred pieces, and received in 1880 20 cents per hundred pieces. He earned in 1840 \$1.44 a day, and in 1880, though he received less for each piece, he earned \$2 50 per day.

And this table includes all the different parts of the manufacture of the ax—the poll-making, rough-polishing, tempering, finishing, grinding, painting, backing, etc.; and in every department of this manufacture in making axes the same rule is observed—that is, the increased productive power increases the wages and decreases the cost of the product. That follows as shadow follows substance, as night follows day. It is the effect following the cause. It is the cause producing the effect—that as the laborer is more efficient and more valuable to his employer, as he turns out more work, he is entitled to and receives more pay. He receives more wages by the day, even though he is paid less for each piece of work he turns out.

Now, was the increase of the daily wages of these operatives due to the tariff? Let the manufacturer answer. He says: "The following table shows the results of labor-saving machinery, together with the increase in the efficiency of labor in the manufacture of axes, from 1840 to 1880" When I saw these tables, proving the principle so clearly presented and so strongly enforced by Mr. Atkinson, I went to our very able and efficient chief of labor, Hon. Carroll D. Wright, and asked him to have a table like this in the Census Report prepared, and to send an intelligent agent into some of the oldest houses in the country and get a statement from their books and send it to me, that I might see if there was a different result in other establishments. I now give you the testimony of those houses to add to the others.

There are here seven establishments. The first one is in Massachusetts. A comparison is instituted between 1849 and 1884, and the industry is cotton print cloth. Each operative made in 1849 in this factory  $44\frac{1}{2}$  yards per day; in 1884 he made 98.2 yards, an increase of productive power of 120 per cent. What wages did he get? The average daily earnings of the laborer in 1849 were 66 cents, and in 1884 \$1. His wages increased 50 per cent. The labor cost of the product decreased 32 per cent.

In that same establishment in 1849 the wages of weavers were 65 cents a day, and each man turned out 113 yards of cloth. In 1884 the wages had risen \$1.06, and each weaver turned out 273 yards of cloth.

In the second house, also in Massachusetts, manufacturing printed cloths, each laborer in 1850 produced 42 yards; in 1884 he produced 102 yards, an increase of 142 per cent. His earnings were 65 cents a day in 1850 and \$1.05 in 1884. The increase in wages was 61 per cent. The decrease in the labor cost of the article was 33 per cent.

The third house, manufacturing sheeting in Massachusetts, showed that each laborer in 1852 produced 41 yards, and in 1886 73 yards of cloth. His productive efficiency increased 77 per cent. His wages increased 49 per cent. The labor cost of the cloth decreased 15 per cent.

In the fourth house, in New Hampshire, manufacturing print cloth, each laborer in 1852 produced 42.5 yards and in 1886 103 yards. The increase in productive capacity was 142 per cent. The increase in wages was 56.7 per cent., and the labor cost per yard decreased 35 per cent.

Without going all through these figures the facts as to each one of these houses show in every instance that the productive efficiency of the laborer had increased and that corresponding with that the wages had increased and the cost of the product had decreased.

Now, then, the tariff had nothing to do with any of these results. During this time we had high tariffs and low tariffs, but whether high tariff or low tariff, or no tariff, the productive efficiency continued to increase, the multiplication of production by the power of machinery continued to increase, and wages rose with it, and the cost of the product sunk. So that the tariff conferred no benefit on the laborer; none whatever.

But now let us see what effect a reduction of the duties will have by letting in the goods of England and other foreign countries into our markets to compete with our people and to endanger the laborers of our country, as it is charged it will do. I say the same proposition for which I have been contending is demonstrated again when we compare the laborer of this country with the laborer of England. We produce cheaper than in England because a high rate of wages means low cost of product, and a higher rate of wages means lower cost of product, and the highest rate of wages means the lowest cost of product.

Mr. Wright, Chief of the Labor Bureau, instituted a most painstaking examination into the rates of labor in England and Massachusetts a few years ago, and showed the rates of labor higher in this country than in England; 12 per cent. higher in cotton manufacture; 25 per cent. in the manufacture of woollens, 26 per

cent. in iron and steel, 128 per cent in boots and shoes. That would seem to indicate, according to the philosophy which has been taught in this country by protectionists for many years, that we are on the road to ruin because our rate of labor is higher than in England and other countries. But the reverse of that proposition is true; and the fact that the rate of wages is higher here than in England shows that England is distanced in the great industrial contest into which she has entered.

Now let me give you an instance here in boots and shoes. If we pay so much higher wages in producing boots and shoes, if the proposition we hear on the other side be true, we cannot enter into any contest with Great Britain when we pay 128 per cent. higher wages than she does. Yet we import no boots and shoes at 30 per cent. duty from England. We make the cheapest boots and shoes and the finest made in the world. In that England cannot contest with us; and the fact that the rate of wages is so much higher here than in England shows that she is far behind in the race.

Let us see. Here is a gentleman writing in Harper's Magazine in 1885, a very able article entitled "A pair of shoes." He takes the history of the hide from the cow and follows it through all its mutations into the finest products of manufacture. This is not an article on wages; but it contains a paragraph on wages.

Mr. COX. By whom is the article written?

Mr. MILLS. Mr. Howard Newhall is the writer. He says:

American ladies' shoes wholesaling at \$1.50 per pair, cost for labor of making 25 cents. English ladies' shoes wholesaling at \$1.50 per pair, cost for labor of making 34 cents. American men's shoes wholesaling at \$2.60 per pair, cost for labor of making 33 cents. English men's shoes wholesaling at \$2.60 per pair, cost for labor of making 50 cents. In the report of the Massachusetts bureau of statistics for 1884 the general average weekly wages in Massachusetts is given as 128.9 per cent. higher than in Great Britain. The general average weekly wage in Massachusetts is given as \$11.63 per week, and in Great Britain \$5.08

Now what is the solution of all this? What does it mean? In Massachusetts wages are 128.9 per cent. higher than they are in Great Britain, but the labor cost of a pair of ladies' shoes in Massachusetts is less than the labor cost of a like pair of shoes in Great Britain. The cost is 25 cents in Massachusetts against 34 cents in England. The labor cost of men's shoes in Massachusetts is 33 cents per pair; the labor cost of men's shoes in England is 50 cents. If our people are to be injured by the importation of English shoes into this country the English shoe must be produced at a lower cost than the American shoe; otherwise it cannot take the market.

It is not the rates of wages in England and in America respectively, \$5.08 against \$11.63, that we have to consider, but it is the labor cost of the pair of shoes. Now, the man holds the market who can sell his goods cheapest, and the man can sell cheapest who gets his goods at the lowest cost, and that is the man in Massachusetts. What, then, does this difference of wages mean, \$11.63 per week in Massachusetts against \$5.08 in England? It simply means increased productive efficiency; it means that the productive efficiency of the American workman engaged in this industry is greater than that of the British workman by 128.9 per cent.

In order for the American to earn his \$11.63 a week he makes 35 pairs of men's shoes in a week; the Englishman, to earn his \$5.08 a week, makes ten pairs of men's shoes. In order for the American workman to earn his \$11.63 per week he makes 46 pairs of ladies' shoes; in order for the Englishman to earn his \$5.08 per week he makes 15 pairs of ladies' shoes. The tariff did not make the American workingman's wages \$11.63 per week. It was the number of shoes he made that regulated his wages, and superior skill in using machinery gave him the capacity to make more shoes than the Englishman.

Here is the solution of the whole question, and the principle is the same that I have been supporting all along. That principle is that the higher rate of wages means a higher productive power; it is increased pay for increased work; it is not the tariff; it is more work; it is more efficient work; it is better work; it is cheaper work. It is that that holds the market; and it holds the boot and shoe market of this country against the importation of a single pair of shoes from Great Britain, notwithstanding the fact that wages there are \$5.08 a week as against \$11.63 in Massachusetts.

Mr. HERBERT. Free hides also help you out on that point.

Mr. MILLS. England also has free hides. A few years ago, in 1879, our English friends across the water took alarm about the growth and development of our cotton industry in the United States, and they sent an expert—a gentleman thoroughly conversant with the cotton business of England—to the United States to make a thorough and searching investigation into the whole business of cotton manufacture in this country, and to report to them whether their industry was im-

periled by that of the United States. That gentleman went to New England, the seat of the cotton industry in this country. He made a thorough and searching investigation, and in every instance he showed that we could produce cotton goods at a lower labor cost than they could be produced at any point in Great Britain. I have here the tabular statement that he gave to his people when he returned.

The following are the rates of wages for weaving and spinning cloths in some of the principal districts of England and America, as shown by his report:

A piece 28 inches, 56 reeds, 14 picks (?), 60 by 56, 58 yards, costs at Ashton-under-Lynne, in England, 24.68 cents to weave; in Rhode Island it costs 16.82 cents. At Blackburn, in England, it costs 25.4 cents; at Providence, R. I., it costs 17.26 cents; at Stockport, England, 25.4 cents, at Fall River, 19.96 cents; at Hyde, England, 25.28 cents; at Lowell, 19.96 cents. In every instance the labor cost of the production of the cotton goods is lower here than in England. Now let us turn to the summary. At Fall River the wages in a pound of print cloth, about 7 yards, is 6.907 cents; at Lowell it is 6.882 cents; in Rhode Island it is 6.422; in Pennsylvania, 6.44; in England, 6.96 cents. In every place in the United States, in Pennsylvania, Massachusetts, and Rhode Island, the labor cost of producing a pound of print cloth was lower than at any point in England.

A MEMBER. And the wages higher.

Mr. MILLIKEN. Then what harm does the tariff do?

Mr. MILLS. What good does it do? It enables you to make "trusts," combinations and "pools," by keeping foreign products out of the market. [Applause on the Democratic side.]

Mr. MILLIKEN. I will answer the gentleman if he will give me the opportunity. I will tell him what good it does. [Cries of "Regular order!"]

Mr. MILLS. Now, Mr. Chairman, when we come to look at the last column of these figures the picture changes. What do we find when we come to look at the total product, with the cost of the material thrown in, and all the other elements besides labor? While the labor cost is lowest in the United States, where the rate of wages is highest, yet when we come to examine the cost of the material, England beats us, because she produces the goods at a total cost lower than ours. It is not the labor that causes this difference; it is the cost of the material. The machinery by which you run your establishments costs you 45 per cent.; your dye-stuffs are more costly than in England; all these things which enter into the manufacture of goods cost more here than on the other side. But do not charge this increased cost to labor. You are not paying the laborer, in proportion to the work that he does, as much as he receives in England.

Mr. BRUMM. Will the gentleman allow me—

Several MEMBERS. Oh, no. [Cries of "Regular Order!"]

Mr. MILLS (to Mr. BRUMM). Go ahead.

Mr. BRUMM. Did I understand the gentleman to say that the cost of cotton in England was less than the cost of cotton in this country?

Mr. MILLS. You understood me to say that the labor cost of producing a pound of print-cloth was lower in this country than in England. You understood me further to say that the total cost, including materials and everything else, is lower in England than in the United States.

Mr. BRUMM. Therefore, does not that say that cotton, being the raw material out of which the cotton goods are made, must be lower in England than in this country?

Mr. MILLS. Oh, no; not at all; of course not.

Mr. KELLEY. Mr. Chairman—

Mr. MILLS. It means that England procures her machinery at less cost than we do ours. It means that England produces the dies which enter into the manufacture of these goods cheaper because untaxed. That is what it means.

Mr. KELLEY. I protest against these interruptions of the gentleman's speech.

Mr. MILLS. I do not. [Applause on the Democratic side.]

Mr. KELLEY. The gentleman, as the organ of his party, is expounding its doctrine, and these interruptions are, in my judgment, impertinences. [Laughter.]

Mr. MILLS. Now, Mr. Chairman, when we come to look at the total cost of this pound of calico cloth we find that at Fall River it is 14 cents (leaving off fractions); at Lowell, 13 cents; in Rhode Island, 11 cents; in Pennsylvania, 15 cents; in England, 12 cents. England produces the goods at a total cost less than ours, and that gives her the market; but while the goods cost more here, she pays more in the form of wages.

Now, when this gentleman goes back home after this general survey of the whole business he reports to his people elaborately. I refer to this little book published in England, given to me by my friend, Hon. Carroll D. Wright, the Chief of the Bureau of Labor. He goes back and tells his people—

Be still, sad heart, and cease repining ;  
Behind the clouds the sun is still shining.

These people over in the United States, while they beat us in labor, while they can produce anything in the cotton business at a labor cost cheaper than we can, are, like Ephraim, "joined to their idols." They maintain high tariff on raw materials, and therefore the cost of materials entering into their manufactures is higher than with us. It will take a great revolution to change their minds on this subject; and as long as they hold to the policy of high tariff on materials which enter into manufactures you may go to sleep in security, for England holds the markets of the world. This is his language :

While, however, the American nation heaps duties upon the import of foreign machinery, thus increasing the price of mill construction, and in other ways by her tariff arrangements artificially raising the cost of production, American manufactures will continue too high in price to compete with England in all but exceptional cases.

Now, this statement in regard to the cotton industry is supported by a statement from Secretary Blaine. A few years ago, while he was Secretary of State, he said in his report, in speaking of the cotton industry :

Undoubtedly the inequalities in the wages of English and American operatives are more than equalized by the greater efficiency of the latter and their longer hours of labor. If this should prove to be a fact in practice, as seems to be proven from official statistics, it will be a very important element in the establishment of our ability to compete with England for our share of the cotton trade of the world.

I am reading from Mr. Blaine's report on the cotton-goods trade of the world.

Mr. Charles S. Hill, statistician of the State Department, makes a statement that I think is extravagant, and I would not quote it but he is a pronounced protectionist. I would not quote it if he were a revenue reformer, because I think it is too strong.

In his argument before the Tariff Commission he says that our manufacturing product in 1882 was \$8,000,000,000, made by 5,250,000 hands, and that for the same time the product of England was \$4,000,000,000, made by 5,140,200 hands. In submitting this statement he says :

Here is the positive proof that American mechanics in the aggregate accomplish exactly double the result of the same number of British mechanics. They are therefore very justly paid double in wages.

I think he places the value of the whole product far too high in the United States. He places it at \$8,000,000,000 in 1882, when our best statisticians put it at \$7,000,000,000 now. If he would reduce it to \$6,000,000,000, and it was over \$5,000,000,000 in 1880, it may be reasonable ; but to say the product was \$6,000,000,000 in 1882, it would show still that the efficiency of our labor is from 40 per cent. to 50 per cent. greater than that of Great Britain. Our consul at Tunstall, England, makes this report : That in cotton manufactures our productive capacity is 33 per cent. greater than England and 72 per cent. greater than Germany. In woolen manufactures our productive capacity is 23 per cent. greater than England and 40 per cent. greater than Germany. In silk manufactures our productive capacity is 18 per cent. greater than England and 32 per cent. greater than Germany.

Mr. FORD. That is the product per man ?

Mr. MILLS. Yes, that is the product per man. Taking that as the average, how is it possible for these countries' where the rate of wages is low and the labor cost is high, how is it possible for those people to bring their product into our markets and drive ours out ?

I will refer to another instance before I close, and that is to a table which is to be found in the first annual report of the Bureau of Labor, pages 132 and 133, which gives the cost of spinning one pound of cotton yarn in England and in Germany. Germany has a protective duty on cotton yarn, while England welcomes the whole world to contest with her.

England with a higher rate of wages exports annually into Germany cotton yarns to the value of ten to eleven millions of dollars, and that over a duty, if I remember rightly, of 10 per cent. The German manufacturers find that they can buy cotton yarns cheaper in England, where the rate of wages is much higher than in Germany. If we look at these tables we will see the reason. Here are two tables giving the labor cost and whole cost of spinning cotton yarns of any number from 1 up to 177. One is the cost in Alsace, Germany, and the other in England, and they show that in every number the labor cost and the whole cost per pound are less in England than in Germany, notwithstanding the higher rate of wages which is paid in England.

Is it the tariff that makes English wages higher than Germany? Germany has the tariff but England has the trade. If these statements are true, what is there to prevent us from being the greatest manufacturing and exporting country of the world ?

We are the greatest agricultural people in the world. We exceed all others in the products of manufacture, but we export next to nothing of our product. Why should we not export three hundred and seventy-five millions of cotton goods which England is now exporting? She buys her cotton from us, pays the cost of transportation to her factories, makes the goods, and sends them all over the world. That trade, at least the most of it, is ours whenever we get ready to take it.

Why should we not make and send out the hundred millions of woollen goods which she is annually exporting? We have the advantage of her in almost everything except cost of materials. Why should we not make and export the hundred millions of iron and steel which she is making and sending away annually? There is no reason except that high tariffs and trusts and combinations are in our way, and they muster all their forces to prevent us from taking the place which our advantages entitle us to take.

We are the greatest people in the world. We have the highest standard of civilization; we have the highest and best diffusion of knowledge among our people.

We utilize the power of machinery more than any people in the world. We produce by our labor more than any people in the world. We have everything to command success in any contest over any rival. We are the first cotton producing country. We have wool, flax, hemp; our country is full of coal, and ores, and lumber, and yet with all these advantages over all others we have pursued a suicidal policy of protection, which has closed the markets of the world against us; and not content to stop here, we have plundered the great body of our agricultural people out of a large part of their wealth. [Applause.]

We must make a departure. Instead of laying on the burdens of taxation upon the necessities of life, instead of destroying our foreign commerce, we should encourage it as we would encourage our home commerce. We should remove every unnecessary burden. We should lay taxes to obtain revenue, but not restrict importation. We should place every material of manufacture on the free list, start up our fires, put our wheels in motion, and put all our people to work at good wages.

A gentleman said here the other day, on the other side of the House, that our prosperity in this country was due to the tariff. I deny it. Our prosperity in this country is due to the intelligence of our labor, and to the unrestricted movements of our exchanges among sixty millions of people at home. [Applause.]

Mr. Nimmo, the Chief of the Bureau of Statistics a few years ago, in a most elaborate report upon the internal commerce of the country stated that it exceeded our foreign commerce by twenty five times its amount. Then the internal commerce of this country is equal to \$35,000,000,000 annually. Every dollar of these products increases in value as they go from the point where they are produced to the point where they are consumed. Take a ton of coal mined in West Virginia, for instance, worth \$1 at the mouth of the pit. Start it on its road to Texas, and every hundred miles it travels some hand touches it, some machinery transports it. It has got to pay the cost that increases as it goes, because its value is increased; and when it is delivered finally in the little city where I live in Texas it is worth six to eight dollars a ton, and my neighbors buy and consume it because it is cheaper to them than wood, and cheaper than they can produce the coal themselves.

And so, Mr. Chairman, it is with the cotton produced in Texas and sent towards Rhode Island to be spun. Every mile on the road it traverses between the producer and the consumer increases its value, and it is this interchange of internal commerce of this country, of \$35,000,000,000 annually, that makes us rich and prosperous as a people, and we have grown so, not by the aid of restrictions imposed upon commerce with foreign countries, but absolutely in spite of it. [Applause.]

Our wealth would have been greater as a people if we had none of these restrictions upon our commerce. We will increase wealth if we lower the duties and let importations come in of those things which can be produced cheaper in other countries than in our own.

We will increase the value of all the agricultural products by such methods. They will diffuse and scatter money amongst the laboring people throughout the country. It will set the wheels of machinery in motion, lay the foundation of happy homes, and a glad smile will light up the faces of the people in all sections of the country at the returning and increased prosperity of the nation. [Applause.]

This policy which is being pursued now may for awhile satisfy the demands of the capitalist who has money invested in the various factories and enterprises of that kind throughout the country. They may be able by the aid of these pools and trusts and combinations which seem to be springing out of the earth all around us to secure for a time the capital invested; but what, I ask you, is to become in the mean time of the poor laborer when they shut off their fires, when they turn him

into the streets, and determine that they will limit the product of their establishments in order to keep up prices so as to save the profits on their investments? What is to become of the cotton and the iron and the wool, and all of the other interests that depend upon capital invested in manufacturing enterprises? Where are our markets when our factories are closed, when the wheels are still when the fires are banked, and their laborers wandering as paupers around the streets seeking employment which is not to be found anywhere in the land? And yet they call this the American policy.

I repel it, sir; it is not American. It is the reverse of American. That policy is American which clings most closely to the fundamental idea that underlies our institutions and upon which the whole superstructure of our Government is erected, and that idea is freedom—freedom secured by the guaranties of government; freedom to think, to speak, to write; freedom to go where we please, select our own occupations; freedom to labor when we please and where we please; freedom to receive and enjoy all the results of our labor; freedom to sell our products, and freedom to buy the products of others, and freedom to markets for the products of our labor, without which the freedom of labor is restricted and denied. Freedom from restraints in working and marketing the products of our toil, except such as may be necessary in the interest of the Government. Freedom from all unnecessary burdens; freedom from all exactions upon the citizen except such as may be necessary to support an honest, efficient, and economical administration of the Government that guaranties him protection to “life, liberty, and the pursuit of happiness;” freedom from all taxation except that which is levied for the support of the Government; freedom from taxation levied for the purpose of enriching favored classes by the spoliation and plunder of the people; freedom from all systems of taxation that do not fall with “equal and exact justice upon all”—that do not raise the revenue of government in the way that is least burdensome to the people and with the least possible disturbance to their business. That, sir, is the American policy. [Applause.]

Now another thing. I want to show that the tariff is not for the benefit of the workingman. We will have many appeals made to us for sympathy on account of the workingman. I have taken from the first annual report of the Commissioner of Labor and the report of the census on wages some figures given by manufacturers themselves of the total cost of the product and the labor cost of the articles they are making. I have put the tariff duty by the side of them to show whether in the little reductions we are asking in this bill we have gone beyond that pledge we as a party have made that we would not reduce taxation so low as to injure our laborers, or as not to cover the difference in cost of labor between American and foreign products.

This will show, and I ask your attention to it, that the tariff is not intended to and does not benefit labor. It will show that the benefit of the tariff never passes beyond the pocket of the manufacturer, and to the pockets of his workmen.

I find in this report one pair of 5-pound blankets. The whole cost as stated by the manufacturer is \$2.51. The labor cost he paid for making them is 35 cents. The present tariff is \$1.90. Now, here is \$1.55 in this tariff over and above the entire labor cost of these blankets. Why did not that manufacturer go and give that money to the laborer? He is able to do it. Here is a tariff that gives him \$1.90 on that pair of blankets for the benefit of his laborer, but notwithstanding that the tariff was imposed for the benefit of American labor and to preserve high wages, every dollar of that tariff went into the manufacturer's pocket. The poor fellow who made the blankets got 35 cents and the manufacturer kept the \$1.90.

Mr. CRAIN. Will the gentleman please state how much the committee has reduced that duty?

Mr. MILLS. To \$1.00 from \$1.90.

Take another pair of 5 pound blankets. The total cost is \$2.70. The labor cost is 70 cents. The tariff is \$1.98. Now, how strange it is that none of these sums that were intended for the laborer ever get beyond the pocket of the manufacturer. Why is it, when the American Congress enacted this legislation for the benefit of our labor, that every dollar of this aid intended for labor stops in the pockets of the manufacturer, who goes into the highways and hedges and hires his laborer at the lowest price for which he can get him in the market and then pockets the tariff benefits that we are told every day is intended for the laborer alone—for the benefit of labor?

Here is another pair of 5-pound blankets. The cost is \$3.39. The labor cost paid by this manufacturer, he says himself, is 61 cents. The tariff is \$2.55. In the pending bill we have left him \$1.35, and we have left the other man \$1.08. And we have left all along not only enough to cover the difference, if there was any dif-

ference, between the labor cost of production in Europe and the labor cost of production in this country, but we have left enough to pay for all the labor, and a bonus besides.

Let us go on a little further. Here is 1 yard of flannel, weighing 4 ounces; it cost 18 cents, of which the laborer got 3 cents; the tariff off it is 8 cents. How is it that the whole 8 cents did not get into the pockets of the laborer? Is it not strange that those who made the tariff and fastened upon the people these war rates in time of profound peace, and who are now constantly assailing the Democratic party because it is untrue to the working man, did not make some provision by which the generous bounty they gave should reach the pocket of him for whom they said it was intended? They charge that we are trying to strike down the labor of the country. Why do they not see that the money they are taking out of the hard earnings of the people is delivered in good faith to the workman?

One yard of cassimere weighing 16 ounces costs \$1.38; the labor cost is 29 cents; the tariff duty is 80 cents. One pound of sewing silk costs \$5.66; the cost for labor is 85 cents; the tariff is \$1.69. One gallon of linseed oil costs 46 cents; the labor cost is 2 cents; the tariff cost is 25 cents. One ton of bar-iron costs \$31; the labor cost is \$10; the tariff fixes several rates for bar-iron. I give the lowest rate, \$17.92. One ton of foundry pig iron costs \$11; the labor costs \$1.54; the tariff is \$6.72.

None of these tariff rates go to the laborer. The road is blocked up. They can not pass the pocket of the manufacturer. This "great American system" that is intended to secure high wages for our laborers is so perverted that all its beneficence intended for the poor workman stops in the pocket of his employer, and the laborer only gets what he can command in the open market for his work.

Let us take Bessemer-steel rails. We are told that the steel-rail industry is in great danger of utterly perishing away and departing from this continent, because we propose to reduce the duty from \$17 to \$11.

The whole cost is put down at \$31, the labor cost at \$7.57; the tariff is \$17. The manufacturer has \$9.43 more for each ton than all the labor cost. The labor cost of this ton is exceptionally high. I have a statement of the labor cost of a ton of steel rails at Bethlehem, Pa., taken recently by Mr. Schoenof, and it shows labor cost there \$3.85 per ton. The labor cost of a ton of steel rails in England is not one dollar cheaper than here. Mr. Schoenof informs me that a ton of bar-iron costs, for labor, in England about \$7.75, and here about \$8. But let us leave these and proceed with the official figures. A keg of steel nails costs \$2.34; the labor cost is 67 cents, the tariff is \$1.25. A ton of pipe-iron costs \$34.57; the labor cost, \$12.26, the tariff is \$22.40.

Here is a car-wheel weighing 500 pounds; cost \$13; labor cost 85 cents; tariff rate is 2½ cents per pound, equivalent to \$12.50, to cover a labor cost of 85 cents! [Laughter.] Why, Mr. Chairman, these laborers of ours ought to get immensely rich if they could get all that Congress votes to them, if the manufacturers did not stop the bounties intended by the Government to reach the pockets of the workingmen.

Here is a course wool suit of clothes such as our working people wear in their daily toil in the shop and field. The whole cost is \$12. The labor cost is \$2. The tariff duty is 40 cents per pound and 35 per cent., ad valorem. As the weight of the suit is not given, we can not get the exact tariff, but the duty on woollen clothes imported last year averaged 54 per cent., and at that rate the tariff stands \$6.48 to cover \$2 of labor cost.

A cotton suit costs \$10.50; the labor cost is \$1.65; the tariff is \$3.67. A dozen goblets cost 48 cents; labor cost, 15 cents; tariff, 19 cents. White lead, by the hundred weight, \$9.50; labor cost, 50 cents; tariff, \$3. A hundred weight of mixed paints, \$8; labor cost, 41 cents; tariff, \$2.

Now, Mr. Chairman, I have gone through with a number of articles taken from these official reports made by the manufacturers themselves, and I have shown that the tariff was not framed for the benefit of the laborer, or that if it was so intended by those who framed it, the benefit never reaches the laborer, not a dollar of it. The working people are hired in the market at the lowest rates at which their services can be had, and all the "boodle" that has been granted by these tariff bills goes into the pockets of the manufacturers. It builds up palaces; it concentrates wealth; it makes great and powerful magnates; but it distributes none of its beneficence in the homes of our laboring poor.

It brings the tax-gatherer to them; it weighs them down as it goes; it compels them to pay out a large share of their daily earnings for the necessities of life; and the money it raises by high prices on domestic manufactures it transfers not into the coffers of the Government, but into the coffers of private individuals. It is making a wide distinction in this country between two classes—one numerous, but