

Mr. CHAIRMAN:

The bill under consideration, H. R. 3221 "To reduce tariff duties, to provide revenue for the government, and for other purposes", is the most important that will come before the 63rd Congress.

The bill contains some provisions which meet my <sup>hearty</sup> approval, and for which I would like to vote.

Taken as a <sup>whole</sup> ~~whole~~, the bill ~~does not meet my approval.~~  
<sup>contains</sup> It ~~has~~ more bad features than good ones. The evil that will flow from its enactment <sup>will</sup> out-weigh by far the benefits which it will bring. ~~If, therefore, I am compelled on final vote to vote for or against the measure as a whole, I shall be compelled to vote against it.~~

In the first place, I ~~am~~ ~~sincerely, conscientiously,~~  
~~and positively~~ believe in the principle of protection. The framers of this bill do not ~~believe in the principle and policy of a protective tariff system.~~  
<sup>In drawing this bill</sup> ~~they have openly and intentionally drawn the bill ignoring the policy of protection.~~ ~~Unless~~ <sup>Except</sup> by accident, oversight or from necessity, no American industry, <sup>or</sup> ~~article, thing or~~ product is given protection by this measure. The authors and supporters of this bill assert that a protective tariff is unconstitutional, ~~and declare their belief in a tariff for revenue only, or in what the Democratic majority of the Ways and means Committee now term a competitive tariff.~~

It is difficult for one who believe in the principles of protection to vote for any tariff bill that has been prepared by those who do not believe in protection - even though many of the

provisions of the bill may be wise, ~~and beneficial~~.

To change our tariff system from a protective policy-  
to a competitive tariff policy, or to a tariff-for-revenue-only policy  
~~which are supposed to be the same thing~~, will fail to cure any of the  
existing evils in our social, industrial, financial, and commercial  
systems.

I have no confidence in the remedy proposed. It has  
been tried before and failed. It never has proved successful, and in  
my judgment never will. This is not all. Heretofore it has not only  
failed as a remedy for existing evils, but it has brought <sup>to the country</sup> greater  
evils. The <sup>remedy</sup> ~~cure~~ is more dangerous than the disease. <sup>Enact this law if you will, but</sup> ~~The~~ the people who  
expect benefits <sup>therefrom</sup> ~~from a change in our tariff policy~~ will be disappointed.  
The business interests will suffer, and the great masses of our people  
will have no relief.

The problems of life confronting the common people will  
<sup>even</sup> be more difficult to solve. The <sup>burdens of the</sup> masses of our citizens will ~~have~~ <sup>be</sup>  
<sup>their</sup> ~~burdens~~ multiplied, and <sup>the</sup> ~~their~~ struggle for existence will be  
<sup>more strenuous.</sup> ~~intensified.~~ <sup>Their</sup> Opportunities will be less, and the attainment of  
success will be more difficult. Everywhere and among all classes of  
our people it will be <sup>harder</sup> ~~more~~ difficult to live, harder to <sup>acquire</sup> ~~attain~~ those  
things which contribute to the comfort, contentment, and happiness of  
mankind. <sup>wish to</sup> ~~One thing I think should be emphasized~~ <sup>this fact,</sup> that the enactment  
of this bill does not mean merely the change of rates in the various  
tariff schedules. It is a change of a policy. It is an abandonment  
of the principle of protection. The bill adopts a new policy. It  
establishes a new system. The enactment of this bill into law means

*a condemnation of*

~~to condemn~~ protection as a principle, as a policy, and substitutes therefore a competitive <sup>tariff</sup> policy, <sup>or</sup> a system of tariff for revenue only - which means ultimately free trade. It is not a question of lowering tariff rates. It is not a question of reducing duties. It is not a question of adding this or that article to the free list. It is not a question of resorting to the income tax to raise a part of the funds to meet the expenses of a Federal government. *It is a revolution in the economic policy of our government.*

The Republican party, always standing for protection to American industry and American working men - has never been committed to any particular schedule of rates. We differ as to what rates may be necessary. We may differ upon what products need protection. We may not agree upon what articles should go on the free list. These are matters of detail - matters of information - matters of judgment. But the Republican party from its birth, on down, through the fifty years of glorious history, has never faltered, halted, hesitated or dodged or equivocated, in its adherence to the policy of protection to American industries. *and American labor.*

Differing as to rates, disagreeing upon details, contending one against the other as to the degree of protection which may be necessary, Republicans have heretofore been, and I hope always will be, united on the policy of protection to American labor and American Industries.

The Republican platform of 1900, on which William McKinley was elected President, condemned all conspiracies and combinations intended to restrict business, to create monopolies, to limit production, or to control prices, and specifically declared for—such legislation as will effectively restrain and prevent all such abuses, protect and promote competition, and secure the rights of producers, laborers, and all engaged in industry and commerce.

The Republican platform of 1908 declared that the act of July 2, 1890, should be strengthened by such amendment as will—give the Federal Government greater supervision and control over, and greater publicity in, the management of that class of corporations engaged in interstate commerce having power and opportunity to effect monopolies.

The Democratic platform of 1908, declared for “such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States” and, among remedies, declared for a Federal license system and for a law compelling licensed corporations “to sell to all purchasers in all parts of the country on the same terms, after making allowance for the cost of transportation.”

Mr. MURDOCK



A CURE FOR THE TRUSTS.

They tell us that a protective tariff has created the trusts, and that a tariff for revenue only will destroy them. But trusts have developed and existed in England <sup>when</sup> ~~when~~ free-trade has prevailed and does prevail to-day. Some of our trusts manufacture and control products which are on the free list. Some of them manufacture and control products upon which the rate of duty is insignificant. The International Harvest Company is one of the most complete monopolies in the United States. Eighty-five per cent. of the reapers, mowers, and threshing machines used in the United States are manufactured by this great corporation—which came into existence when there was a tariff of only fifteen per cent. on farm implements—and this only on machinery coming from countries having a tariff upon similar products manufactured in this country. No candid man can claim that this small tariff was an important factor in the organization of this great corporation. The fact is the tariff has little to do with a large part of the monopoly existing in this country to-day. And a tariff for revenue only will not destroy the trusts. A competition <sup>tariff</sup> ~~tariff~~ will not abolish monopoly. And even complete free trade would not be a cure for the monopolis<sup>tic</sup> conditions in our industrial and financial affairs. This bill proposes to introduce foreign competition. But foreign competition will destroy home competition. This is inevitable.

To illustrate: The United States Steel Corporation con-

~~trails~~ <sup>trails</sup> ~~trails~~, only about sixty per cent. of the iron and steel products of the United States. This gives this great corporation large monopolistic control. Still independent companies manufacture forty per cent. of the products. If foreign competition shall be introduced and that competition shall be effective—the independent companies will go down first. The great steel corporation<sup>s</sup>, with its immense capital, up-to-date plant, splendid equipment, and effective organization can produce cheaper than the smaller concerns. This great corporation can flourish long after the smaller concern have been sent to the scrap-~~pile~~, and their employees have gone on the tramp for other employment. Our home competition is gone, with no prospect for its re-establishment. We have then competition from abroad. But what is this competition? It is the foreign trust against the home trust. If we can not trust a home trust, how can we have security dealing with a foreign trust.

For one I will stand for no policy that will destroy our home competition in the attempt to introduce foreign competition. For myself, if I must deal with a trust, I prefer to buy of a trust that employs American workingmen, that pays taxes to an American state, that contributes to the support of our National Government, that is under the control<sup>of</sup> and subject to the laws of the United States, and that does business under the Stars and Stripes.

The fact is a competitive tariff or a tariff for revenue only will not solve the trust problem; it will not remedy the evil of monopolistic control in our industrial system. We must place our great corporations under the control of a great Federal Trade Commission. I do not believe in Government control of private businesses. But corporations are artificial persons. When they acquire large monopolistic control in the manufacture, sale, and distribution of products in common use, constituting the necessities of life, they ~~claim~~ <sup>Cease</sup> to be private concerns, and become a public agency. <sup>a quasi public corporation.</sup> Such corporations can not safely exist except under National supervision and control. On the 25th of January, 1912, I introduced a bill in the House, H. R. 18,711, creating an Interstate Corporation Commission, with large power over our great industrial corporations. So far as I have been able to ascertain this was the first bill of the kind to be introduced in the House of Representatives. On the 20th of February, 1912, I made a speech in this House advocating the adoption of this measure. So far as I know I was the first to advocate such a Commission, <sup>in this House the creation of</sup> ~~in this House~~ this ~~House~~. Subsequent thereto, the Republican Party in its national platform endorsed such Commission.

Referring to the control of the trusts, the platform says: "In the enforcement and administration of Federal laws governing interstate commerce and enterprises impressed with a public use engaged therein there is much that may be committed to a Federal trade commission, thus placing in the hands of an administrative board many of the functions now necessarily exercised by the courts. This will promote promptness in the administration of the laws and avoid delays and technicalities incident to court procedure."



Following the lead of the Republican Party the Progressive Party in its national platform declared for a Federal Trade Commission.

Such a Commission, with adequate power, can control our great industrial corporations, prevent them from exercising monopolistic control to the injury of the people, and yet retain the good there is in them, for the greatness and glory of our country and the welfare of all our people.

The advocates of the protective tariff system have maintained that home competition would be sufficient to insure reasonable prices and prevent monopoly.

The weakest link in the chain of our protective tariff argument is the ~~observance~~<sup>absence</sup> of effective competition in certain lines of manufactured products. The American people never will consent to the elimination of effective competition in products in common use, unless we substitute for competition Government control that will save them harmless from any monopolistic ~~control~~<sup>power</sup>, that any great corporation may possess.

The Democratic Party had control of the House during the 62nd Congress. No bill was passed to give the Federal Government any additional control over our great corporations.. No bill of this kind was even favorably reported from a Committee. No bill was reported amending in any way the Sherman Anti-Trust Law. To-day the only remedy offered is the establishment of a tariff law that will destroy everything else before it does the trusts. I confess the Republican Party has been tardy in grappling effectively with the trust problem. But it has been <sup>a new</sup> a great, and a



difficult problem. But the Republican Party is looking in the right direction. It stands for regulation and preservation, rather than annihilation. In its policies it stands for construction rather than destruction. And there is nothing the Republican Representative in this House can do that will be of greater service to the country, <sup>on</sup> ~~and~~ contribute more towards strengthening our Party than the <sup>ulation</sup> ~~formation~~ and advocacy of a practical, constructive measure <sup>that will preserve</sup> ~~preserving~~ all that is good in our financial and industrial system, and at the same time amply protect the people from the evil of monopolistic power.

The framers of this bill contend that it will reduce the cost of living, ~~and protect the people against the trusts.~~

Whatever effect this bill may have in reducing the cost of living ~~will be~~ <sup>it</sup> more than off-set by <sup>the</sup> reduction in the earning capacity of ~~the individual.~~ <sup>our people.</sup> The ability, the capacity, the opportunity to earn a living is a greater question than the ~~relative~~ cost of that living. What the average man spends to live is to a large extent within his own control. But what we earn, what we make, what we receive for our labor depends upon the demand for our services. We must have employment to earn any kind of a living. If our services are in demand, if there is plenty to do, if our mills are running, if business is prosperous, if commerce is flourishing, if there is a demand for ~~every~~ <sup>any</sup> thing and every thing we can make or produce, we have only ourselves to blame if we do not earn ~~all~~ the comforts, and necessities, of life, and secure many of ~~the luxuries of life.~~ <sup>its</sup> So the Republican party believes that a protective tariff ~~is wise.~~ <sup>will be</sup> Under ~~it~~ <sup>it</sup> ~~this policy~~ <sup>men</sup> we enlarge, multiply, and magnify the opportunities of life. ~~We~~ <sup>It</sup> gives a man a chance to get along in the world. Under this policy the poor ~~man not only~~ <sup>men</sup> lived well, but millions have ~~acquired a competence and wealth.~~ <sup>again a competence and wealth.</sup> The high cost of living is not ~~one of~~ <sup>the</sup> the great problems of the hour. ~~This bill undertakes to solve a policy that always~~ <sup>In the end it will largely</sup> solves itself.

The cost of living will always vary with the earning capacity of a people. Living is higher in the United States than elsewhere because the people of the United States earn more than the people of any other country. People will spend what they

earn. The cost of living can not go higher than the earning capacity of the great masses of our people. If our people's ~~earnings~~ <sup>earnings</sup> were less, the cost of living would be less. Reduce the earning capacity of ~~our~~ <sup>the</sup> people, and the cost of every product that enters into the cost of living will go down.

Meat, and bread, and clothing and rent, and furniture, and every other article in common use, will decline in price as the earning capacity of the masses of the American people become less.

Living can never be higher than the ability of the people to pay. The prices of articles in common use can not rise above the ability of the people to pay. ~~Water does not run up~~ <sup>The stream cannot</sup> ~~rise above its source.~~ <sup>rise above its source.</sup> You can not extract blood from a turnip. Men can not buy without money. The fact that we consume at home the great bulk of all our products demonstrates that the cost of living is not disproportionate to the earning capacity of our people. The rich are few in number. What they eat, and wear is but an infinitesimal fraction of the vast volume of products of every kind consumed in the United States every year. <sup>One</sup> ~~The~~ way therefore to reduce the cost of living is to reduce the earning capacity of our people. Reduce wages and salaries and products will come down. Create an army of idle workingmen, and you have taken a step toward reducing the price of every food product, and every manufactured product of the land. Reduce the price of farm products, lessen the ability of the farmer to buy and you have marked down the prices of those manufactured products which are in common use among the fifty million people residing on the farms.



If the American people have reached <sup>the</sup> conclusions that we must reduce the cost of living, the change of our tariff policy is <sup>one</sup> ~~the most effective~~ method of doing it. But let the people understand the process that must be followed. The movement once started will complete the ~~circle~~. The wave upon our industrial sea, set in motion by enacting this law, will not cease until it has rocked the <sup>vessel</sup> ~~boat~~ upon which <sup>carries every</sup> ~~every~~ business, <sup>enterprise</sup> ~~occupation and falling rides~~. ~~and industry in the land.~~

This bill, designed primarily to reduce the cost of living means that the farmer must take less for his products, and this means that the manufacturer who depends on the farmer to produce his goods, must take less for his manufactured products, and if the manufacturer sells his goods at a less price, the men he employs must accept less pay for his days' labor, and as we are to have larger importations from abroad, we must manufacture less goods at home, and our workmen here must have less employment, and the merchant must reduce his sales, and his clerks must receive less wages, and the professional men must fall in line with the rest. *If this bill becomes a law and remains in force long enough* <sup>will</sup> We have had a re-adjustment. We <sup>will</sup> have reduced the cost of living. But the years through which we have passed <sup>will have been</sup> ~~are~~ filled with distress and want and poverty. Business <sup>will have</sup> ~~has~~ been disturbed, industry <sup>will have</sup> ~~has~~ been paralyzed, commerce <sup>will have</sup> ~~has~~ been stifled, all growth and expansion <sup>our country will</sup> ~~has~~ been arrested, and we have been set back a quarter of a century.



This bill primarily effects two great industries, agriculture and manufacturing. These are basic industries. We have twelve and one-half millions of persons <sup>over</sup> ten years, ~~are~~ at work on <sup>our</sup> ~~the~~ farms. Forty-five millions of our population <sup>depend</sup> ~~reside~~

<sup>upon agriculture for support.</sup> ~~on the farm.~~ Seven and a half millions of persons ~~over ten years of age~~ are toiling in our shops and manufacturing establishments.

~~Twenty millions of our population depend for their support upon the wages received by these men.~~ Nearly two-thirds of all our

population are the men and the families of <sup>the men</sup> ~~those~~ who labor on the farm and in our manufacturing establishments. <sup>Every</sup> ~~All~~ other occupa-

~~tions and businesses depends upon the prosperity of these two great~~ <sup>upon</sup> ~~for their prosperity.~~ producing industries. Whatever affects adversely these two great

industries injures every other business, ~~in the land.~~ When the farm and the factory flourish, trade, transportation, and commerce will

grow, extend, and expand. When the farmer and manufacturer prosper

<sup>those engaged in all other occupations</sup> ~~the millions who are employed in transporting, handling, distributing, and selling their products will reap their full reward.~~

Second, I believe that where it does bring about the result sought to be attained, it will create other evils, and conditions more dangerous than these now existing.

## AGRICULTURE.

One of the primary purposes of this bill is to reduce the high cost of living, but you can not reduce the high cost of living by the method you propose without a reduction in the price of farm products, which would entail annually hundreds of millions of dollars of loss to our farmers. Nearly one-half of our population reside on the farm, and I protest against any legislation that will injure this great basic industry - with the view to benefitting the non-farmers. The cost of living is merely a sign of the times - an index to our general prosperity, a gauge that marks our standard of living, and a barometer that measures the power of our people to produce, their capacity to consume and their ability to earn. Farm products are not too high. The farmer gets only 46 percent of the amount paid by the consumer for food products.

The difficulty is between the farmer and consumer - and this bill will not remedy the evil.

The cost of living can not rise above the ability of the people to pay. We produce in this country nearly \$35,000,000,000 worth of products. We import nearly as much as we export. We consume these products. The common people have the money to pay for them.

It is not the price of the thing you want to buy - it is in having the price to pay. If this bill reduces the price of living it will be because it reduces the earning capacity of our people - because incomes have been cut down, wages and salaries have fallen, and profits have disappeared.

## MANUFACTURES.

In 1909 we had in the United States 268,000 manufacturing industries. 273,000 persons owned these establishments. Their annual products were valued at \$20,672,000,000. They employed 7,505,000 persons and paid them in wages \$3,427,000,000 - about \$10,000,000 for every week day in the year, and over a million dollars for every working hour of the day. It is asserted that the present protective tariff enables our manufactures to make excessive profits, and that the purpose of this bill is ~~xx~~ to reduce the profits of these manufactures..

The authors and supporters of this bill assume of course that this bill, if enacted into law, will reduce the profits of the owners of our manufacturing establishments, but will not effect their employees either as to their employment or as to the wages paid.

Under this law owners will have less profits, but the employees will have less employment and lower wages.

The owners and employees in our manufacturing establishments are inseparably bound together.

They are partners in business.

They are members of the same industrial family.

They are members of one body.

Our manufacturing plants are simply institutions or instruments ~~vitalized~~ <sup>utilized</sup> by owners and employees to pay interest on capital and pay employees for their muscle, skill and intelligence.

Every employee has a direct, substantial, important and vital



interest in the prosperity of the institution in which he labors.

In 1909 the products of the manufactures were worth \$20,672,000,000. \$12,000,000,000 worth of material was used, *in value was added to these materials* leaving ~~\$8,000,000,000~~ <sup>^</sup> Out of this the 7,405,000 employees were paid \$3,427,000,000 - or nearly fifty per cent of the entire amount earned.

Any movement, measure, or law that materially reduce the net profit of these concerns will introduce a period when wages will not advance, but when they must either remain stationary or go down.

THE MANUFACTURER AND HIS EMPLOYEES.

There are in the United States 268,000 manufacturing establishments. These establishments have 273,000 owners and proprietors. The capital invested amounts to \$18,428,000,000. They consume every year \$12,000,000 worth of raw material, and turn out every year a product worth \$20,<sup>672</sup>~~267~~,000,000. In these manufacturing establishments are employed 7,405,000 persons. These employees in 1909 received \$3,427,000,000 in wages—ten millions *over a million for every working hour of the day* for every week day in the year. The wages paid in 1909 were \$1,106,000,000 more than the amount paid in 1899. In that ten years the number of employees increased 40.4 per cent., while the amount of wages increased 70.6 per cent. *Then has been a constant increase in the wages paid.*

The owners and employees of our manufacturing establishments are <sup>*mutually*</sup> ~~equally~~ interested in their prosperity. Employers and employees have their difficulties. Capital and labor their controversies. ~~The~~ owners and operatives have their differences. But these are family troubles. They come from the distribution of profits of the concern. No employee wants to see the business of his employer depressed and unprofitable. The seven millions of men in our factories and manufacturing establishments know that their welfare is inseparably bound up in the establishments in which they toil. They know that profits and dividends must go to the owners or that employment must diminish and wages must be reduced.

We are meeting

to day - with great  
renewal. We may

be meeting the  
opend heart. But  
we are facing to the  
front. Our movement  
is on the side.

Our program  
is put in the broken  
pieces. There is more

in our

To start again with  
like him. Take in  
long & hard people.

Looking at our situation  
points, as an  
institution. as an  
institutional organization,  
as a going concern  
as a machine  
movement.

Emphasis on one  
others. They have a  
real, substantial  
a real & valuable  
movement.

Emphasis to: Christ  
business not only  
in the church  
but in the community  
in the community



In the Congressional Record of May 24, 1910, page 7008, there is a colloquy which took place between the gentleman from South Dakota (Mr. Martin) and my colleague from Oklahoma (Mr. Carter). The colloquy is as follows:

"Mr. Carter. Mr. Chairman, I want to ask the gentleman if he knows how the Oklahoma delegation stood on the question of the lumber schedule.

Mr. Martin of South Dakota. No; but I will give the gentleman an opportunity to place himself on record on the proposition.

Mr. Carter. Two Democratic Members of Congress voted for free lumber and three Republicans voted against it."

As I am one of the three Republican representatives from the State of Oklahoma, the above statement, therefore, includes me. The above statement, insofar as it applies to how I voted on the lumber schedule is incorrect. My colleague has probably been misled by statements which have been published in democratic papers throughout my district on the same subject. My colleague being a democrat probably assumed that statements made by democratic newspapers were reliable. This, however, is a very violent presumption when democratic editors are publishing political articles.

In asserting that the above statement is incorrect



I do not ask the gentleman or this house to take my statement. I desire to submit the vote as shown by the Congressional Record. The vote taken on the lumber schedule in the Payne-Tariff Bill was taken on April 9, 1909. The record of that date, pages 1174, 1175, 1176, and 1177 shows how every representative in Congress voted on that schedule. The Congressional Record of April 9, 1909, page 1174, shows that the gentleman from Minnesota, (Mr. Tawney) moved to strike out paragraph 196 of the Payne Bill. This paragraph was as follows:

"196. Timber, hewn, sided, or squared otherwise than by sawing (not less than 8 inches square) and round timber used for spars or in building wharves, one-half of 1 cent per cubic foot."

If this paragraph had been stricken out, certain kinds of timber as described therein would have been free from duty. The vote on this motion to strike out this paragraph was taken on a call of the yeas and nays and the record shown on page 1174 shows that I voted in the affirmative.

On page 1175 of the Congressional Record of April 9, 1909, there is recorded the vote taken on the consequent amendment offered by the gentleman from Minnesota (Mr. Tawney) to strike out certain portions of Section 197 of



the Payne Bill. The words to be stricken out as provided by this amendment were as follows:

"197. Sawed boards, planks, deals, and other lumber of whitewood, sycamore, and basswood, fifty cents per thousand feet board measure; sawed lumber, not specially provided for in sections one or two of this Act, one dollar per thousand feet board measure."

The adoption of this amendment would have placed rough boards and common lumber free of duty. The vote on this amendment was taken by the call of the yeas and nays and the record shows on page 1175 of the Congressional Record of April 9, 1909, that I voted in the affirmative, to strike out said paragraph. In the Congressional Record of the same date, on page 1175, is recorded the vote taken upon the amendment offered by the gentleman from Missouri (Mr. DeArmond). The amendment offered was as follows:

"Amend the proviso by striking out all after the word 'provided', and insert in lieu of the words stricken out the following:

'That none of the duties imposed by this paragraph shall be levied upon any of the products of any country, subdivision, or dependency of North America, South America or Central America, or any island of the Western Hemisphere, but all such products shall be admitted free of duty.'"

An examination of the record will show that I voted for this amendment. It will be observed that this amend-



ment applies only to lumber imported from certain countries mentioned therein. In my own mind I had some doubt about the propriety of adopting such an amendment because on its face the provision would discriminate between different countries. However, the record shows that I voted for the adoption of this amendment and in doing so voted to remove the duty from lumber imported from any country of North, South or Central America or any island of the Western Hemisphere.

In the Congressional Record of April 9, 1909, page 1176, is recorded the vote taken upon the motion made by the gentleman from Missouri (Mr. Clark) to strike out all of paragraph 197. This paragraph is as follows:

"Sawed boards, planks, deals, and other lumber of whitewood, sycamore, and basswood, fifty cents per thousand feet board measure; sawed lumber, not specially provided for in sections one or two of this Act, one dollar per thousand feet board measure; but when lumber of any sort is planed on one side and tongued and grooved, one dollar per thousand feet board measure; and if planed on two sides and tongued and grooved, one dollar and fifty cents per thousand feet board measure; and in estimating board measure under this schedule no deduction shall be made on board measure on account of planing, tongueing and grooving; Provided, That if any country, dependency, province, or other subdivision of government shall impose an export duty or other export charge of any kind whatsoever upon, or any discrimination against, any forest product exported to the United States, or if any country, dependency, province,



or other subdivision of government forbids or restricts the exportation of any forest product to the United States, in any way, there shall be imposed upon all of the forest products of such country when imported into the United States the duties prescribed in section three of this Act during the continuance of such export duties, charges, embargo, discrimination, or restriction."

Paragraph 197 is the important paragraph of the Payne Bill, providing for duty upon lumber imported in the United States. The amendment offered was to strike out this entire paragraph. The vote was taken by the calling of the yeas and nays and the record shows that I voted for the motion to strike out this entire paragraph.

In the Congressional Record of April 9, 1909, on Page 1177 the gentleman from Minnesota (Mr. Tawney), moved to strike out paragraph 708 and insert in lieu thereof the following:

"708. Wood: Sawed boards, planks, deals and other lumber of white wood, sycamore, and basswood and sawed lumber, timber hewn, sided, squared or sawed and round timber used for spars or in building wharves, logs and round unmanufactured timber, including pulp woods, firewood, handle bolts, shingle bolts, gun blocks for gunstocks rough hewn or sawed or planed on one side, hop poles, ship timber and ship plank-ing; all of the foregoing not specially provided for in section 1 and 2 of this act."

Paragraph 708 is one of the Paragraphs of the Payne Tariff Bill reciting the articles that should be admitted



free of duty, known as the free list. This amendment, if adopted, would have placed the grades of lumber therein described on the free list. The vote thereon was taken by the call of the yeas and nays, and the record shows on page 1177 of the Congressional Record of April 9, 1909, that I voted for the amendment offered by the gentleman from Minnesota. In so doing, I practically voted to place lumber on the free list.

These five votes are the only recorded votes taken of the lumber schedule. The record, therefore, shows that my colleague from Oklahoma was mistaken in his statement insofar as the same relates to my votes upon the lumber schedule of the Payne-Tariff Bill. I desire to go into this matter fully for another reason. On the night after the House voted on the Payne-Tariff Bill, a Washington correspondent of the Daily Oklahoman, published at Oklahoma City, Oklahoma, the leading Democratic paper of the state, sent a dispatch to his paper making an assertion similar to the one my colleague made, as shown in the Congressional Record of May 24, 1910. I telegraphed the editor of this paper denying the report and asking that proper correction



be made. The editor did make the correction as requested and I asked to have the editorial of the "Daily Oklahoman" of April 18th, 1909, printed as a part of my remarks. The editorial is as follows:

In Justice to Mr. Morgan.

A few days ago the Oklahoman, in commenting upon vote in the house on the lumber schedule of the new tariff bill, charged that Dick T. Morgan, representative of this district in congress, voted against duty-free lumber. Our comment was based upon a Washington dispatch which covered the proceedings in the house on the day the lumber schedule of the tariff bill was under consideration. This dispatch came from our Washington correspondent, who has always borne an excellent reputation for veracity.

It is not the purpose of The Oklahoman, however, to place any man in a false attitude. Whenever we find that we have unwittingly done so, we cheerfully make the amende honorable. Accordingly we desire to direct the attention of our readers to the following dispatch from Mr. Morgan, advising us of the inaccuracy of our news report and the absence of foundation for the charge of voting against free lumber which we imputed to him:

Washington, D. C., April 12, 1909.--Hon. Roy E. Stafford, Editor Oklahoman, Oklahoma City. In committee of the whole and in house I voted to put lumber on free list. Your Washington dispatch untrue. Please publish this telegram and make editorial correction. The people are entitled to the truth.

Dick T. Morgan.

Now then, Mr. Chairman, why should the gentleman from Oklahoma, a Democrat, call into question how I voted or how any other gentleman voted on the lumber schedule. If we do not have free lumber who is responsible for it? Did



the gentleman intend to question the wisdom, good judgment, or patriotism of his democratic associates who voted against free lumber? Did he intend to cast any reflection upon his democratic associates through whose vote the fight for free lumber was defeated. I call the gentleman's attention to the fact that when the vote was taken upon the motion to strike out Paragraph 196 there were 43 democrats who voted in the negative. The democratic platform, adopted at the Denver Convention in 1908, on the question of lumber, declared as follows:

"We demand the immediate repeal of the tariff on wood pulp, print paper, lumber, timber and logs, and that these articles be placed on the free list."

The republican platform of 1908 adopted at Chicago contained no specific declaration relative to the tariff on lumber. It was, therefore, consistent for any republican who believes in the principle of protection, to vote for a tariff upon lumber. An examination of the Congressional Record of April 9, 1909, page 1174, shows that there were 57 republicans who voted to strike out paragraph 196 and there were 43 democrats who voted against striking out this paragraph. The vote as recorded shows



184 yeas and 198 nays. If these 43 democrats-who voted in the affirmative-had voted in harmony with the specific declaration of the democratic national platform, the vote would have stood 227 yeas and 155 nays. The paragraph would have been stricken out and the lumber described in said paragraph would have been placed on the free list.

The Congressional Record on Page 1175 shows that when the vote was taken of the amendment to strike out a portion of paragraph 197, there were 53 republicans who voted in the affirmative and 42 democrats who voted in the negative. The vote as recorded shows 185 affirmative and 200 negative. If these 42 democratic members of this House had voted in the affirmative the vote would have stood 227 in the affirmative and 158 in the negative, the amendment would have carried and the provision in the Payne Bill which places a duty upon the lumber as described in paragraph 196 would have been stricken out and the lumber therein described would have been placed on the free list. The vote on the amendment offered by the gentleman from Minnesota, paragraph 708, was recorded on page 1177 of



the Congressional Record of April 9, 1909. The effect of this amendment was to practically place all lumber on the free list. The record shows that 52 republicans voted for this amendment and 38 democrats voted against it. The vote as recorded shows 181 votes in the affirmative and 200 votes in the negative. If the 38 democrats who voted in the negative had voted in the affirmative the vote would have stood 219 in the affirmative and 162 in the negative. The amendment would have carried by a large majority and lumber would have been placed on the free list.

I am not here to criticise the vote of any member of this House, whatever may be his politics. I know that everyone voted as he thought was right and best for his country, but inasmuch as my colleague from Oklahoma saw fit to voluntarily rise in his seat and call attention to the House to the vote of the three republican members from Oklahoma on the tariff schedule, it seems appropriate in answer thereto that I should call his attention to how his democratic associates voted upon the same question.



(Notes)  
HOUSE OF REPRESENTATIVES  
WASHINGTON

The Congressional Record of May 24, 1910, page 7008 shows that the following colloquy took place between the Gentleman from South Dakota (Mr. Martin); and my colleague from Oklahoma (Mr. Carter).

Mr. Carter. Mr. Chairman, I want to ask the gentleman if he knows how the Oklahoma delegation stood on the question of the lumber schedule?

Mr. Martin of South Dakota. No; but I will give the gentleman an opportunity to place himself on record on the proposition.

Mr. Carter. Two Democratic Members of Congress voted for free lumber and 3 Republicans voted against it.

In fact of this statement, I wish to call attention to the Congressional Record of April 9, 1909, page 1174, 1175, 1176 and 1177. The Congressional Record on page 1174 shows that the gentlemen from Minn. (Mr. Tawney) moved to stricke out paragraph 196 of the Payne Bill. This paragraph was as follows:

196. Timber, hewn, sided, or squared otherwise than by sawing (not less than 8 inches square) and round timber used for spars or in building wharves, one-half of 1 cent per cubic foot.

The yeas and nays were taken and the Record shows that Morgan of Oklahoma voted in the affirmative to strike this paragraph out. So the Record shows that on this vote I voted for free lumber, and the statement of my colleague

HOUSE OF REPRESENTATIVES

WASHINGTON

(4)

to strike this paragraph out, and the Record shows that among those who voted in the affirmative was Morgan of Oklahoma.

In the Congressional Record of April 9, 1909 on page 1177, the gentleman from Minn. (Mr. Tawney) moved to strike out paragraph 708 and insert in lieu thereof the following:

5 708. Wood: "Sawed boards, planks, deals and other lumber of white wood, sycamore and bass wood and sawed lumber, timber hewn, sided, squared or sawed and round timber used for spars or in building wharves, logs and round unmanufactured timber, including pulp woods, firewood, handle bolts, shingle bolts, gun blocks for gunstocks rough hewn or sawed or planed on one side, hop poles, ship timber and ship planking; all of the foregoing not specially provided for in section 1 and 2 of this act.

Section 708 enumerates articles included in the free list and the effect of the amendment offered by the gentlemen from Minnesota was to enlarge this section so as to, in effect, place lumber on the free list. A yeas and nays vote was taken upon this amendment and the Record shows that among those who voted in the affirmative was Morgan of Oklahoma.

So that, notwithstanding my colleague's statement, I have shown that the Record shows that I voted five times to place lumber on the free list.

MUNITION MANUFACTURER'S TAX.

The amendment which I have offered proposes to strike out sections 200 to 211 inclusive. These sections provide for what the bill denominates "Munition Manufacturer's Tax." Section 201 is as follows: "That every person manufacturing gun power or other explosives shall pay for each taxable year an excise tax equivalent to the following percentages of the gross receipts during such year from the sale or disposition of such explosives manufactured in the United States, except blasting powder and dynamite:

Five per centum of the amount of such receipts not in excess of \$1,000,000; and

Eight per centum of the amount by which such receipts exceed \$1,000,000.

Every person manufacturing (a) cartridges, loaded or unloaded, caps or primers; or (b) projectiles, sheels, or rorpedoes of any kind, including shrapnel, loaded or unloaded, or fuses; or (c) firearms of any kind, including small arms, cannons, machine guns, rifles, and bayonets; or (d) any parts of any of the articles mentioned in (a), (b), or (c), shall pay for each taxable year an excise tax equivalent to the following percentages of the gross receipts during such year from the sale or disposition of any such articles manufactured in the United States:

Two per centum of the amount of such receipts not in excess of \$250,000;

Three per centum of the amount by which such receipts exceedd \$250,000 and do not exceed \$500,000;

Four per centum of the amount by which such receipts



2

exceed \$500,000 and do not exceed \$1,000,000; and

Five per centum of the amount by which such receipts exceed \$1,000,000;

Every person smelting copper ore, refining metallic copper, or alloying copper, shall pay for each taxable year an excise tax ~~a~~ equivalent to the following percentages of the gross receipts during such year from the sale or disposition of refined copper or copper alloys and from the sale or disposition of crude or unrefined copper if sold or disposed of for any purpose except for refining or alloying:

One per centum of the amount by which such receipts exceed \$25,000 and do not exceed \$1,000,000;

Two per centum of the amount by which such receipts exceed \$1,000,000,000 and do not exceed \$10,000,000; and

Three per centum of the amount by which such receipts exceed \$10,000,000."

The Ways and Means Committee in its report on the pending bill estimates that for the fiscal year ending June 30, 1917, the munition tax will yield to the government in revenue \$71,000,000.

At first glance the proposed tax upon munition manufacturers may meet popular approval. The conclusion to tax the manufacturers of war munition is probably reached upon two grounds, namely:

First, that the manufacturers of war ~~munitions~~ munition has made extraordinary and unusual profit.

Second, that in the minds of many citizens there is some question about the legitimacy of the business or its usefulness compared with the ordinary lines of manufacture.

It may be assumed that since the outbreak of the European war immense ~~px~~ profits have been made by those of our citizens who have been engaged in the manufacture of the various kinds of munitions of war. It is also true that in the minds of many the business of manufacturing the munitions of warfare is questionable. In other words, in the minds of many, we may tax the manufacturers of war munitions upon the same principle that we tax the manufacturers of intoxicating liquors. I have concluded however that it is a mistake on the part of the national government to impose a tax upon the munitions of war or ~~upon~~ upon the manufacturers thereof.

Some of the reasons which have led me to this conclusion may be stated as follows:

1. As a general principle no government, national, state or local, should tax a business of questionable character. The only legitimate purpose in taxing such a business would be for the purpose of destroying it or for the purpose of lessening the evils flowing ~~from~~ from such business. Whenever any government levies a tax upon a business or industry to a certain extent the government becomes a partner in the business. When the government becomes a partner in the business, that means that the entire citizenship of the government becomes interested in such business. A reasonable tax levied upon a business or an industry generally will result in perpetuating



the business rather than in destroying it. This is especially true when there is some question about the propriety of permitting such business to exist or operate. For instance the Federal government is receiving about \$225,000,000 annually in taxes paid by the manufacturers of and the dealers in intoxicating liquors. When it is proposed to prohibit this business entirely one of the chief arguments presented against the destruction of this business is that the Federal ~~govern~~ government would lose this ~~\$25~~ \$225,000,000 in taxes and the destruction of this business would necessitate the levying of additional taxes upon other business. Persons engaged in all other kinds of business are therefore warned that the abolition of the liquor traffic will result in higher taxes upon them. The same argument is made to the tax payers of the states, counties and municipalities. Thus, it is that a tax upon a business of questionable ~~an~~ character serves not to destroy but to perpetuate the business. I shall not assert that the manufacture of munitions of war is under all circumstances an immoral business. I do believe, however, that it is unwise for the national government to encourage the development and expansion and enlargement of factories and establishments for the manufacture of munitions of war of all kinds except in so far as such establish-



ments are required to meet the demands of our own country in the preparation for its national defense. We should not encourage our citizens to engage in a business in which the profits must depend largely upon war among the nations of the world.

2. There are reasons of an international character which makes this munition tax of doubtful propriety. For over two years a great conflict has been raging in Europe. At the outbreak of this titantic struggle this nation declared itself neutral as between the contending forces. This war had not progressed long until many of our citizens became engaged in the business of manufacturing and selling various kinds of war munitions to certain governments engaged in this conflict. Germany and Austria have vigorously protested to this government against citizens of the United States furnishing such large quantities of munitions of war to the allied countries, fighting against Germany and ~~and~~ Austria. Among ~~xx~~ our own citizens an effort was made to induce this government through the action of Congress to place an embargo ~~upon~~ upon the shipment from this country of all kinds of arms or other munitions of warfare. In answer to this proposition this government asserted that to place an embargo upon the shipment of arms to European countries engaged in war would

be in itself an ~~unneutral~~ unneutral act. Our position was apparently as follows: That we would place an embargo upon the shipment of arms ~~and~~ and other munitions of war to the belligerent nations were it not for the fact that under the rules of international law such embargo would be a violation of our duty as a neutral nation. Months ~~and~~ have come and gone. The European war is raging with ever increasing fury. Our ~~munitions~~ munition manufacturers according to popular estimates have ~~made~~ made hundreds of millions of dollars in this business. Other millions will be made in the future. Heretofore it has been the act of individuals. As a government ~~we~~ have not participated in furnishing the warring nations of ~~the~~ Europe with the implements of war. ~~We~~ Here is a proposition however which proposes indirectly it is true that the United States as a government shall profit in this business during the fiscal year now just beginning to the amount of seventy-one millions of dollars. Are we not treading upon dangerous grounds? Can we afford to accept from the manufacturers of war munitions ~~xxxmillionsxxxandxxxfixxxx~~ \$1,500,000 for every week for the fiscal year which ends June 30, 1917? When we tax the manufacturers of war munitions are we not as a nation interested in the business? Will not this tax place the United States in an embarrassing position



before the teutonic powers who have protested against the business as it has been carried on in this country?

There is another matter of international importance connected with this proposed tax. I understand that in making contracts many of our munition manufacturers have a provision inserted in the contract which provides that the nation purchasing the arms or other munitions of war shall pay the tax thereon in case such tax shall be levied. If this be true then we are levying a tax than in effect is a tax upon the nation which has purchased these goods. This may develop complications with these nations. While we no doubt would be acting within our rights we should avoid taking a course or the doing of an act or the enactment of any law which might develop complication or engender any ill feeling between this nation and any other nation in the world. In our plans for national defense we should take no ~~questionable~~ questionable step. Every cent of the cost of national defense should come from a source that is absolutely legitimate. This government can not afford to participate in the profits which have been made by the manufacturers of war munitions ~~which~~ which have been a factor in prolonging the European war and which may in the end determine which nations shall come out of that great struggle as victors.



LOSS IN TRADE OUTSIDE OF EUROPE.

A preliminary statement issued by the Department of Commerce for 1916 shows that in the calendar year 1916 our total imports were \$2,391,716,335; that our total exports were \$5,480,900,931; that our total imports and exports were \$7,872,617,266; and that we had a favorable trade balance of \$3,089,184,596.

On its face the foregoing showing is most favorable and indicates that our foreign trade is in a most healthy condition. We should not, however, deceive ourselves. A study of our foreign trade with non-European nations during the last four years makes a very unfavorable showing. All will concede that our excessive exports have been due to the extraordinary demand for our products in Europe. The European War has, of course, made this demand. The Department of Commerce has not yet published a detailed report of our commerce with foreign nations for 1916. It has, however, published the statistics for the eleven-month period ending November 30, 1916. I wish, therefore, to present some statistics based upon this eleventh-month period. In this eleven months our total exports were \$4,960,302,630; our imports were \$2,186,821,703; and the balance of trade in our favor were \$2,773,480,927. Our total exports to Europe during this period were \$3,464,518,743; our imports from



Europe were \$574,212,649; and the balance of trade with Europe in our favor was \$2,890,306,094. Our net favorable trade balance with Europe was thus \$116,825,167 more than it was with the entire world. This means, of course, that for the eleven months, ending November 30, 1916, we did business with the non-European nations at a total loss of \$116,825,167.

Going back now to the fiscal year ending June 30, 1913, the last year under which we did business under the protective tariff law, our total exports were \$2,484,108,292; our imports were \$1,792,596,480; and the balance of trade in our favor was \$691,421,812. In the fiscal year ending June 30, 1913, our favorable trade balance with Europe was \$634,807,260. In 1913 we, therefore, had in our trade with non-European countries a favorable trade balance of \$56,614,552. This represents the net profit in our trade with these countries for that year. But in the first eleven months of 1916 the balance of trade against us <sup>as</sup> has been shown was \$116,825,167. That was our net loss in our trade with these countries for that period. Going from a net profit of \$56,614,552, to a net loss of \$116,825,167, means a total loss, compared with 1913, of \$173,439,719.

These non-European countries include Russia in Asia, but Russia in Asia is war territory and should be classed with European countries in studying our foreign trade during this war period. In 1913 our imports from Russia were \$2,356,527; our exports were \$1,101,419; and the balance of trade against us was \$1,255,108. For the first eleven months of 1916 our exports to Russia in Asia were \$144,159,043; our imports were \$3,713,407; and the balance of trade in our favor was \$140,435,636. Therefore, excluding our favorable trade balance with Russia in Asia, our trade with non-European countries would show an unfavorable trade balance of \$257,270,713 for these eleven months. To this amount add the favorable trade balance of \$56,614,552 which we had with non-European countries in the fiscal year of 1913, we have a net annual loss in our <sup>favorable</sup> trade with non-European countries of \$313,885,265. This would indicate that in the four years of low tariff policy since the present Administration came in power we would have a net loss in our foreign trade with non-European countries of \$1,255,541,060, and if the same policy be continued for an eight-year period would mean a total loss to the people of the United States in their trade with non-European countries of \$2,511,082,120.



The Republican party is not opposed to direct taxation. ~~When in power~~ <sup>It has</sup> enacted legislation <sup>authorizing</sup> ~~which authorized~~ it. The Payne-Aldrich tariff, <sup>act</sup> enacted by a Republican Congress and signed by a Republican President, contained a provision levying an ~~excise~~ tax upon the profits of corporations. That provision, in a modified form, is in force to-day. A Republican Congress passed the resolution proposing the income tax amendment to the Constitution. By virtue of that amendment, the present income tax law is <sup>valid</sup> ~~constitutional~~. The Republican party is not opposed to the taxation of wealth. It believes the great wealth of the country should pay its just share of taxation. It believes the rich rather than the poor should bear the chief burden of government - national, state and local.

But the Republican party stands for the policy of Protection. It has stood for this policy since 1860, when it promulgated the platform upon which it won its first national victory and elected the first Republican President, the immortal Abraham Lincoln.

We Republicans <sup>on the final</sup> ~~to-day~~ as our names are called <sup>passage of this bill will vote no, and thereby</sup> ~~will~~ register our solemn protest against the abandonment of this policy of Protection, which has contributed so much to the greatness of our country and the welfare of the American people. Republican Representatives never will consent to



commit this government permanently to a policy of tariff-  
~~for-revenue-only~~, <sup>as it must be,</sup> combined with vexatious, <sup>onerous,</sup> and burdensome,  
<sup>and oppressive</sup> direct taxes, which grow, <sup>will</sup> ~~enlarge, increase,~~ expand and  
 multiply at each succeeding session of Congress.

The present administration has made a record for  
 introducing and passing bills "to provide revenue for the  
 government and for other purposes." Four such bills have  
 been presented. The first was the Underwood Tariff Bill  
 which became a law the third day of October, 1913; the second,  
 was the Emergency Revenue Measure which was approved October  
 22, 1914; the third was the general revenue act which was  
 signed by the President and became effective September 8,  
 1916; and now, before six months have elapsed, we are to  
 enact a fourth revenue measure which imposes annually more  
 than \$200,000,000 ~~in~~ additional direct taxes upon the people  
 and authorizes the President, in time of peace, through the  
 sale of bonds and the issuing of certificates of indebtedness,  
 to increase the national debt by six hundred millions of  
 dollars.

~~In the number of revenue bills and in the total  
 amount of taxes authorized to be levied and collected there-  
 under, the four years, extending from March 4, 1913 to March  
 4, 1917,~~  
*This record*  
 will stand absolutely without a parallel in the  
 history of our country. Mr. Speaker, <sup>J. D.</sup> in all sincerity and



~~in perfect candor~~ I express the hope that ~~never again in~~  
*it shall be many, many years before there shall*  
~~the history of the nation, will there~~ be another four years

in which Congress will pass so many revenue bills, increasing so enormously the direct taxes upon tax-payers of the United States.

The predicament in which we find ourselves to-day is the natural, logical and inevitable result of two things; first, the enormous and, I think, wholly unjustifiable increase of our national expenditures, and second the abandonment of the policy of Protection and the enactment of the Underwood Tariff Law which from the first was doomed to be a failure in providing adequate revenue for the support of the government.

TWO THEORIES OF THE TARIFF.

The two great political parties of the nation differ as to the purpose or purposes for which a tariff may be levied. It has long been one of the chief doctrines of the Democratic party that there is no constitutional authority to levy a tariff duty except for one purpose - to provide revenue. Fortunately for the country, the founders of the Republican party, statesmen and patriots as they were, took the position that a tariff could be levied for purposes other than that of raising revenue. They declared that the tariff shall be made a shield to safeguard the interest of both labor and capital - an armor to protect our industrial force from destructive competition from abroad - and a sun in our industrial world sending forth its invigorating and life giving rays, to promote growth in our industries, to extend our trade, expand our commerce, enlarge our business, and develop our ~~nation~~ natural resources; to increase our wealth, secure industrial and commercial supremacy and independence, give strength, security and power to the Republic, and carry blessing to the homes and firesides of our people throughout the length and breadth of the land.



COST OF STATE AND LOCAL GOVERNMENTS.

Congress controls the expenditures of the Federal government. Within the limitations of the constitution, it determines the amount and character of taxes levied for national purposes. Congress has no control over the States and local governments, <sup>it</sup> is not responsible for their expenditures or debts, and does not determine the amount or character of taxes <sup>they levy</sup> ~~levied by these governments.~~

But, whenever there is a measure before Congress which contemplates the enlargement of national expenditures, which authorizes a large increase in the national debt, which proposes to augment and multiply direct taxes to obtain national revenues, we should have in mind what it cost the people to run the State and local governments, the amount, kind and character of taxes levied by such governments, and the existing, outstanding indebtedness of such governments. Furthermore, Mr. Chairman, it will be illuminating, and helpful, if in the ~~same~~ same connection, we shall picture in our minds the amount of individual, corporate and other private indebtedness. In 1913 it cost the people of this country \$2,014,369,626 to run their state and local governments. In support of such governments, they paid an annual tax of \$22 per capita. To meet this immense expenditure, required a property tax of one and ninety-four hundredths per cent. upon all property taxed upon an ad

valorum basis. To meet the expenses of their state and local governments, the people of the United States are to-day, on an average, paying two per cent. upon the assessed valuation of their property. An eminent English authority recently estimated that the total annual net savings of the people of the United States were \$4,500,000,000. According to this authority, the people of the United States for the support of their state and local governments are each year expending an amount almost equal to one-half of their net annual savings. We can not go on from year to year increasing the cost of our Federal government, and ignore the stupendous cost of state and local governments.

I do not question the constitutional authority, nor the legal right of the Federal government to secure any part or all of its revenues through direct taxation. I question the propriety, the advisability, and the wisdom of such a course. So far as possible, we should leave to the States and local governments the field of direct taxation. In the main, we have done this in the past. There has not been, and in my judgment there can <sup>not</sup> be given any good and sufficient reason for abandoning a policy of Federal taxation, the wisdom of which has been vindicated by long years of experience, practice and usage.



The proposition to increase the national debt, through the sale of bonds and the issuing of certificates of indebtedness, must be considered in connection with the existing public and private indebtedness. In 1913, the total debt of all our governments - Federal, state, county villages, towns, cities and other incorporated places, was \$4,850,460,713. Making allowance for a small increase, during the last four years, the amount to-day exceeds \$5,000,000,000. This means an annual interest charge upon the people of \$200,000,000. It is a per capita debt on the people of \$49.97. On an average it is a debt on each family of about \$250. Of the total public indebtedness in 1913, the state and local governments owed \$3,821,896,658. The amount now owed by these governments unquestionably exceeds \$4,000,000,000. The state and local governments are levying direct taxes upon the people to pay the annual interest charge on ~~their~~ this indebtedness, and to provide for the liquidation of the principal in the future. Still, Mr. Chairman, our public indebtedness - vast though it is - is insignificant compared with what our people owe individually and through partnerships, associations and corporations. The best authority estimate that our farms owe \$6,000,000,000, or an average of about \$1000 apiece. Our business corporations, in bonds and other indebtedness, in 1913, owed \$37,000,000,000.

This is a per capita indebtedness for the people of the United States of \$400 and a debt for each family of about \$2000. *After all* The debts of our corporations are simply debts of the people. The corporations have no way of paying either the principal or interest of their indebtedness except by levying a tax, in some form, upon the industries, the products, the business, the ~~savings and~~ earnings and savings of the people. The total of public and private indebtedness, including debts of all our governments, as well as the debts of individuals, partnerships, associations and corporations, is certainly not less than \$50,000,000,000. This is equal to one-fourth of the entire national wealth. Upon this stupendous debt, the people pay an annual interest charge of \$2,500,000,000 - and annual per capita charge of \$27 - requiring a yearly contribution from each family of \$100.



WHAT OKLAHOMA PAYS.

Oklahoma is a new State, having been admitted to the Union less than ten years ago. Under the ordinary internal revenue laws for the fiscal year 1916 Oklahoma paid but \$31,251.57 revenue to the National government. But in 1916 Oklahoma paid under the emergency revenue act of October 3, 1913, \$442,021.61; under the Act of October 22, 1914, the State paid a corporation income tax of \$404,575.80, and in individual income tax \$489,440.08. The total direct taxes paid by the citizens of Oklahoma under these two acts to support the Federal Government in 1916 was \$1,336,037.49. The revenue act of September 8, 1916 more than doubles the direct taxes upon corporations and individuals. Under this law the people of the State of Oklahoma will no doubt in the fiscal year of 1917 pay into the Treasury of the United States as direct taxes a sum in excess of \$3,000,000. But this Congress before the 4th day of March next will enact another revenue bill imposing upon the people of the United States additional direct taxes of over \$200,000,000. The people of Oklahoma will pay their full share of this, and thus add additional burdens to be paid directly by the taxpayers of Oklahoma. This is not all. This new Act authorizes the President through the issuing of bonds and certificates of indebtedness to increase the national debt to the amount

of \$600,000,000. The people of Oklahoma must assume their due proportion of this indebtedness, pay its share of the interest thereon annually and finally contribute their full proportion to the liquidation of the debt.

#### OKLAHOMA'S TAX COMPARED WITH OTHER STATES.

One of the most frequent criticisms of the system of direct taxes is that it discriminates unfairly against the people of certain States. This criticism usually comes from the great States like New York, Pennsylvania, Illinois, Massachusetts and California, which pay in the aggregate more than half of all the direct taxes now levied by the national government. The answer usually given to this is that these States are the homes of the great corporations of the country which draw their wealth and profits from all the States of the Union. This answer when applied to the foregoing States is no doubt fairly just. But the same answer will not apply in the case of Oklahoma. Although a young State Oklahoma makes a remarkable showing in the amount of special taxes paid compared with the other States of the Union.

In the fiscal year of 1916, the following ten States, namely: Arizona, Arkansas, Idaho, Mississippi, Nevada, New Mexico, North Dakota, South Dakota, Wyoming, <sup>and</sup> Utah combined paid



into the National Treasury on individual income tax \$420,095.81, while Oklahoma alone paid in individual income tax \$489,440.08.

In 1916 there were 31 of the States of the Union which paid less individual income tax than did Oklahoma; there were 24 of the States, just one half of the entire number, that paid less corporation income tax than Oklahoma paid; and there were 21 States in the Union that paid less tax under the emergency revenue act than was paid by the State of Oklahoma.

Of the entire 22 States West of the Mississippi River there were only 4, namely: Texas, Missouri, Minnesota and California that paid more individual income tax in 1916 than was paid by the people of Oklahoma.

The following Southern States, namely: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia, 12 in number, each paid less individual income tax than was

paid by the people of Oklahoma. There was only three of said list, namely: Kentucky, Virginia and Louisiana that paid more corporation tax than did Oklahoma. There were only four of them, namely: Kentucky, Georgia, Virginia and Tennessee that paid more tax under the emergency revenue Act than was paid by Oklahoma.





From the time the Democratic party came into power, March 4, 1913, down to the outbreak of the European War, July 31, 1914, in our commerce and financial affairs there was an increase in those things in which there should have been a decrease and there was a decrease in those things in which there should have been an increase.

First. There was an increase in,

1. Imports;
2. Exports of gold;
3. In expenditures and appropriations.

Second. There was a decrease in,

1. Our exports;
2. In our favorable trade balance;
3. In the amount of cash in the Treasury.

DIRECT TAXES COLLECTED UNDER ACTS OF  
OCTOBER 3, 1913, AND OCTOBER 22, 1914.

Under the Act of October 3, 1913, the government collected for the fiscal year ending June 30, 1916, in direct taxes, \$84,278,302.13. Under the Act of October 22, 1914, for the fiscal year ending June 30, 1916, the government collected in direct taxes from the corporation income tax \$56,993,657.98, and from individual income tax \$67,943,594.63. In all the government for 1916, under these two acts, collected in direct taxes a total of \$209,215,554.74.

When the Act of September 8, 1916, was before the House the report of the Ways and Means Committee estimated that the additional taxes collected under that Act would be \$197,000,000 annually. Under these three Acts more than \$400,000,000 annually would be collected.

Under the Act now pending before the House it is proposed to raise more than \$200,000,000 additional revenue by direct taxation. It is evident therefore that in 1918 under these three Acts the Federal Government will collect in direct taxes more than \$600,000,000.

Exclusive of these three Acts the revenue collected under the ordinary internal revenue taxes for the fiscal year of 1916 were \$303,507,733.03.



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Under the Act of October 3, 1913, the government collected for the fiscal year ending June 30, 1916, in direct taxes, \$84,278,302.13. Under the Act of October 22, 1914, for the fiscal year ending June 30, 1916, the government collected in direct taxes from the corporation income tax \$56,993,657.98, and from individual income tax \$67,943,594.63. In all the government for 1916, under these two acts, collected in direct taxes a total of \$209,215,554.74.

When the Act of September 8, 1916, was before the House the report of the Ways and Means Committee estimated that the additional taxes collected under that Act would be \$197,000,000 annually. Under these three Acts more than \$400,000,000 annually would be collected.

Under the Act now pending before the House it is proposed to raise more than \$200,000,000 additional ~~taxation~~ revenue by direct taxation. It is evident therefore that in 1918 under these three Acts the Federal Government will collect in direct taxes more than \$600,000,000.

Exclusive of these three Acts the revenue collected under the ordinary internal revenue taxes for the fiscal year of 1916 were \$303,507,733.03.



WHAT OKLAHOMA PAYS.

Oklahoma is a new State, having been admitted to the Union less than ten years ago. Under the ordinary internal revenue laws for the fiscal year 1916 Oklahoma paid but \$31,251.57 revenue to the National government, But in 1916 Oklahoma paid under the emergency revenue act of October 3, 1913, \$442,021.61; under the Act of October 22, 1914, the State paid a corporation income tax of \$404,575.80, and in individual income tax \$489,440.08. The total direct taxes paid by the citizens of Oklahoma under these two acts to support the Federal Government in 1916 was \$1,336,037.49. The revenue act of September 8, 1916 more than doubles the direct taxes upon corporations and individuals. Under this law the people of the State of Oklahoma will no doubt in the fiscal year of 1917 pay into the Treasury of the United States as direct taxes a sum in excess of \$3,000,000. But this Congress before the 4th day of March next will enact another revenue bill imposing upon the people of the United States additional direct taxes of over \$200,000,000. The people of Oklahoma will pay their full share of this, and thus add additional burdens to be paid directly by the taxpayers of Oklahoma. This is not all. This new Act authorizes the President through the issuing of bonds and certificates of indebtedness to increase the national debt to the amount



of \$600,000,000. The people of Oklahoma must assume their due proportion of this indebtedness, pay its share of the interest thereon annually and finally contribute their full proportion to the liquidation of the debt.

#### OKLAHOMA'S TAX COMPARED WITH OTHER STATES.

One of the most frequent criticisms of the system of direct taxes is that it discriminates unfairly against the people of certain States. This criticism usually comes from the great States like New York, Pennsylvania, Illinois, Massachusetts and California, which pay in the aggregate more than half of all the direct taxes now levied by the national government. The answer usually given to this is that these States are the homes of the great corporations of the country which draw their wealth and profits from all the States of the Union. This answer when applied to the foregoing States is no doubt fairly just. But the same answer will not apply in the case of Oklahoma. Although a young State Oklahoma makes a remarkable showing in the amount of special taxes paid compared with the other States of the Union.

In the fiscal year of 1916, the following ten States, namely: Arizona,, Arkansas, Idaho, Mississippi, Nevada, New Mexico, North Dakota, South Dakota, Wyoming, <sup>and</sup> Utah combined paid

into the National Treasury on individual income tax \$420,095.81, while Oklahoma alone paid in individual income tax \$489,440.08.

In 1916 there were 31 of the States of the Union which paid less individual income tax than did Oklahoma; there were 24 of the States, just one half of the entire number, that paid less corporation income tax than Oklahoma paid; and there were 21 States in the Union that paid less tax under the emergency revenue act than was paid by the State of Oklahoma.

Of the entire 22 States West of the Mississippi River there were only 4, namely: Texas, Missouri, Minnesota and California that paid more individual income tax in 1916 than was paid by the people of Oklahoma.

The following Southern States, namely: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia, 12 in number, each paid less individual income tax than was



paid by the people of Oklahoma. There was only three of said list, namely: Kentucky, Virginia and Louisiana that paid more corporation tax than did Oklahoma. There were only four of them, namely: Kentucky, Georgia, Virginia and Tennessee that paid more tax under the emergency revenue Act than was paid by Oklahoma.



Loss In Foreign Trade.

The Democratic Party won a national <sup>Victory</sup> ~~controversy~~ in 1912; we inaugurated a Democratic President March 4, 1913; and a Democratic Congress convened April 7, 1913. The Underwood Tariff Law was approved October 19, 1913. By the enactment of this law we abandoned the principle of protection and adopted a tariff-for-revenue-only policy. Practically from the moment that we changed tariff policies we began doing business with foreign nations at a loss. The people of the United States should know what this change in our economic policies has cost them. The voters of the country, before they cast their votes, ~~xxxxx~~ should know what they have lost through the change in our tariff policies and through the change in the managment of our national affairs.

First, I wish to show what the American people have lost in their trade with foreign nations in three and one-half years under tariff-for-revenue-only policy. As introductory to my demonstration, I wish to present a few self evident propositions.

As a nation we grow <sup>rich</sup> ~~right~~ not by what we buy <sup>abroad</sup> ~~but~~ by what we sell abroad.

To make foreign trade profitable we must sell abroad more than we buy abroad.



When our imports exceed our exports we are doing business with foreign nations at a loss.

The excess of our <sup>Exports</sup>~~imports~~ over our <sup>imports</sup>~~exports~~ represent the amount our producers are contributing to the wealth of our nation.

An unfavorable trade balance and the export of gold are danger ~~signals~~ signals warning us that something is wrong in our economic policies.

I wish now to present some statistics showing the immense loss that the people of the United States have sustained in their foreign trade since the change has been made in our national tariff policy.

During the fiscal year of 1914 compared with 1913, there was an increase in our imports of \$80,917,423. In the same year there was a decrease in our exports of \$101,305,001. In that year there was a total loss in our favorable trade balance of \$182,222,424. In other words the decrease in our foreign trade for 1914 ~~was~~ \$182,222,424 less than it was in 1913. This does not, however, show the true annual loss because nearly one-third of ~~xx~~ the year 1914 was under a protective tariff policy.

To obtain further light I wish to present our foreign trade statistics for the seven months immediately pre-

ceeding the outbreak of the European War compared with the corresponding months for the fiscal year of 1913. For the seven months immediately preceeding August 1, 1913, as compared with the same months in 1913 there was an increase in our imports of \$121,944,698 and a decrease in our exports of \$125,814,446. In seven months of 1914 compared with the seven corresponding months of 1913 there was a net loss in our favorable trade balance of \$247,759,144. At this rate the annual loss in our favorable trade balance would amount to \$426,000,000.

This was what occurred when time were normal, when trade conditions <sup>were</sup> natural, when foreign commerce was unrestricted and when there was full and free competition between the great nations in the markets of the world. We come now to consider the losses which we have sustained in our foreign trade since the outbreak of the European War. The great European War has restricted imports to this country from at least two of the great nations of Europe and has very largely stimulated our exports to at least four of the great nations of Europe. The war has practically annihilated our trade with Germany and ~~xx~~ Austria-Hungary, but in England, France, Italy and Russia the war has stimulated our exports to these nations to an unprecedented amount.



To show this it is only necessary to refer to a few statistics covering our European trade. In 1913 Germany imported into the United States goods valued at \$188,963,071. In the same year Austria-Hungary's imports into the United States were valued at \$19,192,414. For the fiscal year of 1916 the imports from Germany into the United States were about \$13,945,743, and the imports from Austria-Hungary were about \$1,441,507.

Excluding Germany and Austria-Hungary the European War has greatly stimulated our exports to practically all of the European countries. In the ~~first~~ fiscal year ending June 30, 1914, the last fiscal year preceeding <sup>the</sup> European war, our favorable trade balance with all European countries amounted to \$590,895,861. For 1916 our net favorable trade balance with Europe was \$2,372,930,680. This shows that 1916 compared with 1914 there was a net gain in our favorable trade balance with Europe of \$1,7<sup>9</sup>16,722,203. In general our foreign trade statistics show that from European countries the great European War in its influence upon our foreign trade had the same affect as a protective tariff policy. In our trade relations with European countries it has restricted and limited imports and stimulated, encouraged and enlarged our exports. So far as European countries are concerned the force of the European War has been sufficient to make our

tariff-for-revenue-only policy a ~~xxx~~ nullity.

From European countries we turn to the other nations of the world. Let us see what has been the effect of our tariff-for-revenue-only policy upon our general trade with other than European nations from the date of the enactment of the Underwood Tariff Law down to the present time.

In North American during the fiscal years 1913, 1914 and 1916, compared with 1913, there was a net loss in our favorable trade balance, as follows:



BALANCE OF TRADE UNDER REPUBLICAN RULE.

There is another line of statistics which illuminate the subject under discussion. During the fiscal year ending June 30, 1913, the last year under the protective tariff policy, the balance of trade in favor of this country was \$652,875,915. In that year in our trade with foreign nations, we made an average net profit of over \$54,000,000 per month, \$13,500,000 per week and \$2,000,000 for every day in the year. Prior thereto for sixteen years, in succession, under Republican rule, we did business with foreign nations at an immense profit. Our total foreign trade increased by leaps and bounds. Our favorable trade balance grew from \$102,882,264 in 1896, to \$652,875,915 in 1913. Going back for a period of thirty-eight years, there were only three years when the balance of trade was against us. Two of these years were during Cleveland's first administration and the other was in 1893, partly under his second administration.

For the sixteen years, under McKinley, Roosevelt and Taft, the grand total of the balance of trade in our favor was \$7,992,000,000. In these sixteen years in their trade with us other nations contributed to the permanent wealth of this nation the stupendous sum of \$7,992,000,000.

In these years under Republican rule, the more business we did with foreign nations the more money we made,

our favorable trade balance with Oceania, as compared with 1913, of \$54,876,456.

In these three years there has been a total loss in our favorable trade balances with the countries of North America, South America, Asia, Africa and Oceania, of \$730,122,535.

These losses in our net favorable trade balance have been growing greater year by year. The loss for 1914 was \$186,699,918, for 1915 \$230,593,734 and for 1916 the net loss was \$315,549,794. At this rate, in four years of Democratic economic policies, in our net favorable trade balances, with all countries outside of Europe we will lose more than \$1,000,000,000.



trade balance with North America, South America, Asia, Africa and Oceania in 1914, 1915 and 1916 compared with 1913. The net loss in our favorable trade balance with all North American countries in 1914 was \$154,123,746, in 1915, \$153,736,177. and in 1916, \$114,474,889. The total net loss in our favorable trade balance with all North American countries in these three years, compared with 1913, was \$422,334,812.

The net loss in our favorable trade balance with South American countries, for these three years, was for 1914, \$26,550,530, for 1915 \$90,578,970, for 1916 \$139,618,827. The total net loss, in our favorable trade balance, with all South American countries, for these three years, as compared with 1913, was \$256,748,327. For North and South American countries for these three years, there was a grand total net loss in our favorable trade balance of \$679,083,139. In these three years there was a net gain in our favorable trade balance with Asia of \$10,757,755. But excluding our trade with Russia in Asia where our exports have been enormously increased by war orders, there has been a net loss in our favorable trade balance of \$

In these three years there has been a net loss in our favorable trade balance with Africa of \$15,920,695.

~~There has been a net loss in our favorable trade balance~~

In these three years there has been a net loss in

This is what occurred when times were normal, when trade conditions were natural, when foreign commerce was unrestricted, when the world was at peace and there was full and free competition between the great nations in the markets of the world. We come now to consider our foreign trade since the outbreak of the European War.

Excluding Germany and Austria-Hungary the European War has greatly stimulated our exports to practically all of the European countries. In the fiscal year ending June 30, 1914, the last fiscal year preceeding the European War, our favorable trade balance with all European countries amounted to \$590,895,861. For 1916 our net ~~favorable~~ favorable trade balance with Europe was \$2,372,930,680. This shows that 1916 compared with 1914 there was a net gain in our favorable trade balance with Europe of \$1,796,722,203. In general upon our trade with European countries, the great European War has had the same effect of a protective tariff policy. It has restricted imports and stimulated exports. Our trade with Europe ~~has~~ since the outbreak of the European War has been ~~very~~ enormously profitable. But in our trade with countries outside of Europe since the beginning of the European War the loss in our favorable trade balance has been so great that it is almost incredible. To show this I present our favorable



and the greater ~~loss~~ were our profits. Under Democratic policies, it invariably happens that our losses are greater and our profits are less.

With this splendid showing under a Republican protective tariff policy - extending over a period of 39 years - it is almost unbelievable that within a period of five months and twelve days this favorable trade balance could have been completely wiped out. But that is what is shown by official statistics of the Department of Commerce, as recorded, tabulated, and published under a Democratic Secretary of Commerce. The Underwood tariff bill became a law October 19, 1913. In the month of April 1914, the balance of trade against us was \$11,345,606, in May, the balance against us was \$2,456,896, for June it was \$653,523, and for July it was \$5,003,592. The total balance of trade against us for these four months was \$20,014,368.

The Department of Commerce keeps a record of our foreign trade. A Report is compiled and published ~~xxxxxx~~ every month. We know the value of our imports and exports. We know what we have bought from and what we have sold to other nations. We know at the end of each month, and at the close of each fiscal year, whether our foreign trade has been profitable or unprofitable. Let us proceed then to ascertain whether our foreign trade under Democratic economic policies has been more profitable or less profitable. All of the fiscal year of 1913 was under a protective tariff policy. Ten months of 1914 was under a tariff-for-revenue-only policy. The records show that in 1914 compared with 1913, our imports ~~x~~ increased \$80,917,423, and that our exports decreased \$101,305,001. There was, therefore, in that year a net loss in our favorable trade balance of \$182,222,424. The American people must charge up to the Democratic administration for loss in our favorable trade balance for ten months in 1914, the immense sum of \$182,222,424.

But we want to be accurate in this investigation. We will compare the seven months period immediately preceding the outbreak of the European War in 1914 with the corresponding period in 1913. For the seven months period in 1914, compared with the corresponding seven months in 1913, our imports increased \$121,944,698, and our exports decreased



\$125,814,446. In this seven months period the net loss in our favorable trade balance was \$247,759,144. For these seven months in 1914, our foreign trade was \$247,759,144 less than it was in the corresponding months in 1913. That is an average loss for each month of \$35,000,000. At this rate in one year we would lose \$420,000,000. Therefore, for the first full year of foreign trade under a tariff-for-revenue-only policy, the American people should charge against the Democratic administration for net loss in profits in foreign trade, the enormous sum of \$420,000,000.

Tariff on Broom Corn.

SPEECH

of

HON. DICK T. MORGAN

of Oklahoma

In The

HOUSE OF REPRESENTATIVES

Thursday, May 1, 1913.

The House in Committee of the Whole House on the State of the Union had under consideration the bill ( H. R. 3321 ) to reduce tariff duties and to provide revenue for the government, and for other purposes.



Mr. MORGAN of Okla. Mr. Chairman, I am not altoge-

ther surprised that there <sup>are</sup> ~~were~~ not very many men in the House

who wanted to speak on this <sup>amendment</sup> ~~question~~, although there are some

whom I believe ought to speak on it and vote for it, who proba-

bly will not vote. *This bill puts broom corn on the free list. Under the present law there is a duty of three dollars per ton on broom corn.*  
Two-thirds of all the broom corn, or about that amount,

produced in the United States in 1909, was produced in the State of Oklahoma. It was two-thirds of the entire amount.

Eighty-nine percent of the acreage in Oklahoma that year, and

85 per cent of the number of pounds produced, were ~~produced~~ in

the second congressional district, which I have the honor to

represent. *The amendment which I have offered places a duty of \$25. per ton on broom corn as I have said*

Under the present law there is a tariff of only \$3 per

ton upon broom corn. Prior to the enactment of the present

law there was no tariff upon broom corn. I have placed this

amendment at only \$25, but I have letters from the people of

my district asking that even a larger protection be placed

upon that product. *My object is to prevent the importation of broom corn into the United States.*

Now, Mr. Chairman, broom corn is produced in the United States, as shown by the census report, from Virginia to California and from Texas to the Dakotas. It can be produced in almost every State in the Union. But we have taken the lead on broom corn for two reasons, first, on account of the quality of the brush produced, and, second, because, especially in the northwestern portion of Oklahoma, broom corn will grow reasonably well, produce a reasonably good yield, when other agricultural products will not grow on account of the lack of rainfall. But in northwestern Oklahoma, where every quarter section of land has been entered, there are thousands and scores of thousands of men who have gone there in what was supposed to be an arid region, a region where men could not establish homes and maintain a family by agriculture, and broom corn has been a product that has been of material help to many of <sup>them</sup> ~~the settlers there~~.

Mr. MURDOCK. Will the gentleman yield?

Mr. MORGAN of Okla. Just for a question.

Mr. MURDOCK. That is also true of western Kansas, is



Tariff on Lead Ore.

SPEECH

of

HON. DICK T. MORGAN

of Oklahoma

In The

HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1913.

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the government, and for other purposes.

Mr. MORGAN of Oklahoma: Mr. Chairman, <sup>this paragraph</sup> ~~the present~~ places a duty of one half a cent a pound upon lead ore.

the present rate on lead-bearing ores is one and one half ~~per~~ cents <sup>per pound</sup>.

This amendment if adopted would restore the present rate.

According to the report of the Ways and Means Committee I find

that there was imported in 1912 under the present rate 833,715

pounds of lead ore which was valued at \$22,735. There was

collected \$12,506 in duty and the Committee estimates that

under the bill H. R. 3321, the bill we have now under consider-

ation, there would be imported 8,000,000 pounds of lead-bearing

ore.

You will observe that under the present law there

is an importation of 833,000 pounds, while it is estimated

that 8,000,000 pounds will be imported under the new law.

In other words if the estimate be correct we would import

7,166,235 pounds more than we do now. The value of these

8,000,000 pounds supposed to be imported under the new law is

estimated at \$205,000, ~~000~~. Now if this act should become

a law we would <sup>and spend</sup> ~~spend~~ abroad for lead-bearing ore \$177,265,

and the country of course would be that much poorer.



after sending that much money abroad and the locality where the lead ore is produced would lose that much money in circulation.

But that is not all. I understand that it is the theory of those who support and vote for this bill that by a reduction on the tariff rate we are to reduce the cost of living by reducing the price of the product upon which the tariff is levied. Gentlemen who advocate that theory claim that there will be a reduction in the price of the product corresponding to the rate of duty. In other words, they insist that all products which are produced <sup>upon</sup> ~~under~~ which there is a protective tariff is as much higher <sup>in price</sup> ~~to~~ correspond to the rate of duty.

There was produced in this country last year 708,376 pounds of lead bearing ore. Under this bill the tariff is reduced one cent a pound. Now if it be true that there is a reduction according to the tariff and of course if the lowering of the tariff does not reduce the price of ore then the people have not gained anything, at least under your theory. Assum-

ing that there will be a reduction of one cent a pound that will make a reduction in the value of lead ore of \$7,000,000 annually.

Mr. MURRAY of Oklahoma. Will the gentleman yield?

Mr. MORGAN of Oklahoma. I yield to my colleague .

(Mr. Murray) Mr. MURRAY of Oklahoma. I want to ask my Republican colleague from Oklahoma <sup>as</sup> ~~of~~ <sup>^</sup> Oklahoma does not produce any shot if <sup>11</sup> he is trying to protect the half-shot? <sup>11</sup>

Mr. MANN: That would require a greatdeal of protection on that side of the House, at times.

Mr. MORGAN of Oklahoma. There is no deposit of lead ore in my district, but I realize the embarrassment of my Democratic friends in Oklahoma who cannot get up and propose amendments, so for the time being I am acting for them. (Laughter)

Mr. DAVENPORT: Will the gentleman yield?

Mr. MORGAN of Oklahoma. I cannot for my time is about up.



Mr. DAVENPORT: I wish the gentleman would yield long enough for me to ask him if he is <sup>as</sup> sure about the lead mine in my district as he was last evening about the glass factories?

Mr. MORGAN of Oklahoma. The gentleman says that the glass factories in his district have temporarily ceased to operate. They saw that there was going to be a Democratic administration so they went out of business.

Mr. DAVENPORT: They went out of business---

Mr. MORGAN OF OKLAHOMA. Now I would like to see the policy pursued that would help to develop our new state so that we would become a great manufacturing State that will correspond with our natural resources, and that is the way I shall vote. (Applause on the Republican side)

1322-1326

Reveries

2

Wm. Morgan

of  
Hill.

Examination