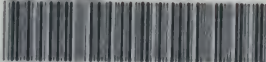


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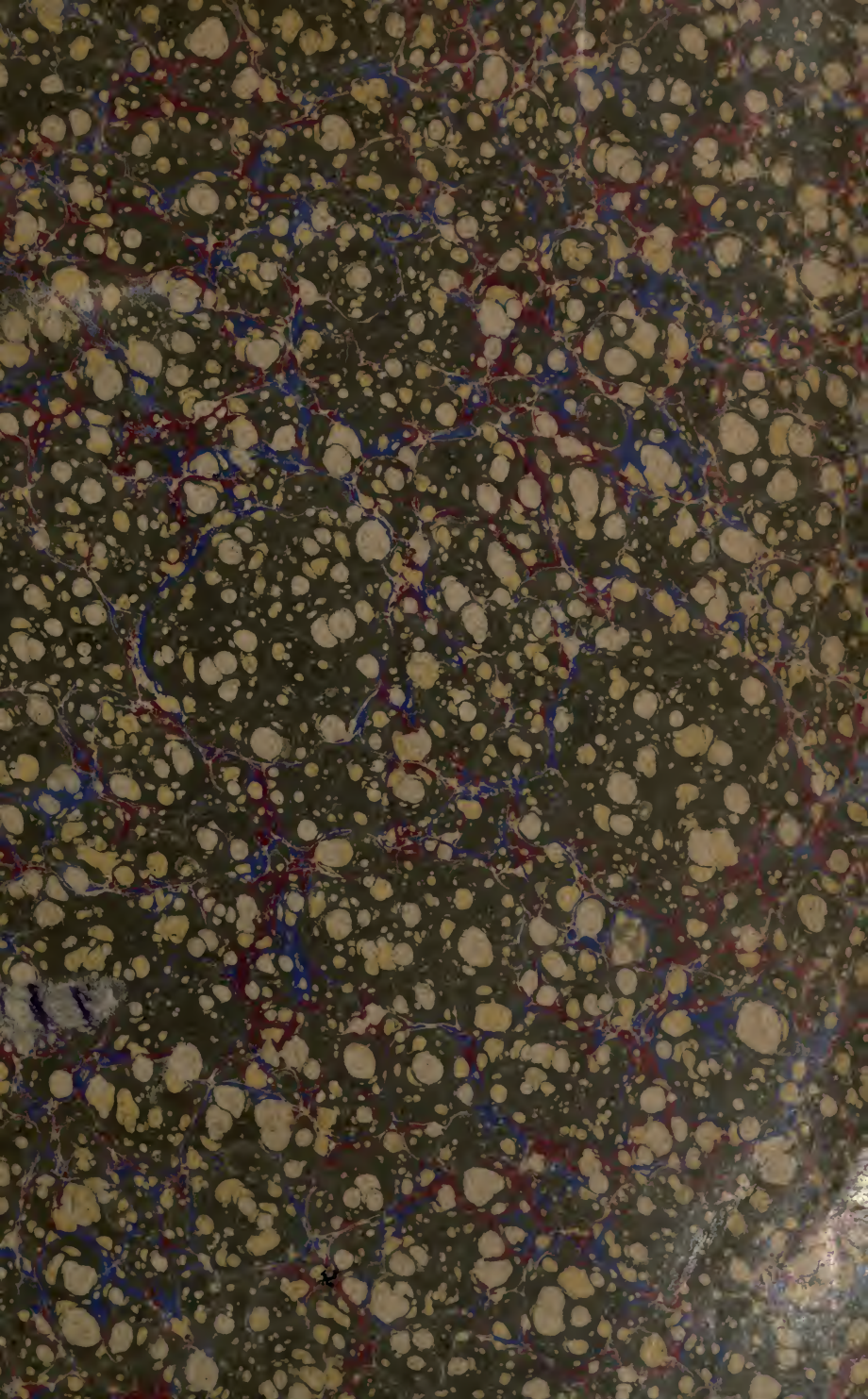
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THE TARIFF.

PROTECTION OF AMERICAN LABOR.

Let not the representatives of this people destroy that protection by which alone due provision can be made for our great household. The people claim the right to their own market; the right to be supplied by that market; the right to supply it themselves with the products of their own industry, and the right for that purpose to regulate the admission of foreign products.—*Burges.*

SPEECH

OF

HON. WILLIAM W. MORROW,

OF CALIFORNIA,

IN THE

HOUSE OF REPRESENTATIVES,

MAY 8 AND 9, 1888.



WASHINGTON.

1888.

Protection of American Labor.

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S P E E C H

OF

HON. WILLIAM W. MORROW, OF CALIFORNIA, IN THE HOUSE OF REPRESENTATIVES,

May 8 and 9, 1888.

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

Mr. MORROW said:

Mr. CHAIRMAN: The revenue received into the national Treasury has been in excess of the ordinary expenses of the Government every year since the year 1865.

This excess has varied, from time to time, as the expenses were increased or decreased, or as the rate of internal-revenue taxes or customs duties have fluctuated in a descending scale.

For the year 1874 the excess was only \$2,344,882.30.

In the year 1882 it reached the large sum of \$145,543,810.71.

For the year ending June 30, 1887, it was \$55,567,849.54, not including the amount appropriated to the sinking fund.

For the twenty-two years ending June 30, 1887, the total excess was \$1,491,845,953.12, or an average of nearly sixty-eight millions, annually. This excess is what is known as the surplus revenues of the Government. There is, therefore, nothing new or strange in the fact that there is a surplus of revenue coming into the Treasury.

But the people of this country having determined that a national debt is not desirable, and that our obligations should be promptly met at maturity, have directed that this constantly accruing surplus should be applied to the payment of the national indebtedness.

The result is that the principal of the interest-bearing public debt has been reduced from \$2,381,530,294.96 on the 31st day of August, 1865, to \$1,038,199,762 on the 1st day of May, 1888.

During this time the annual interest charge has been reduced from \$4.29 per capita of population to 67 cents.

The wisdom of a policy that has produced such splendid results is not now a matter of discussion.

It is conceded on all sides that next to the victories that made us a nation was the success of that financial policy that made us independent and respected among the nations of the earth.

That we should continue in this course and discharge every farthing of our indebtedness requires no argument; but we are told that we have reached a point where the funded debt of the Government is not subject to payment on call, and that if the surplus continues to flow into the Treasury, it can not now flow out. I do not think we are confronted with any such condition of affairs.

In the debate had not long ago on the bill providing for the purchase of United States bonds by the Secretary of the Treasury, I thought it was very clearly shown by the gentleman from Ohio [Mr. MCKINLEY] that the Secretary of the Treasury has had, and now has, full power and authority under the provisions of section 2 of the act of March 3, 1881, making appropriations for the sundry civil expenses of the Government, to apply the surplus money in the Treasury to the purchase and redemption of United States bonds, and the recent action of both Houses of Congress on a similar measure amounts to a legislative declaration that this view of the Secretary's authority is correct.

It may not be wise, however, that the Secretary should be restricted to this course only. But Congress should not be driven into any hasty or ill-considered legislation respecting the tariff while the Secretary has this authority to dispose of the surplus in a legitimate and proper way.

We are not going far wrong when we are paying our debts. Many business men have anticipated their notes at bank and paid their debts before they came due.

The only difficulty in the matter is that the Government of the United States has become so good a creditor under twenty-four years of Republican administration that its bonds drawing 4 and $4\frac{1}{2}$ per cent. interest per annum are at a considerable premium.

If our credit were not so good and these bonds were down to par, there would be no difficulty whatever in the situation.

When the Democratic party went out of power in 1861, leaving an empty Treasury, and 6 per cent. Government bonds at 12 per cent. below par, there was no such problem as this presented for solution. The question now is, what better course can be pursued with reference to this surplus than applying it to the purchase of United States bonds?

I am in favor of an economical administration of the affairs of the Government. I do not think we should indulge in any extravagant expenditures simply because we have the money, but I do think that Congress should observe the requirements of the Constitution, and "provide," as directed, "for the common defense and general welfare of the United States."

I hope we may never have another war. I look forward to the time when national differences may be settled by arbitration; but that time has not yet come, and a defenseless condition will not hasten it.

The coast-line of the United States is absolutely unprotected against foreign assault, and nearly all our large cities are so exposed as to be at the mercy of the first invader.

The city of San Francisco alone has two hundred and fifty millions of property exposed to destruction if, unhappily, we should have trouble with any foreign power.

I think the part of wisdom requires that we should provide for the proper defense of our large cities on the seaboard, and a small part of the surplus might with propriety be applied in this direction.

An economical administration of public affairs requires also that we should provide suitable accommodations for the convenient transaction of public business.

What economy, I would like to know, is there in refusing appropriations for the construction of proper buildings for Government purposes?

No business enterprise in the country, of any value or permanence, is so poorly provided with accommodations in this respect as the General Government is in many places.

There has been some talk about the farmers of the country and the necessity for providing for their interests. I hope we may turn our attention in that direction and give their claims careful consideration. And particularly should we listen to the appeals of those hardy pioneers who, facing dangers and trials, have conquered the territory of an immense empire for American civilization.

The men who go into the far West, and, blazing their way into a great wilderness, build up homes and establish States, are entitled to be heard.

What do they say? They have presented numerous petitions here and at the General Land Office showing that there are thousands of people seeking homes in the West who can not obtain them because the lands have not been surveyed by the Government.

Read the last report of the Commissioner of the General Land Office, and learn how widespread this complaint has become.

In California alone these unsurveyed lands amount to about 33,000,000 acres. Thousands of settlers have already gone upon these lands, expecting that the Government would perform its duty in making surveys so that they might obtain their homes; but Congress, under a mistaken policy of economy, refuses to make the necessary appropriation. Here is a practical way of serving some of the farmers, where every dollar expended will be for their benefit.

I might go on and multiply illustrations showing how, in our domestic postal and foreign mail service; in extending our foreign commerce; in creating a merchant marine service; in increasing the efficiency of our consular service, and in building a navy, the Government could with propriety discharge its duty to the people by applying some of the surplus revenue in performing its legitimate and necessary functions as a government. As was said by the gentleman from Michigan [Mr. BURLINGAME], "It costs something to maintain a Government for sixty millions of people."

The bill under consideration has no such liberal purpose in view. Instead of building up the country it will restrict its legitimate operations and retard its growth.

The new industries in process of development are to be destroyed, our home market handed over to the foreign importer, and a new and important mercantile marine service on the Pacific coast strangled in its infancy.

How is this to be done? By so reducing the revenue as to destroy the protective features of the present tariff with respect to many industries.

It is proposed by this bill to reduce the revenues of the Government in the estimated sum of \$78,176,054.22, as follows:

Internal revenue.....	\$24,455,607.00
Free-list (customs)	22,189,505.48
Reduction on dutiable articles (customs).....	31,530,941.74
Total.....	78,176,054.22

A reduction of the internal-revenue taxes is proper, but if it shall be determined to discontinue for the present the payment of the national debt and continue the policy of restricting the expenditures of the Government to objects of absolute necessity, then the proposed reduction of internal-revenue taxes is not sufficient.

The whole reduction, whatever it may be, should be taken from the internal revenue, and the customs duties so adjusted as to afford a fair and reasonable protection to our own industries.

The remission or reduction of customs duties without regard to the question of protection is vicious in the extreme, but such an unwise and unpatriotic course would be particularly destructive on the Pacific coast, where we have some knowledge of the effect of cheap labor and its products, and the necessity for protection to our own labor.

The Chinaman is the best example of cheap labor in the world, but we know from actual experience that his labor does not contribute to the general prosperity of the country; and we have been compelled in self-defense to seek protection against his invasion of our territory by treaty stipulations and Congressional legislation.

We have asked that this Chinese labor be excluded from the country, because we know that its continuance would degrade our own labor and be destructive of the best interests of the whole people.

There is a reciprocity in the affairs of civilized men that suffers when you introduce the element of cheapness as the objective point in the employment of labor.

Cheap labor anywhere means a lower scale of existence for the majority of the people where it prevails. It means more than that; it means a lowering of the scale wherever the product of cheap labor is carried into competition with that which is better paid.

Hence it is that the exclusion of the Chinaman from this country will be of little value as a measure of protection to our laboring classes if the product of Chinese labor is to be admitted through the custom-house free of duty to compete with our own productions.

We have just negotiated a new treaty with China, the purpose of which is to protect American labor by absolutely excluding Chinese laborers from the country, but can any one tell me the value of such a treaty if we are going to have free trade with China and no protection against her productions?

But the friends of the bill under consideration deny that it is a free-trade measure, because it does not abolish the custom houses altogether. This is simply an evasion. It is not necessary that the bill should go that far to cease to be a measure of protection.

The question is, what is the purpose of this bill? To reduce taxation? Not entirely, for if this had been its sole purpose a better method could have been devised. It has another and more serious object in view, which is to open the markets of this country, where labor is the best paid in the world, to the foreign importer, that he may sell the products of cheap labor in competition with our own. Indeed, this appears to be the main object of the bill as declared by some of its friends.

The gentleman from South Carolina [Mr. HEMPHILL], in his speech the other day in support of this bill, stated the proposition candidly and pointedly.

I quote from the CONGRESSIONAL RECORD of April 27, as follows:

Mr. PERKINS. Our friend from South Carolina [Mr. HEMPHILL] seems to be good natured about submitting to interrogatories.

Mr. HEMPHILL. Yes, sir.

Mr. PERKINS. Then I will ask the gentleman a question. Do you believe in the doctrine that we should be permitted to buy where we can buy cheapest?

Mr. HEMPHILL. Yes, sir.

Mr. PERKINS. Then you believe in the doctrine that we should be permitted to hire where we can hire cheapest?

Mr. HEMPHILL. Who said so?

Mr. PERKINS. Does it not necessarily follow?

Mr. HEMPHILL. Well, I think so.

Mr. PERKINS. If we should be permitted to buy where we can buy cheapest, why should we not be permitted to hire where we can hire cheapest?

Mr. HEMPHILL. Exactly. I think that is right.

Subsequently, in referring to the importation of contract labor, the gentleman adhered to the logic of his position as follows:

Mr. PERKINS. Do I understand that the gentleman from South Carolina is in favor of prohibiting the immigration of contract labor?

Mr. HEMPHILL. No, sir; I believe in freedom all around.

The gentleman from South Carolina is chairman of the Committee on the District of Columbia, and, by virtue of his ability and position, one of the leaders on the Democratic side of this House. His declarations are therefore important as indicating the views of the majority.

The purpose of this bill, then, is the inauguration of a policy that will enable us to buy where we can buy the cheapest, hire where we can hire the cheapest, and with such general "freedom all around" as to admit the contract laborer from China, Canada, Mexico, or Europe. Against any such doctrine as this I desire to enter my solemn protest.

Located midway between Europe and Asia, we have but to open our ports to these two immense reservoirs of cheap labor to have our laboring people overwhelmed and swept out of existence. This danger is nearer and more clearly defined to the people of the Pacific coast than elsewhere, because we are confronting a nation of nearly four hundred millions of people, where the compensation of labor has been reduced to the very lowest point. We have, therefore, considered this question in all its bearings and in all its relations to our industrial system, and while we have had and now have but one opinion upon the subject our earnest demand for protection against the evils of cheap labor has often been treated with indifference, because it was looked upon as merely the cry of the "Sand Lot." But gradually the country is becoming aware of the dangers of the situation and thoughtful people have come to appreciate the correctness of our position. As evidence of this better information upon this important subject I shall read a portion of an article on the Chinese question by the Rev. J. H. Allen, published in the Unitarian Review of Boston, in December, 1885, as follows:

The Chinese laborer—absolutely destitute at home, born very possibly on a raft and having never set foot on shore—is imported by contract, like cattle, at a rate of fifteen or twenty dollars a head, by some one of the six companies to which all Chinese in this country are amenable. (It is needless to say that this does not include those few who may come over independently, or those who may work themselves free afterwards.) The company provides the cost of his passage and outfit, and he remains the company's bondman till that debt is paid. He can not escape it, as an Irish servant most likely will if you try the rash experiment of advancing her passage money from the old country; for there is an invisible tribunal he must respect, with the alternative of a knife-blow in the dark or some other penalty equally sharp and cogent. It is the company's interest that he shall keep his share of the bargain with his employer, and it may be taken for granted that he will fairly do it. To do him justice, he will be equally faithful when he works on his own account; what we may call the industrial *morale* of the Chinaman is admirable. All transactions on a larger scale between employer and employed are made through the agents of the company.

A gang of fifteen or fifty or a thousand men can be ordered like so much machinery or so many cattle to be delivered on such a spot at such an hour. There are no disputes about the terms, which have been settled beforehand with the company. There are no misunderstandings with the men, since a foreman, with sufficient knowledge of English, representing the company, settles the wages of each man by a method of their own, receives the pay in a lump at the end of the week, gives each laborer his "penny a day" to live on, paying over the rest till his account with the company is settled, and is the general interpreter, arbiter, and umpire of the contract (so far as his men are concerned) in all of its details. What could be more blissfully complete in the view of the economist? Yet, strange to say, this serene and utopian view does not in the least propitiate the Knight of Labor, or go ever so little way to soothe his animosity, representing, as he does, a more formidable element in the situation. For he sees with a vague and unreasoning terror, the more clearly in proportion to his intelligence, that the hundred and fifty thousand, more or less, already here are only the first dribbles of a flood, immeasurable and irresistible, that is held in check just now by dikes of law and general opinion, which certain idealists and econo-

mists are doing their best to undermine. There is no extravagance in saying that there are at any given time, among the hundreds of millions of the Chinese Empire, as many as fifty millions of the male working class, of emigrating age, to whom it would be vast gain to come to America for such poor chances as Chinamen here enjoy; and there is no obvious difficulty, granting time and motive for preparation, why a million a year should not be landed in this paradise of their hope, without in the least relieving the misery at home or diminishing the pressure of the supply. This thing, it is true, looms vaguely like a cloud, of which we are not bound to calculate the bulk and density very closely. The dread of it is felt, not reasoned.

But we need not wonder very much at the rage and despair that impel the laboring class blindly against the possibilities of this monstrous invasion. Not that a sudden avalanche of Asiatic hordes is any way likely; not that the acts of blind wrath that have been perpetrated are not shocking, unpardonable, to be energetically put down. Such acts are inexcusable, mainly because (as I said at first) the problem in its present stage is not at all a formidable one, and we are in an experimental or waiting period. Still if all repressive legislation should be abolished and if the floodgates should be thrown wide open, we may take it as the challenge to a conflict in the not very far-off future, which will as much outrun the restraints of our placid every-day ethics as the abnormal, demonic, yet historically justifiable passion of the Crusades or of the French revolution.

This humanitarian and believer in the great principles of the moral law points significantly to this practical issue in the impending controversy, which he says can not be disposed of by resorting to any stale maxims about the right of every man to get a living where he can or hire his labor in the cheapest market.

To invite China and Europe to meet in free competition in this country in the sale of cheap labor or its products is to set in operation forces that would destroy American industries and undermine the very foundations of our social and industrial system.

But let me say to you gentlemen on the other side of the House that no fine-spun theories concerning the advantages of free trade, disguised in the form of a tariff for revenue only, can prevail against the great practical fact that this country has been dedicated by the people to American enterprise and the maintenance of American institutions.

The supposed tax on the poor man's blanket, introduced so vehemently into this debate, is a false issue, both theoretically and practically.

The real laboring men of this country know the difference and value of the physical protection afforded by a cheap foreign-made blanket as compared with the substantial economical protection of the American flag under our present system.

This not an appeal to sentiment, but to the symbol of a living fact.

It is not cheap labor, or cheap blankets, or cheap things generally that our people so much require as good wages and the simple protection that will enable them to develop the resources within their reach, and through home demand and fair competition have a home market better and more certain than all the other markets of the world.

If Great Britain, with free trade, has the market of the world for her manufactures, and is therefore prosperous, as you gentlemen claim, why is this prosperity not general among the laboring classes, and why are they coming to this country by thousands, where their blankets, according to the statement of the revenue reformers, will be taxed in such an outrageous manner?

During the year ending June 30, 1887, the immigration into the United States from Great Britain reached the large number of 161,748, and for the ten years ending on that date the immigration from the same source was 1,237,256.

These people certainly came here to better their condition. Had the advantages in favor of labor been greater there than here, the immigration would have been the other way.

The fact is, as every one knows, that labor is better paid and workers better fed here than elsewhere.

The gentleman from Ohio [Mr. BUTTERWORTH], in his able speech delivered in Boston on the 25th of March last, before the Tariff Reform League and the Home Market Club, in favor of protection, furnished interesting statistics concerning wages here and in Europe. The statement showing the average rate of wages paid in certain industries in England and in the United States, which he says was carefully prepared from reliable information and authority, is worthy of careful study at this time. The statement shows the average rate of wages paid weekly, unless it is otherwise stated. It is as follows:

	England.	United States.
Book-binders.....	\$6.00	\$15.00 to \$18.00
Brush-makers.....	6.00	15.00 to 20.00
Boiler-makers.....	7.75	16.50
Brick-makers.....	3.54	11.86
Brick-layers.....	8.00	21.00
Blacksmiths.....	6.00	13.30
Butchers.....	6.00	12.00
Bakers.....	6.25	12.75
Blast-furnace keepers.....	10.00	18.00
Blast-furnace fillers.....	7.50	14.00
Bolt-makers.....	6.50	16.50
Bolt-cutters.....	3.00	10.00
Coal-miners.....	5.88	13.00
Cotton-mill hands.....	4.60	6.72
Carpenters.....	7.50	15.00
Coopers.....	6.00	13.25
Carriage-makers.....	6.75	13.00 to 25.00
Cutlery.....	6.00	12.00 to 20.00
Chemicals.....	\$4.00 to 6.00	13.00 to 16.00
Clock-makers.....	7.00	18.00
Cabinet-makers.....	7.00	18.00
Farm hands.....	3.00	7.50 to 9.00
Glass-blowers.....	6.00 to 9.00	25.00 to 30.00
Glass (partly skilled).....	6.00 to 7.00	12.00 to 15.00
Glass (unskilled).....	2.00 to 4.00	7.00 to 10.00
Glove-makers (girls).....	2.00	6.00 to 9.00
Glove-makers (men).....	4.50	10.00 to 30.00
Hatters.....	6.00	12.00 to 24.00
Iron-ore miners.....	5.50	12.00
Iron molders.....	7.50	15.00
Iron, per ton (finished).....	2.00 to 3.00	5.31 to 8.71
Heisters and rollers.....	10.00 to 12.00	20.00 to 30.00
Instrument-makers.....	7.00	18.00 to 20.00
Laborers.....	4.10	8.00
Longshoremen.....	8.00	15.00
Linen and thread (men).....	5.00	7.50
Linen and thread (women).....	2.35	5.22
Machinists.....	8.50	13.00
Masons.....	8.00	21.00
Printers (1,000 ems).....	.20	.40
Printers, week hands.....	6.65	18.40
Pattern-makers.....	7.50	18.00
Painters.....	7.50	15.00
Plumbers.....	8.00	18.00
Plasterers.....	7.50	21.00
Potters.....	8.67	18.30
Polishers.....	7.00	18.00
Paper-makers.....	5.20	12.00 to 24.00
Puddlers, per week.....	8.00 to 10.00	18.00 to 20.00
Quarrymen.....	6.00	12.00 to 15.00
Rope-makers.....	5.25	9.00 to 12.00
Railroad engineers.....	10.00	21.00
Railroad firemen.....	5.00	12.00
Shipbuilding—		
Boiler-makers.....	7.00	14.00
Machinists.....	7.00	14.15
Coppersmiths.....	6.50	16.50
Platers.....	8.00	18.00
Drillers.....	6.00	12.00

	England.	United States.
Shipbuilding—Continued.		
Riveters.....	\$8.00	\$17.40
Riggers.....	5.50	11.00
Pattern-makers.....	8.00	24.00
Salt-makers.....	6.00	\$1.00 to 10.50
Silk (men).....	5.00	10.00
Silk (women).....	2.50	6.00
Scarf-makers.....	\$1.50 to 2.25	6.00 to 9.00
Servants (month).....	5.00	15.00
Shoe-makers.....	6.00	12.00
Stationary engineers.....	7.50	15.00 to 18.00
Soap-makers.....	5.00	10.50
Tanners.....	5.00	8.00 to 10.00
Teamsters.....	5.25	12.00 to 15.00
Upholsterers.....	8.00	18.00
Watch-makers.....	8.00	18.00
Wire-drawers.....	11.00	12.00

Mr. Mulhall, whose statistics are regarded as authority by some free-traders, furnishes a table of average wages paid in various countries, together with the relation between wages and cost of food.

From this table I obtain the following comparative statement for the United States and Great Britain:

Country.	Average per week.			Ratio.		
	Wages.	Food.	Surplus.	Wages.	Food.	Surplus.
United States.....	\$11.66	\$3.88	\$7.78	100	33	67
Great Britain.....	7.53	3.40	4.13	100	45	55

It will be seen that while the American workingman pays more for his food he gets far better wages than his brother across the sea, and at the end of the day comes out ahead, not only with a much larger surplus than the Englishman, but with 22 per cent. more of his own higher wages saved than the other has of his lower wages.

It is also a fact that our laboring classes consume a larger quantity and a better quality of food than the laboring people of any other country, and in any view the protective system secures to our laboring men more ease and comfort than they can possibly obtain elsewhere.

But it is said that the protective tariff is the cause of pauperism, and the poor "tramp" is pointed out as one of the products of the "robber system."

Let us examine the official statistics and see what information we obtain on this point. We will take the year 1880 for comparison, so that we may have the census of that year for authority. The returns are as follows:

Country.	Popula- tion.	Whole number of persons relieved.	Ratio of paupers to popula- tion.
United Kingdom.....	34,622,930	1,037,404	1 to 33
United States.....	50,155,783	88,665	1 to 565

It must be remembered, in this connection, that by the poor law of Great Britain, 4 and 5 William IV, chapter 76, as amended by act of 12 and 13 Victoria, chapter 103, it is provided that the guardians of the English parishes may expend money to assist poor people in their emigration out of the country to the extent of £10, or \$50 to each person so assisted.

This large bounty has necessarily resulted in the deportation of a large number of worthless people to our shores since the cost of transportation from Liverpool to New York has been reduced to less than one-sixth of that sum.

This plan of assisting paupers to leave the country has been found a cheap and effective way of transferring the burden of supporting these people from the tax-payers of England to the tax-payers of the United States, and our customs and consular reports show that the plan has been adopted and carried out with success. It will be found, therefore, on careful investigation that a large number of our tramps and paupers are alien immigrants and the products of foreign industrial systems, and not our own.

As long as humanity continues imperfect there will always be poor and dependent people under the most favorable circumstances.

There is no evidence, however, that a protective tariff is responsible for the presence of these unfortunate people in this country, while, on the other hand, the fact that there are so many more paupers in Great Britain than there are in the United States, according to the population, indicates that the industrial system of that country is responsible for the excess.

In further support of this view, I beg leave to call your attention to the following extract from a letter of Mr. Howard Vincent, M. P., to the London Times, concerning the condition of industrial affairs in Great Britain at this time, under the free-trade system prevailing there. He says:

No national party could possibly ignore the serious state of affairs now prevailing. It is detailed from day to day in your columns. Land worth from 25 to 75 per cent. less than forty years ago and almost unsalable; arable land thrown into pasture, yet fewer animals in the fields; agricultural distress very similar to that described by Lord Shaftesbury as prevailing about 1844; in the towns hundreds starving, owing to the factories being closed or working only half time; deputations to local authorities praying for relief works; in the metropolis hungry men at every corner; pauperism increasing; discontent rising; employment everywhere scarcer, while the population is rapidly multiplying.

There is no class, no profession, no avocation, no calling unaffected in some degree. Distress must always be felt more in some places and in some communities than in others. But the general fact is undeniable. The commissioner of police of the metropolis, the vestries, the guardians of the poor, as well as philanthropic societies and statesmen, may open registers for the unemployed, but that will not provide the employment, for little or none is to be found in town or country. Temporary remedies may be applied, but they will not be more effectual than palliatives to a malignant cancer.

Fifty-two chambers of commerce have officially declared that "foreign tariffs and bounties and foreign competition" are "most injurious to British trade," and "at the bottom of all our troubles." The royal commission on the depression of trade and industry indorsed this declaration. Take the bills of lading at any port in the kingdom, stand with the unemployed at the gates of any railway station, and the fact is apparent.

In view of these facts, Mr. Chairman, I submit that any disturbance of the protective features of our tariff will immediately be followed by distress and disaster.

I am in favor of reducing taxes where we can with safety and without destroying our present industries, but, in my judgment, the present bill will not accomplish that purpose.

I would vote to modify the tariff so as to relieve the poor man of his taxes, wherever such a reduction would be a benefit to him, but I do

not propose to favor any measure that will deprive him of a fair reward for his labor in competition with the underpaid labor of other countries.

The CHAIRMAN. Under the order of the House, the committee must rise at this time.

Mr. MORROW. It is understood that I retain my right to the floor.

The CHAIRMAN. The gentleman will be entitled to the remainder of his time when this subject is resumed to-morrow morning.

—
Wednesday, May 9, 1888.

Mr. MILLS. I now move that the House resolve itself into the Committee of the Whole House for the further consideration of bills raising revenue.

The motion was agreed to.

The House accordingly resolved itself into Committee of the Whole, Mr. SPRINGER in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the further consideration of the bill the title of which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 9051) to reduce taxation and simplify the laws in relation to the collection of the revenue.

Mr. MORROW said:

Mr. CHAIRMAN: The injustice of this bill in its effect upon the various industries of the country will be disclosed when we come to consider it in detail; but I deem it appropriate at this time to refer to an incident connected with the consideration of this bill by the Committee on Ways and Means, which has been made the subject of comment by a member of the committee [Mr. BYNUM.]

In his speech the other day the gentleman, in defending the committee against the charge that it had refused a hearing to representatives of industries affected by the proposed tariff revision, said:

Amongst the number that came arrogantly knocking at the doors of the committee demanding to be heard were the pine lumber dealers of the Pacific Slope. In the New York Tribune of March 18 last, on page 3, is contained a copy of a petition which, it was said, was to be presented to the Committee on Ways and Means by some of the representatives of California, protesting against the destruction of the lumber and shipping industries of the Pacific coast, and denouncing the committee for having refused a hearing to the parties. The destruction of these interests, which is to follow the passage of this bill is graphically described in this memorial. I quote the following:

"British Columbia would have more saw-mills than are now in California, Oregon, and Washington Territory, supplying lumber to our people. Foreign houses will establish branches at each coast port, and the entire manufacturing and hauling trade will be in alien hands, leaving the American citizens who pay taxes nothing but the privilege of paying cost and profit to the alien who does not. In other words the Mills tariff bill gives to foreigners, without cost, the markets which our own people have created and our own people are able to supply, to the utter destruction on this coast of American interests in lumber, coal, and especially in shipping."

What a picture of destruction! What an appeal to our patriotism! The hypocrisy of this claim and pretext, however, is found in the very same issue of the paper. Turning over to page 11, I find, in a dispatch from San Francisco dated March 17, the following:

"The pine lumber pool has succeeded during the past year in advancing the prices of lumber \$12 to \$15 per thousand, on the ground of high shipping rates and increased wages. The grounds for the advance are trivial, as the wages of the men are only \$5 more per month and the running expenses of the vessels are no greater. The pool, which has adopted all the methods of newly-invented trusts, has simply made the people of California pay about one and a half millions into its pocket. It controls ships and mills, and regulates the prices of pine lumber to suit itself."

It is remarkable that with this condition of affairs no representative of the



people came rapping at the door of the committee. The only demand to be heard was in behalf of the trust which had plundered them of a million and a half of dollars and was anxious to retain its grasp.

Mr. Chairman, the lumber interest on the Pacific coast is important, not only by reason of the fact that it supplies the building material required by a rapidly increasing population, but it furnishes employment for over four hundred American vessels, of an aggregate tonnage of 175,000 tons, and employs over thirty-five thousand people in remunerative labor.

The Representatives in Congress from the Pacific coast have received numerous petitions during the present session, asking that no change be made in the tariff on lumber. These petitions were signed by the citizens, generally, in the communities from which they came, and set forth briefly but forcibly the reasons why the duty should not be removed.

These petitions were presented to the House in the usual way, and referred to the Committee on Ways and Means.

I find that I presented, and had so referred, a petition signed by 183 citizens of Port Townsend and Jefferson County, Washington Territory.

A petition signed by 613 citizens of Tacoma, Wash.

A petition signed by 98 citizens of Gray's Harbor and Shoal-Water Bay, Washington Territory.

A petition signed by 198 mill-owners and citizens of Oregon and Washington Territory.

A petition signed by 179 citizens of Seattle, Wash.

A petition signed by 64 citizens and mill-owners of California and Oregon.

A petition signed by 1,037 citizens of Port Gamble and Port Ludlow, Wash.

On the 14th of March the delegation received a telegram, signed by the leading business men of San Francisco, upon the subject. It was understood that this bill was then under consideration by the committee. We thought the character and standing of the people who signed the telegram, the urgency of the appeal, and the importance of the subject warranted us in presenting the matter to the Committee on Ways and Means. There was no lobby here to "log-roll" with the members of the majority of the committee in even so appropriate a business as lumber. In fact, no one representing or claiming to represent the lumber interest of the Pacific coast had been in Washington during the session. Whether wisely or not, the whole matter had been left to such action as might be taken by the Delegate from Washington Territory and the Representatives from Oregon and California.

We accordingly addressed a communication to the chairman of the committee [Mr. MILLS], setting forth in respectful language our desire to appear before the committee and present the petition, with an explanation of the character and importance of the industries represented and the value of the lumber trade of California, Oregon, and Washington Territory in the growing commerce of the Pacific.

It must be remembered that no representative from the Pacific coast is a member of that committee. The nearest approach we make in that direction is in the person of either the gentleman from Texas [Mr. MILLS] or the gentleman from Arkansas [Mr. BRECKINRIDGE], and I apprehend that neither of these gentlemen claim any personal knowledge of the trade and commerce of the Pacific coast.

Our application to be heard was refused. It was not the application of the pine-lumber dealers, as stated by the gentleman from Indiana [Mr. BYNUM], but the application of the Delegate from Washington Territory, Mr. VOORHEES; the Representative from Oregon, Mr. HER-

MANN, and my colleagues, Mr. MCKENNA, Mr. FELTON, and Mr. VAN-DEVER, and myself, from California, asking to present to the committee, not a petition from the lumber-dealers, but a petition from the business men of San Francisco, with such other facts as might be deemed appropriate for the consideration of the committee in dealing with this subject.

I submit, Mr. Chairman, that there was no arrogance in this appeal. We were but performing our duty as Representatives, and I ask now that this petition may be read, that the House may be informed as to the value and importance of an industry which the bill under consideration would injure if not destroy.

SAN FRANCISCO, March 12, 1888.

To Hon. W. W. MORROW, M. C., and PACIFIC COAST DELEGATION,
Washington, D. C.:

The attention of the undersigned ship-owners and merchants on the Pacific coast and all persons engaged in and dependent upon our commercial marine for a livelihood, regardless of party affiliation, has been rudely called to a sense of imminent danger impending from one feature of the so-called Mills tariff bill about to be submitted for the consideration of Congress.

At the present time, of ships flying the American flag there are engaged in the carrying trade of American ports on this coast over four hundred vessels, with a gross tonnage of, say, 175,000 tons. Most of these are sailing-vessels, although within the last two years a new class of vessels, using steam as an auxiliary power, has been built in the harbor of San Francisco. Thirty of these vessels have been recently constructed and others now building, giving work to our foundries and skilled workmen and sale for great quantities of material used in such construction.

If this new and promising branch of ship-building is not stranded by adverse legislation, it is safe to predict that within five years over two hundred of such vessels will ply in waters of the Pacific, and create on this side of the continent, at least, a beginning to the rebuilding of our lost mercantile marine.

Added to this, a large number of sailing vessels have been built within the past year, and others are now building; while many ships, driven from the Atlantic by foreign competition, have sought and found sale on this coast; all of which, new and old, find remunerative employment.

What is the trade and what is the interest that has called into existence and supports this large number of vessels flying the American flag and owned on this coast, that has led to this recent and rapid building of vessels, and reviving on this coast, at least, the fast waning industry of ship-building?

To this there is but one answer: These vessels are for the most part engaged in carrying lumber from our northern ports to ports in the State of California; a trade in which, under existing conditions, foreign vessels can not engage.

Now, the Mills tariff bill proposes to place lumber on the free-list, and thus throw wide open all our ports to the manufacturers of lumber in British Columbia. What would be the immediate effect of this? Great injury, it is true, to the manufacturers of lumber within our own borders; but the great, the vital injury would be the blow it would give to our shipping interest. At once British and other foreign vessels would enter into the trade and bring lumber from British Columbia in competition with our American vessels to ports in California.

With lower rates of interest, with ships built by low-priced labor and cheaper material—hence costing much less than our home-built vessels—and with ships manned by sailors content to receive much lower wages than are paid to our own seamen, who can doubt the result of such a competition? In fact, the result would be the same as heretofore on the Atlantic under similar circumstances, namely, the stagnation of the carrying trade and the absolute stoppage of further ship-building for years.

British Columbia would have more saw-mills than are now in California, Oregon and Washington Territory, supplying lumber to our own people. Mills owned by foreign capitalists and producing lumber freighted in foreign ships, thus destroying the present prosperous coasting trade in American bottoms. Foreign houses will establish branches at each coast port, and the entire manufacturing, carrying, and handling of the trade will be in alien hands, leaving to the American citizens who pay taxes nothing but the privilege of paying cost and profit to the alien who does not.

In other words, the Mills tariff bill gives to foreigners without cost the markets our own people have created and our own people are able to supply, to the utter destruction on this coast of American interests in lumber and coal, and especially in shipping.

Other nations are doing what they can to build up a mercantile marine, even paying premiums and subsidies to accomplish this result. Is our folly so great that we even legislate to break down and destroy the most promising effort now being made in this country to build up such a marine without Government aid or subsidy?

This petition is signed by eighty-six of the thousands citizens of San Francisco. It represents the employment of thousands of people, and a commerce extending to all parts of the world.

In addition to the facts presented in the petition, it was our purpose to present to the committee, as I do now to the House, the further facts that the labor engaged in the manufacture of lumber on the Pacific coast, and kindred employments, the outgrowth of that industry, is exclusively the well-paid labor of our own people; that the placing of lumber on the free-list will open our market to the ruinous competition of manufacturers in British Columbia, where the business is largely carried on by Chinese labor; that the destruction of our own industry will build up a British monopoly, free from competition and able to hold the market and increase the price of lumber to all consumers.

I am reminded, however, in this connection, that the gentleman from Indiana [Mr. BYNUM], on the authority of a dispatch which he found in the New York Tribune, charges that the pine-lumber dealers of the Pacific Slope have formed a pool and advanced the price of lumber.

In reply to that charge I desire to read two telegrams on the subject received from the Pacific Pine Lumber Company of San Francisco. This company is one of the largest manufacturers of lumber on the coast, and is in a position to know whether any pool or trust exists in this business there or not.

The first telegram which I shall read was doubtless sent under the impression that the gentleman from Indiana in his remarks referred particularly to this company, which it appears he did not; but the statements contained in the telegram are pertinent to the general charge as well.

SAN FRANCISCO, April 25, 1888.

Hon WM. W. MORROW,
House of Representatives, Washington, D. C. :

The Pacific Pine Lumber Company distinctly and specifically denies that it is a pool, a trust, a combination, or any other than a private corporation engaged in the legitimate business of manufacturing and selling lumber. It distinctly and specifically denies that it is a monopoly in any sense, and cites the fact that there are more mills independent of it than connected with it.

It distinctly and specifically denies that it has illegitimately advanced the price of lumber; that to do so is simply impossible, with the present competition. Its opposition to free lumber is because of the close proximity of English forests, with palpable English advantages, and the consequent virtual diversion of our coasting trade to English bottoms, all of which would be inimical to the American lumber trade on this coast, and result in the withdrawal of all investments in that connection.

The charge that these views are opposed by the people of this coast is best met by the petitions signed by the many widely known mercantile houses, whose absolute disconnection with the lumber trade is known to none better than yourself.

PACIFIC PINE LUMBER COMPANY.

The second telegram is as follows, and refers particularly to the charge that the price of lumber had been advanced and the people plundered of a million and a half of dollars:

SAN FRANCISCO, April 26, 1888.

Hon. WM. W. MORROW,
House of Representatives, Washington, D. C. :

The cargo price of pine lumber two years ago was \$14 per thousand, now \$17.

The comparison of cost is as follows: Logs, then five to five fifty, now seven to seven fifty. Freights, then four fifty to five, now five fifty to six. Labor, then eleven and one half hours per day, now ten hours per day at same daily wages.

Position of the Pacific Pine Lumber Company voices simply the entire lumber and shipping interests of the coast, and it is not a special pleader in its own behalf.

PACIFIC PINE LUMBER COMPANY.

It will be observed that there has been an increase in two years of \$2 per thousand in logs, and \$1 per thousand in freights, which ac-

counts for the increase of \$3 per thousand in the price of pine lumber. The mill-owners have not been benefited by this advance, but on the contrary they have lost something in the increased cost of labor, by reason of the reduction of the hours of labor from eleven hours and one-half per day to ten hours per day.

It must be remembered also that there has been a rapid increase in population on the Pacific Slope, and a corresponding increase in the demand for building material. The presence of an active competition is therefore apparent.

I think, Mr. Chairman, in view of these facts, instead of being denied a hearing by the Committee on Ways and Means, and afterwards criticised for asking to appear before it, the committee should have carefully investigated the situation and considered all the facts bearing upon the subject.

There is already a free-wood schedule that includes logs and round unmanufactured timber.

What may be termed raw material in timber is therefore admitted free, under the present law, but it is proposed by this bill to go a step further and remove the duty from the manufactured article; that is to say, from sawed boards, planks, deals, and all other articles of sawed lumber. This proposition is clearly not in the interest of the consumer in this country, but for the benefit of the English manufacturer, English vessels, and cheap labor.

The necessity for diversified industry in every community is nowhere better illustrated than in California. The discovery of gold there in 1849 was the opening of a new era of prosperity in the history of the world; but while the new State poured forth her marvelous wealth to enrich mankind, her single stream of fortune was first distributed in fruitful fields elsewhere. It was not until we began the development of our other resources that we were able to retain our gold at home and lay the foundations of a prosperous community.

Even our early agriculture was too restricted, and our immense wheat fields failed to furnish a sufficient distribution of the industry of the people. It was required that we should engage in the cereal productions generally; plant vineyards and fruit orchards, raise wool, develop our mineral resources, build ships and railroads, engage in commerce, and establish manufacturing industries. These things we have done, because we saw that our permanent prosperity lay in that direction; but some of our industries are in competition with foreign products and are only profitable, with our higher priced labor, under the moderate protection of the present tariff.

Our fruit industry may be said to be in its infancy, yet the product of last year was sufficiently large to indicate its future importance. The raisin crop was 16,000,000 pounds, or 800,000 twenty-pound boxes. It was sold in competition with a foreign importation of about 40,000,000 pounds, which paid a duty of 2 cents per pound, or 40 cents per box; but the foreign article had the advantage in a freight charge of only 8 cents per box from Malaga, Spain, to New York, while the California product was compelled to pay a freight charge of 35 cents per box from California to the Eastern market. In this industry we also encounter the competition of cheap labor. In Spain the cost of preparing a box of raisins for the market is but a fraction of the cost in California; but notwithstanding these reasonable grounds for protection, it is proposed in this bill to reduce the tariff duty on raisins one-half cent per pound, or 10 cents per box. That such a reduction will seriously cripple if not destroy this new and growing industry must be apparent from the facts stated.

The following report of raisins produced in California from 1873 to

1888 will show the beneficial effect of the protective feature of the present tariff on this industry.

RAISIN PRODUCT OF CALIFORNIA FROM 1873 TO 1888.

Boxes.		Boxes	
1873.....	6,000	1881.....	90,000
1874.....	9,000	1882.....	115,000
1875.....	11,000	1883.....	140,000
1876.....	19,000	1884.....	175,000
1877.....	32,000	1885.....	500,000
1878.....	48,000	1886.....	703,000
1879.....	65,000	1887.....	800,000
1880.....	75,000	1888 (estimated).....	1,000,000

The estimated amount of capital invested in the raisin vineyards of California is now about \$6,000,000, to be increased largely every year, unless this bill should unfortunately become a law.

The production of French prunes in California last year amounted to 1,750,000 pounds. This year the product is estimated at 3,500,000 pounds.

The present duty on prunes is 1 cent per pound; but it is proposed to place this fruit on the free-list and hand the market over to the foreign importer.

If it be true, as has been recently stated on this floor, that the Western farms are heavily mortgaged, let me say to the advocates of this bill that this condition of affairs, so far as it exists in California, has grown out of the necessities incident to the establishment of these new industries I have mentioned, and that this bill, instead of relieving the difficulty will serve rather as a notice to the banks to foreclose their mortgages and turn adrift the industrious and enterprising people who have given years of toil and the accumulations of other pursuits to the development of the resources of a new country.

Perhaps one of the best illustrations of the beneficial effect of a protective tariff will be found in the development of the borax industry of California and Nevada.

For many years the market for this salt was entirely in the hands of the foreign importers, when the price ranged from 28 to 50 cents per pound.

In 1872 important discoveries were made of borax deposits on the Pacific coast. For ten years prior to that time the duty had been as follows:

	Cents.
Borate of lime.....	4.....per pound... 5
Borax, crude or tincal.....	do..... 5
Borax, refined.....	do..... 10
Boracic acid.....	do..... 5

These duties encouraged the development of these discoveries, and in 1873 our producers placed on the market 2,000,000 pounds of borax; but the foreign importers did not desire this competition, and Congress was asked then, as now, to relieve the poor man of the burden of "war taxes." Accordingly we find that, in 1874 Congress, doubtless not knowing of the Pacific coast industry, placed borate of lime, crude borax, and boracic acid on the free-list.

It was feared that this favor to the importers would dispose of the domestic producers, and it came very nearly accomplishing that purpose, but our people struggled along as best they could until 1883, when Congress, being informed of the situation, imposed the following duties by the Act of March 3, of that year:

	Cents.
Boracic acid (pure).....	per pound... 5
Boracic acid (commercial).....	do..... 4
Borate of lime.....	do..... 3
Borax, crude.....	do..... 3
Borax, refined.....	do..... 5

Now, what was the result? The domestic product for 1883 was 5,600,000 pounds, and for 1887 it was 10,182,000 pounds. In 1872, when our producers came into the market, the price of borax was 35 cents per pound. It is now reduced to 6½ cents per pound, and as a consequence its uses have been multiplied and made cheap enough for all the purposes for which it is adapted.

This bill proposes to place borax, in all its forms, on the free-list. For what purpose; to cheapen the price? No; for if you crush out the domestic producer the importer will raise the price. It can only be for the benefit of the foreign importer.

I will let General Rosecrans, who is thoroughly familiar with this subject, explain the situation, and I quote from a letter addressed by him on April 14, 1888, to the gentleman from Arkansas [Mr. BRECKINRIDGE], a member of the Committee on Ways and Means. He says:

TREASURY DEPARTMENT, REGISTER'S OFFICE,
Washington, D. C., April 14, 1888.

MY DEAR SIR: I see that the committee's tariff bill proposes to put all borax products on the free-list. It involves no great sum of money, and I believe that if the committee had been as familiar with the subject as circumstances have compelled me to be, they would have refrained from putting these products on the free-list.

The production of borax from the desert alkali lands of California, Nevada, and Colorado has become quite an industry, and employs a good many people, scattered all over the country. Only in the new States and Territories, however, can the raw material be found. It seems desirable, therefore, to show as much favor as possible to this industry. It is especially incumbent upon the Democratic party.

But that is the least of the reasons why the business should not be meddled with. The history of the importation of borax into the United States, and of the various tariffs thereon, shows that legislation in favor of a single person or single house has been the constant rule since 1842, or at the latest since 1845. I had occasion to thoroughly examine and verify the accuracy of this statement, and in 1882 I earnestly urged on the members of the House Committee on Ways and Means, whose attention I could get, at least to do something for our own home industries, instead of building up the wealthy monopoly to which I have alluded, and which slyly procured legislation in its favor all these past years. This combination had placed and kept boracic acid on the free-list, until in 1882, when the tariff discussion revealed the game, and then only the inadequate tariff of 4 cents was imposed. The last change procured was to have boracic acid put on the free-list.

* * * * *

We had no relief until our borax producers began to compete with them. If this combination be permitted to do as it has been doing in the past since the tariff of 1882 it will destroy competition, and then go back to its old ways, our own producers will be ruined, and our consumers will then be worse off than under the present tariff.

* * * * *

W. S. ROSECRANS.

Hon. CLIFTON R. BRECKINRIDGE,
House of Representatives.

Mr. Chairman, the effect of this bill on the borax industry of the Pacific coast is already apparent. I hold in my hand a press dispatch from San Francisco, announcing the failure of the large and enterprising firm of William T. Coleman & Co. because a considerable part of the property of the firm had come under the shadow of this proposed revision of the tariff. The firm owns extensive borax fields in the desert regions of California and Nevada. This barren country, worthless except for the borax deposits, was bought from the Government at the rate paid for mineral lands containing gold and silver, and the money thus paid has gone into the Treasury and become a part of the surplus about which we are so much troubled. This bill would destroy this property and bankrupt those who have purchased these lands in good faith.

I must not trespass further upon the time of the committee in dis-

cussing the details of this bill. I thought, however, that the vice of the proposed revision might be made to appear if, in the course of this general discussion, we would consider the effect of the measure on particular industries, as I have done.

I do not think a careful examination has been made of all the facts connected with this subject. The gentleman from Indiana [Mr. BYNUM], in discussing the merits of this bill the other day, claimed that the protective tariff had injured our foreign commerce, and cited our trade with Australasia as an example of the ruinous traffic in which we are engaged with foreign countries. His statement of the condition of this trade illustrates the character of the examination given to the business of the country by the Committee on Ways and Means. He said:

Here we find a country with an annual trade of about \$500,000,000. During the last ten years this country has imported products to the value of \$2,643,800,151, and of this sum we only supplied \$27,224,067, a fraction over 1 per cent. While we sold to her people only about twenty-seven millions' worth of our products, we purchased of them directly over eighty millions. Instead of exchanging our machines, furniture, and agricultural implements for wool, we paid over money to the extent of \$50,000,000.

Now, I suppose if the gentleman should be convinced that if, instead of supplying Australasia with our productions to the extent of \$27,224,067 in ten years, we in fact supplied that country to the extent of \$81,381,045 during that period, and if, instead of paying over \$50,000,000 to the people of Australasia in balance of that trade, that sum was in fact paid to us, he will admit, I take it, that the illustration is favorable to the principle of protection and against his theory of free trade.

Well, the fact is as I have indicated. The gentleman has reversed his statistics, and it makes all the difference in the world. What he takes for exports to Australasia are imports from that country into the United States, and what he takes for imports into the United States are exports to Australasia.

We do send our machines, furniture, and agricultural implements to Australasia, and while we imported from that country last year wool to the value of \$931,630, we exported in return woolen manufactures to the value of \$1,440,596, leaving a balance in our favor of \$508,966 in this exchange, and a total balance of \$4,235,547 on the whole trade for the year.

The following statement of our commerce with Australasia during the last year, from the Bureau of Statistics, will prove interesting in this connection:

Statement showing the imports and exports of the United States from and to Australasia during the year ending June 30, 1887.

IMPORTS.

Articles.	Quantities.	Values.
FREE OF DUTY.		
Chemicals, drugs, and dyes, n. e. s.:		
Gums	pounds...	
Furs and fur-skins, undressed	7, 538, 964	\$827, 283
Hides and skins, other than fur-skins	A.	57, 535
Tin, bars, blocks, or pigs, grain or granulated.....	3, 595, 983	237, 300
All other free articles		801, 021
		66, 373
Total free of duty.....		1, 089, 512

Statement showing the imports and exports, etc.—Continued.

IMPORTS.

Articles.	Quantities.	Values.
SUBJECT TO DUTY.		
Chemicals, drugs, dyes, and medicines, n. e. s.:		
Opium.....pounds...	60, 885	\$544, 400
Coal, bituminous.....tons...	321, 654	921, 866
Wool, raw:		
Clothing wools.....pounds...	4, 368, 242	895, 843
Combing wools.....do....	132, 820	30, 924
Carpet and other similar wools.....do....	21, 525	4, 853
All other dutiable articles.....		23, 701
Total dutiable.....		2, 421, 607
Total merchandise.....		4, 411, 119
Total coin and bullion.....		1, 021, 769
Total imports.....		5, 432, 888

EXPORTS.

Agricultural implements.....		\$299, 490
Books, maps, engravings, etc.....		107, 796
Breadstuffs.....		180, 757
Carriages, horse-cars, steam-cars, etc.....		358, 692
Chemicals, drugs, dyes, and medicines.....		334, 837
Clocks and watches.....		127, 296
Fish.....		378, 218
Fruits.....		110, 246
Iron and steel, manufactures of.....		1, 532, 920
Leather, and manufactures of.....		251, 340
Malt liquors:		
In bottles.....dozen...	108, 187	185, 016
Not in bottles.....gallons...	5, 110	1, 017
Oils, mineral.....do....	4, 586, 878	592, 036
Paper, and manufactures of.....		120, 288
Provisions, comprising meat and dairy products.....		34, 722
Sugar, refined.....pounds...	13, 265, 535	793, 693
Tobacco:		
Leaf.....do....	885, 353	141, 706
Manufactures of.....		1, 287, 056
Wool, and manufactures of.....		1, 440, 596
All other articles.....		1, 265, 812
Total domestic merchandise.....		9, 543, 474
Total foreign merchandise.....		124, 961
Total exports*.....		9, 668, 435

*No specie.

WM. F. SWITZLER, *Chief of Bureau.*TREASURY DEPARTMENT, BUREAU OF STATISTICS,
January 16, 1888.

The value of our commerce with Australasia since 1870 is shown by the following statement:

Value of merchandise exported from and imported into the United States into and from Australasia.

Year ending June 30—	Exports.		Total ex- ports.	Imports.	Total im- ports and exports.
	Domestic.	Foreign.			
1870.....	\$3, 419, 973	\$46, 602	\$3, 466, 575	\$278, 964	\$3, 745, 539
1871.....	2, 369, 346	54, 380	2, 423, 726	285, 011	2, 708, 737
1872.....	2, 899, 603	50, 413	2, 950, 016	3, 736, 107	6, 686, 123
1873.....	3, 917, 477	62, 789	3, 980, 266	3, 142, 418	7, 122, 684

Value of merchandise exported, etc.—Continued.

Year ending June 30—	Exports.		Total ex- ports.	Imports.	Total im- ports and exports.
	Domestic.	Foreign.			
1874.....	\$3,785,908	\$58,380	\$3,844,288	\$1,750,177	\$5,594,465
1875.....	3,505,435	76,180	3,581,615	3,730,976	7,312,591
1876.....	3,878,866	77,089	3,955,955	1,455,649	5,411,604
1877.....	5,780,278	105,189	5,885,467	1,476,238	7,361,705
1878.....	6,479,193	292,102	6,771,295	1,185,905	7,957,200
1879.....	7,012,875	128,940	7,171,816	785,778	7,957,589
1880.....	4,687,223	61,367	4,748,590	2,920,812	7,669,402
1881.....	6,636,130	92,375	6,728,505	2,088,302	8,816,807
1882.....	8,082,974	126,915	9,109,889	3,689,424	12,799,313
1883.....	9,638,997	156,659	9,795,656	4,021,395	13,817,051
1884.....	9,225,459	161,867	9,387,326	4,373,465	13,760,791
1885.....	10,534,138	114,054	10,648,192	2,823,393	13,471,585
1886.....	10,981,915	152,386	11,134,301	3,859,360	14,993,661
1887.....	9,543,474	124,961	9,668,435	4,411,119	14,079,554
Total.....	113,309,264	1,942,649	115,251,913	46,014,488	161,266,401

Balance of trade in favor of the United States since 1870, \$69,237,425.

I commend these interesting statistics to the attention of the Committee on Ways and Means for consideration when it comes to the preparation of the second revised edition of the tariff bill.

Mr. FELTON. In this connection will my colleague also state that this profitable trade between the United States and Australia has been developed and maintained by a line of American steamers subsidized by Australia?

Mr. MORROW. Yes; subsidized by New Zealand.

Mr. FELTON. By New Zealand and New South Wales paying \$150,000 per annum.

Mr. MORROW. That is so.

The principle of protection to our home industries does not depend, however, for its success upon a foreign market. What we seek is first to build up a home market.

The foreign is, of course, desirable for our surplus productions, but it should not be the sole aim of our industrial effort.

The proposition is a simple one. Is it not better to have a consumer for a product at our own door rather than be compelled to send it several thousands of miles at a heavy expense for insurance and transportation to find one?

And again, is it not better to save the cost of insurance and transportation of our products to a foreign market and divide that sum between the producer and consumer of our own country, and to that extent increase the wealth of the community?

The answer must be obvious to any one who will give the question a fair consideration. I could show by statistics, if time permitted, that our farmers derive more profit as a rule from the production of such articles as are entirely consumed at home than they do from those articles they are compelled to send abroad for a market.

The protective tariff may not be the only cause of our prosperity for the last twenty years, but it has certainly contributed much in that direction.

Mulhall estimates the annual accumulation of wealth of the four great nations as follows:

United States.....	\$825,000,000
France.....	575,000,000
Great Britain.....	325,000,000
Germany.....	200,000,000
All other countries.....	725,000,000

He then says:

Every day that the sun rises upon the American people it sees an addition of two and one-half million dollars to the accumulated wealth of the Republic, which is equal to one-third of the daily accumulations of mankind.

But the revenue reformer will probably claim that this enormous annual increase of wealth in the United States is in great part the profits of capital invested in railroads, banks, telegraphs, and like property, and that the farmers and wage-workers do not share in this wonderful prosperity.

I have not the time to consider the position of the farmer or discuss the advantages derived by him from the protective system, except to say that here, as everywhere else, the prosperity of the farmer is to be found in the value and extent of his home market, always developed and enlarged by manufacturing industries under the protective system.

The comparison of wages paid to mechanics and other laborers in the United States with the wages paid to persons engaged in like pursuits in Great Britain, France, and Germany ought to satisfy any one that the wage-workers of this country do participate in this accumulation of wealth; but if further evidence is required on this point, it will be found in the reports of the savings-banks of the country. It is the habit of the laboring classes in many cities of the United States to deposit their surplus earnings in the savings-banks. It is a convenient and safe accumulation for persons of small incomes; hence the business of these banks is a fair indication of the condition of this class of people.


In the last annual report of the Comptroller of the Currency is a statement embracing returns from six hundred and eighty-four savings-banks in nineteen States of the Union, from which it appears that in 1885-'86 these banks had 3,158,950 depositors and had deposits amounting to \$1,141,530,578. In 1886-'87 there were 3,418,013 depositors and the deposits amounted to \$1,235,247,371. Here is an increase in one year of 259,063 depositors and an increase of deposits of \$93,716,793. What a splendid showing this is for the workmen of this country!

There is undoubtedly poverty and distress in many places. As I said before, there are poor people everywhere. The laws are not all that they should be with respect to the rights of the laboring classes. The corporations are insolent and overbearing and capital exacting and tyrannical; but where in this wide world do the working people make such a showing of their accumulations as we find here in the return of six hundred and eighty-four savings-banks located in probably not more than five hundred communities.

What these small savings amount to in the thousands of other communities throughout the United States where there are no savings-banks or where savings are otherwise invested can of course only be a matter of conjecture. But this evidence, as far as it goes, tends to show that the laboring classes are sharing the benefits of the protective system, and that our prosperity is the splendid growth and development of the whole country.

With all this evidence before me I can not vote for a measure that would imperil these conditions and destroy the most productive industries of this country.

The wisdom of those who laid the foundations of the Republic has secured to us the wealth of marvelous resources in the independence we gained as a people. Let us preserve that independence, and walking in the light of our own history, push forward in the way we were going as the first among the nations of the world.

The image shows a book cover with a marbled paper background. The marbling features a complex pattern of dark green, blue, and red veins forming irregular, cell-like shapes against a lighter, yellowish-green base. In the center of the cover is a rectangular, tan-colored label. The label is mostly blank, with some faint, illegible markings. At the bottom of the label, the text "UNIVERSITY OF CALIFORNIA LIBRARY" is printed in a simple, black, sans-serif font. The label is slightly offset to the right and bottom, with some white adhesive residue visible on the left side where it was attached to the cover.

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