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Tariff.

REMARKS

OF

MR. DAVIS,

OF WEST VIRGINIA,

IN THE SENATE OF THE UNITED STATES,

Tuesday, January 30, 1883.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 5538) to revise and reduce internal-revenue taxation and the tariff—

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. DAVIS, of West Virginia, said:

Mr. PRESIDENT: I shall endeavor to be as brief as I can. I believe that this Congress ought to pass a tariff bill. I believe the present tariff needs revision, and believing that sincerely, I shall do all in my power to forward and aid the passage of a tariff bill. It may not, probably will not, contain all that I might think was just as it should be. With that view of the case I want to make some general remarks upon the tariff, and ask to call attention to the amendment now pending. In this I have to say that I regret very much that I can not agree with all my Democratic associates. I believe the country needs a tariff, and that it is impossible to have what is known as free trade, or anything near it. In saying this I do not wish to be considered as being what is termed a high-tariff man. I am not. But I am for a tariff that will yield sufficient revenue for the economical and proper expenditures of the Government, and in that tariff I believe incidental protection to our own industries is right and proper. It has been so regarded from the foundation of the Government; it ought to be so now.

All political parties from the organization of the Government down to the present time have agreed that the revenue necessary for the expenditures of the Government should be raised by customs duties and not by internal revenue. For a short period during the war of 1812 I believe internal revenue was resorted to by the Government to a very limited extent; but I think in 1816, three or four years after, the enactment was entirely repealed, showing that our forefathers believed that a tariff for the necessary expenses of the Government was proper and right, and we have always until the late war acted upon that theory. The late war, of course, brought very extraordinary expenses, and internal revenue had to be, as it ought to have been, resorted to. I believe now it would be an advantage to the Government and the best thing that could be done, at as early a day as practicable, (and that day I hope is not far off), to repeal all internal-revenue taxes except that on whisky and other spirits. I believe if we could do so it would be better for the country to at once repeal the tax on tobacco in all its forms.

In the report of the Secretary of the Treasury sent us a few days ago I find that during the last fiscal year \$403,000,000 were collected from all the different sources. Of that sum \$220,000,000, in round numbers—

for I shall use round numbers, as I will use frequent figures perhaps, but I hope not to be very tedious—was derived from customs. What are known as the ordinary expenditures of the Government, less the sinking fund, were \$257,000,000. When you add the sinking fund, the expenditures were \$317,000,000. The estimated revenue of the Government for the present fiscal year is \$415,000,000; the estimate of expenditures, \$295,000,000. If you add to the necessary expenditures the provision for the sinking fund it makes \$350,000,000, in round numbers. Let us see what the expenses are for the year in which this tariff is to go into effect, which is the fiscal year 1884. That is the first year in which this tariff and the expenditures of the Government will come together if we should pass on this measure, as I hope we shall. The estimated receipts of the Government for 1884 are \$415,000,000, of which \$235,000,000 are to come from customs duties. The estimates of the expenditures of the Government for the same year, the fiscal year 1884, including the sinking fund, are \$340,000,000.

Mr. ALLISON. Do I understand the Senator from West Virginia to say that \$335,000,000 will come in from customs duties?

Mr. DAVIS, of West Virginia. Two hundred and thirty-five million dollars is the estimate at the Treasury Department for the year 1884, and \$340,280,162 is the estimate of the Secretary of the Treasury for the expenditures of the Government, without paying anything whatever upon the principal of the national debt; over \$340,000,000 a year to be raised from taxation. Now, should this amount be raised from customs duties, or ought it to be from internal taxes?

My friend from Mississippi [Mr. GEORGE] has offered an amendment, which is pending, embracing a large list of articles on which he suggests that 10 per cent. ad valorem should be placed as the duty. The dutiable goods imported for the year ended June 30 last amounted to \$505,491,966.66, and the free-list amounted to \$210,721,980.84. On these \$505,000,000 a duty must be levied to defray the expenditures of the Government, and the present duty, as the tariff now stands, is an average of 42.66 per cent. How can we, in justice to any portion of the country—I include the South in that—discriminate, and say that the South shall have or that the whole country shall have—tariff duties must be levied on all sections of the country alike—so large a list of articles and put them at 10 per cent., when the average duty that has got to be collected for the necessary expenditures of the Government is over 40 per cent. under this bill? I believe that under this bill the average estimate tariff duty is about 37 per cent. I think the amendment now pending is impracticable and too low and ought not to prevail. I certainly can not support it.

Mr. President, this country has always been most prosperous when we have had a fair and just tariff. From the organization of the Government down to the present time I find when the tight times or financial panics came that, almost universally, they came at times of low tariffs, when we were exporting, sending abroad a large amount of the revenue of this country derived from its soil. No country can remain rich and prosperous that has to send abroad to get its manufactured articles, and by paying abroad for manufactured articles it must send money out of the country.

I have a list here of the balances of trade in our favor, and I wish to call attention to that for a moment. In 1837 we had a panic which disturbed the whole country. For seven years previous to that the balance of trade was against us, and we sent abroad a good deal more money than we got back. What did we send it abroad for? We sent it abroad for foreign merchandise. If we had manufactured those goods at home we should not have had to send that money abroad.

Again, in 1857 it will be recollected we had a panic. For eight years previous the balance of trade was against us; that is we bought more foreign goods than we sent abroad of our own products. The same was true in 1873 when there was another panic. For ten years previous to 1873 the balance of trade was more than a billion dollars against us. That brought us to a financial panic, and we did not rally from that panic until the great turn in our favor a few years since; and how was it done? First, by large agricultural crops, and then stopping the use of foreign goods and using our own manufactures. Both of these causes contributed to the result. For the last seven years there have been \$1,200,000,000 balance of trade in our favor. That has brought about what you see in this country now, fair and prosperous times. It is true the last year the balance decreased somewhat because our crops had decreased and our purchases abroad had increased, and the balance of trade was only about \$25,000,000 in our favor.

Mr. President, I wish to say a word as to the difference of political parties on the tariff question. From the organization of the Democratic party under Mr. Jefferson to the time of the war, with one or two intervals of short duration, the Democratic party had possession of the Government. It lived all that time and acted upon a tariff for revenue. Whatever expenses were necessary on the part of the Government were collected from customs duties and not from internal revenue. How was that levied and collected? It was by discrimination running through all the different tariff laws. The tariff ranged from 5 per cent. ad valorem up to 100 per cent. ad valorem. I have here the tariff act of 1846, which we all know was a measure passed under Democratic auspices, and repealing the tariff of 1842. The very first item in that act reads:

On goods, wares, and merchandise mentioned in Schedule A, a duty of 100 per cent. ad valorem.

And runs down to Schedule H, which is 5 per cent. ad valorem.

Senators will bear in mind that that tariff was made by a Democratic Congress, and in it the duties ranged from 5 per cent. to 100 per cent. I have also here all the other tariffs, which any Senator can look at who desires; but I do not wish to take time by quoting them. They show that the Democratic party from the earliest days believed in discriminations, that is in incidental protection; and in 1846, after long experience, Congress made a tariff with a schedule commencing at 100 per cent. and running down to 5 per cent.

Mr. McPHERSON. May I inquire of the Senator if there was any such thing known at that time as internal-revenue taxation?

Mr. DAVIS, of West Virginia. Certainly not. I have said that from the organization of the Government, with the exception of three or four years during the war of 1812, down to 1861, there was no internal taxation.

Mr. McPHERSON. During the time the Democratic party had possession of this Government 90 per cent. of all the revenue raised was raised on imported merchandise; while under the war tariff, levied by the Republican party and continued to-day, only 48 per cent. is raised from imported merchandise, and the balance from internal taxation.

Mr. BAYARD. One was a tariff for revenue, and the other is for protection.

Mr. DAVIS, of West Virginia. As I understand the difference between the Clay Whigs—for I was one of them, and I think my friend from North Carolina [Mr. VANCE] was another—and the Democratic party of that day, it was that the Democratic party, under the lead of Jefferson and Jackson, said "tariff for revenue, with incidental protection," and Mr. Clay said "tariff for protection." In 1836, under

Mr. Clay's lead, the law that I now hold in my hand was passed providing for the distribution of the surplus revenue, then amounting to almost \$40,000,000, among the States. In other words, the Clay policy was to continue a high tariff and raise money from that source to be divided among the States. Under this act \$28,000,000 were actually paid to the States. The State of my friend from North Carolina got \$1,432,000 of that money, and all other States that were then in the Union got their fair proportion. That was under Mr. Clay's policy, who desired to continue the protective tariff to raise money and divide it among the States.

Mr. BAYARD. I presume my friend wishes to be right in a matter of history. The tariff of 1832, to which the Senator now refers, brought in as a compromise tariff under Mr. Clay's lead, provided for the gradual reduction and scaling down of the tariff by 10 per cent. biennially until the duties should reach an average of 20 per cent. ad valorem. It was a scaling down from year to year under the scheme of 1832 by which the tariff was reduced horizontally 10 per cent. every two years until 1842 should arrive, and then it should reach a maximum of 20 per cent. ad valorem. That was the scheme of Henry Clay in 1832.

Mr. DAVIS, of West Virginia. But my friend will also admit that the tariff of 1832 under Mr. Clay produced more revenue than was necessary to run the Government.

Mr. BAYARD. Undoubtedly.

Mr. DAVIS, of West Virginia. And in 1836 Mr. Clay brought forward the bill, which passed and became a law, distributing the surplus revenue among the States.

Mr. BAYARD. Undoubtedly he did, but at the same time he was reducing that by a reduction of the tariff every two years.

Mr. DAVIS, of West Virginia. But notwithstanding the reduction the revenue was so great that it was divided among the States.

Mr. President, from the earliest day of the Government most of our great and leading statesmen have been for a revenue tariff, with incidental protection. That is the Democratic doctrine as I understand it to be now. President Washington, in his last annual address, September 17, 1796, said this:

Congress have repeatedly, and not without success, directed their attention to the encouragement of manufactures. The object is of too much consequence not to insure a continuance of their efforts in every way which shall appear eligible.

Mr. MORRILL. May I ask the Senator from West Virginia if that was not the doctrine of the Democratic party of North Carolina in the last election—a tariff for revenue with incidental protection?

Mr. DAVIS, of West Virginia. I presume it was, but I do not know anything of that.

Mr. VANCE. I think I am competent to answer that question. The platform of the Democratic party of North Carolina in the last election was almost precisely similar to that of the national Democratic platform at Cincinnati, a tariff for revenue with such incidental protection as would favor our own manufactures.

Mr. DAVIS, of West Virginia. I would say to my friend from North Carolina that I would much rather the national Democratic platform had left out the word "only;" it would have been better I believe for us. I believe to-day but for that word Hancock would be President, and I think a great many other Democrats agree with me.

I have quoted Washington. I will now read from Madison. Mr. Madison said in a special message to Congress May 23, 1809:

It will be worthy at the same time of their just and provident care to make such further alterations in the laws as will more especially protect and foster the several branches of manufacture which have been recently instituted or extended by the laudable exertion of our citizens.

He directly says that we should give more protection to the manufactures "recently instituted." Now, what does Mr. Jefferson say on the same subject in his letter to Benjamin Austin, in 1816?

Mr. SAULSBURY. I wish to ask a question. I understand the first tariff was introduced at the very first session of Congress after the adoption of the Federal Constitution, and the average rate of duties imposed by that tariff was not much above 5 per cent.

Mr. DAVIS, of West Virginia. I am not able to answer positively, but I do know this, that whatever was necessary for the running of the Government as it was then economically run, it was collected by a tariff exclusively without resorting to internal-revenue taxation. It is true it then took much less to run the Government than it does now, but the fact that some articles were put at higher rates and some put on the free-list shows that they made discriminations in raising revenue. What does Mr. Jefferson say in his letter to Benjamin Austin, of Boston, in 1816? Speaking of free trade, manufactures, &c., for I do not want to read the whole letter, Mr. Jefferson said:

I am proud to say that I am not one of these—

Meaning free-traders.

Experience has taught me that manufactures are now as necessary to our independence as to our comfort.

Mr. Calhoun, who lived very near my friend from North Carolina, said about the same time in 1816—and I read this to show that Mr. Calhoun believed that agriculture, commerce, and manufactures ought to go together, and that by protecting one you fostered the others:

Neither agriculture, manufactures, nor commerce, taken separately, are the cause of wealth; it flows from them combined, and can not exist without each.

Mr. LAMAR. What year was that?

Mr. DAVIS, of West Virginia. Eighteen hundred and sixteen. Now I ask the Clerk to read from President Monroe's first inaugural address, March 5, 1817.

The Acting Secretary read as follows:

Our manufactures will likewise require the systematic and fostering care of the Government. Possessing as we do all the raw materials, the fruit of our own soil and industry, we ought not to depend in the degree we have done on supplies from other countries. While we are thus dependent, the sudden event of war, unsought and unexpected, can not fail to plunge us into the most serious difficulties. It is important, too, that the capital which nourishes our manufactures should be domestic, as its influence in that case, instead of exhausting, as it must do in foreign hands, would be felt advantageously on agriculture and on every branch of industry. Equally important is it to provide at home a market for our raw materials; as, by extending the competition, it will enhance the price and protect the cultivator against the casualties incident to foreign markets.

Mr. DAVIS, of West Virginia. It will be seen that President Monroe called attention to the national wealth and thought we ought to give it proper protection. Now let me read what Andrew Jackson said. I read an extract from his letter to Colonel Robert Patterson, of Philadelphia, May 17, 1823:

Upon the success of our manufactures, as the handmaid of agriculture and commerce, depends in a great measure the independence of our country; and I assure you that none can feel more sensibly than I do the necessity of encouraging them.

Again, Andrew Jackson, in his letter to Dr. L. H. Coleman, of North Carolina, August 26, 1824, after saying that Heaven had blessed us with independence and with the minerals, speaking especially of iron and copper, went on to say that we ought to protect our people and do more at home than we had done. I call the special attention of my friend from North Carolina and the Senate to the winding up of that letter:

In short, sir, we have been too long subject to the policy of British merchants. It is time we should become a little more Americanized, and, instead of feeding

paupers and laborers of England, feed our own; or else in a short time, by continuing our present policy, we shall be paupers ourselves.

Fearing what I have and will quote might be called in question, I sent to the Library and had the quotations examined and found them correct. Now I will read what James Buchanan said about iron:

No nation can be perfectly independent which depends upon foreign countries for its supply of iron. It is an article equally necessary in peace and war. Without a plentiful supply of it we can not provide for the common defense. Can we so soon have forgotten the lesson which experience taught us during the late war with Great Britain? Our foreign supply was then cut off, and we could not manufacture in sufficient quantities for the increased domestic demand; the price of the article became extravagant, and both the Government and the agriculturist were compelled to pay double the sum for which they might have purchased it had its manufacture before that period been encouraged by proper protecting duties.

Then comes John Quincy Adams. Of course you know how he felt about manufactures. He has followed exactly the same line as these other gentlemen, showing that all the statesmen I have spoken of were for a tariff for revenue, with incidental protection.

President J. Q. Adams, in his fourth annual message, December 2, 1828, said:

The great interests of an agricultural, commercial, and manufacturing nation are so linked in union together that no permanent cause of prosperity to one of them can operate without extending its influence to the others. All these interests are alike under the protecting power of legislative authority, and the duties of the representative bodies are to conciliate them in harmony together.

Mr. VANCE. Will the Senator allow me to ask him how much tariff those ancient fathers of the Republic recommended and thought was necessary?

Mr. DAVIS, of West Virginia. All that was necessary for the expenditures of the Government, no matter what that was, whether much or little—a tariff for revenue. That is what I am speaking for now.

Mr. VANCE. Is there any one on this side of the Chamber who is in favor of anything else?

Mr. DAVIS, of West Virginia. I hope not.

Mr. VANCE. Then the Senator ought to make his remarks for the other side of the House.

Mr. DAVIS, of West Virginia. I think both sides of the House need some little care. I ask my friend how can we put a numerous set of articles in the tariff-list at 10 per cent. when the average ought to be 30 or 40? How can it be done and the Government be supported? It can not be done.

Mr. VANCE. I want to ask the Senator—because he is competent to speak about this matter, he has given the expenses of the Government and the statistics of the Government a great deal of attention, much more than I have—if, in the days to which he has referred, tariff for revenue of about 20 per cent. on an average gave us enough revenue to defray all the expenses of the Government, enabled the Government under the lead of Mr. Clay to make a distribution of the surplus among the States for educational purposes—whether he does not think that a tariff of 20 or 25 per cent. now, considering the increase of population and the vast increase in consumption, would not yield the same revenue in the same way and give us enough for all the purposes of the Government and still have some to distribute among the States?

Mr. DAVIS, of West Virginia. The answer to that is that I think we are more extravagant, more so than we were then.

Mr. MORRILL. And that was the distribution of receipts from the public lands.

Mr. DAVIS, of West Virginia. Part of it. At that time it was considerably more in proportion than now. But the principle which I am

contending for—and I believe it is proper and right—is not that the tariff should be 20 per cent. or 100 per cent., but that it should be levied in such a way that it will give fair incidental protection to all portions of the country, and not to one class of people over and above another. That is what I believe is right.

Now I will read what Henry Clay said in the Senate in 1832:

In short, sir, if I were to select any term of seven years since the adoption of the present Constitution which exhibited a scene of the most widespread dismay and desolation, it would be exactly that term of seven years which immediately preceded the establishment of the tariff of 1824. If the term of seven years were to be selected of the greatest prosperity which this people have enjoyed since the establishment of their present Constitution, it would be exactly that period of seven years which immediately followed the passage of the tariff of 1824. And is the fact not indisputable that all essential objects of consumption affected by the tariff are cheaper and better since the act of 1824 than they were for several years prior to that law? I appeal for its truth to common observation and to all practical men. I appeal to the farmer of the country whether he does not purchase on better terms his iron, salt, brown sugar, cotton goods, and woolsens for his laboring people? And I ask the cotton-planter if he has not been better and more cheaply supplied with his cotton bagging? I plant myself upon this fact of cheapness and superiority as upon impregnable ground.

I have here a speech of Mr. George M. Dallas, of Pennsylvania, delivered in the Senate February 27, 1832, on this question. He takes the ground, and it is true and it is illustrated every day, that a tariff levied for incidental protection in the end gives you your goods cheaper. He says:

2. The reduction of the prices was a necessary consequence of the domestic competition created and excited by the policy. Since 1818, 1819, and 1820 the implements of husbandry have sunk in price thus: axes, from \$24 to \$12 by the dozen; scythes, spades, and common shovels, 50 per cent.; iron hoes, at \$9 by the dozen, have given way to steel hoes, at \$4 by the dozen; socket shovels, once sold at \$12 by the dozen, now sell a \$4.50; iron vises, once at 20 cents by the pound, now at 10 cents; braziers' rods were, in 1824, imported at \$313 by the ton, and now are made at \$130; and steam-engines have actually, since 1828, fallen 50 per cent. in price, while at the same time the amount of material and labor of which they are composed has nearly doubled.¹⁷

To illustrate, if you buy for \$50 a dozen certain articles with a protection say of 60 per cent. When competition grew up in this country it brought it down to \$40. It was because manufactures in this country had grown into existence and enabled them to compete with foreign manufacture, and to reduce the price of goods.

Mr. VANCE. Then ought not the tariff to be immediately withdrawn when it sets the manufacturers on their feet and enables them to compete with foreigners?

Mr. DAVIS, of West Virginia. Certainly not, because then you would have no revenue for your Government; it should not be withdrawn.

President Millard Fillmore, in his third annual message, December 6, 1852, said:

Without repeating the arguments contained in my former messages in favor of discriminating protective duties, I deem it my duty to call your attention to one or two other considerations affecting this subject. The first is, the effect of large importations of foreign goods upon our currency. Most of the gold of California, as fast as it is coined, finds its way directly to Europe in payment for goods purchased. In the second place, as our manufacturing establishments are broken down by competition with foreigners, the capital invested in them is lost, thousands of honest and industrious citizens are thrown out of employment, and the farmer to that extent is deprived of a home market for the sale of his surplus produce. In the third place, the destruction of our manufactures leaves the foreigner without competition in our market, and he consequently raises the price of the article sent here for sale, as is now seen in the increased cost of iron imported from England.

Daniel Webster, in the United States Senate, March 3, 1840, spoke as follows:

The experiment of low wages has been often tried. We see it going on now

in Asia and many parts of Europe. My colleague has recently given us a list of the prices of labor in various countries. We know what those countries are, and what the condition of the people is. On the other hand, we have tried the experiment of high wages; and has it not produced the best condition of society, for the general happiness of all, that has ever existed upon the face of the earth?

Now I read from Horace Greeley's *Essays on Political Economy*, 1869. In speaking of Mr. Clay, he said:

Mr. Clay, in his Raleigh speech (June 17, 1844), pleasantly exposed the fallacy of the free-trade assumption that the price of an article is enhanced by the amount of the duty thereon, by citing the discomfiture of a Democratic canvasser, who, seeing a shabbily-dressed hearer just in front of him, arrested the regular flow of his eloquence long enough to ask: "My friend, do you know that these tariff monopolists make you pay 6 cents per yard more than you should for that shirt you have on?" "I suppose it must be so, since you say it," responded the surprised and scared auditor; "but I have no learning, and don't quite understand it, since I only gave five and a half."

Now, I want to call attention to the celebrated Kane letter of James K. Polk, a letter upon which I believe he was elected President, for without that letter he could not have received the vote of Pennsylvania:

In my judgment it is the duty of the Government to extend, as far as it may be practicable to do so, by its revenue laws and all other means within its power, fair and just protection to all the great interests of the Union, embracing agriculture, manufactures, the mechanic arts, commerce, and navigation.

That is the letter on which Polk and Dallas went before the people and won; and Mr. Polk said he believed in incidental protection.

Mr. President, I am not willing in any vote that I shall give to strike down intentionally any particular industry. I do not think it would be right. I do not think it necessary. While I am opposed to what is called a high tariff, I shall steadily strive to regulate my course so as to make a tariff for revenue with incidental protection. It is my conviction that no party can succeed in this country for any length of time which places itself upon a free-trade platform, and I do not believe it ought to succeed. I think we ought to raise our revenue by a tariff, and not by internal-revenue taxation.

If we buy goods to a large extent abroad we must pay for them, and to pay for them we must send the money out of the country, and to send the money out of the country must make us poorer and enrich the foreigners to the extent taken from us. For that reason, if for no other, I should vote for a revenue tariff with incidental protection.

If we should cause free trade to-morrow what would be the result? I think I come within the limit when I say that from one to two million people would be thrown out of employment and perhaps a billion dollars would be sunk in this country. And what good would it do? None compared with the evil; and I think it would be wrong in principle.

Mr. President, the country is most prosperous, and it has always been so when we sent the least money abroad, when we bought the least goods abroad; and if that is so we ought to encourage home manufactures as far as we can properly do so.

Free trade would do what? It would make our labor as low as foreign labor, so we could not compete with it. I do not believe there is a Senator within the hearing of my voice who would cast a vote to put the labor of this country on an equality with foreign labor. That free trade would necessarily bring about if it came.

I beg pardon for detaining the Senate so long.

Tariff on Coal.

REMARKS

OF

MR. DAVIS,

OF WEST VIRGINIA,

IN THE SENATE OF THE UNITED STATES.

Wednesday, February 7, 1883.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 5538) to reduce internal-revenue taxation and to revise the tariff—

Lines 1532 and 1533 were read, as follows:

Coal, bituminous, and shale, 50 cents per ton of twenty-eight bushels, eighty pounds to the bushel.

Mr. DAVIS, of West Virginia, said:

Mr. PRESIDENT: In line 1532, after the word "shale," I move to strike out "50" and insert "75;" so as to read: "75 cents per ton of twenty-eight bushels."

The PRESIDENT *pro tempore*. The question is on agreeing to the amendment of the Senator from West Virginia [Mr. DAVIS].

Mr. DAVIS, of West Virginia. Bituminous coal now stands at a tariff of 75 cents per ton of twenty-eight bushels, or 2,240 pounds. There has been a tariff on bituminous coal from the earliest days of the Government. I should like Senators to understand that 75 cents a ton is the lowest tariff that has been placed upon bituminous coal since 1790, and the proposed tariff is the lowest of all. On anthracite coal, which is the coal that goes into general domestic use all over the country, there is no tariff whatever. It will be noticed that in the paragraph beginning in line 1529 there is slack coal, on which there is a low tariff of 30 cents per ton. I do not speak of that at all, but I speak of bituminous coal.

Mr. COKE. I desire to ask the Senator from West Virginia if it is not a fact that mining companies in Pennsylvania and perhaps in other States frequently resort to the policy of shutting down works and of discharging their workmen in order that the price of coal may not be brought down by a superabundant supply?

Mr. DAVIS, of West Virginia. The Senator has reference to anthracite coal in Pennsylvania. That does not apply to bituminous coal. I never heard that of any bituminous-coal producers. There is an arrangement between the miners and the operators of the mines in Pennsylvania by which they regulate the demand and supply. Last year there were a few days in which there was a stoppage. That stoppage, however, takes place by a mutual concession between the operator and the miner. For the last few years I believe it has been uniformly agreed upon by the operator and the owner of the mine whenever there is an overproduction; but that applies to anthracite coal. That coal is on the free-list, and it does not apply in any way whatever to bituminous coal.

Mr. MAXEY. Do I understand the Senator to say that anthracite coal is the only coal in common use?

Mr. DAVIS, of West Virginia. I understand you have no anthracite in your part of the country, and there is not in mine perhaps, but I am referring to the anthracite region of Pennsylvania.

Mr. MAXEY. There is bituminous coal all through the South, and in Texas, and no anthracite coal whatever.

Mr. DAVIS, of West Virginia. I will say to my friend that a duty of \$10 a ton on coal would not affect anything west of the Alleghanies. I do not see that people living west of the Alleghanies or in the South beyond the Middle States are interested in this question at all.

Mr. MAXEY. I beg the Senator's pardon. In my own State they have to get coal by way of the Gulf, and I think it affects us very particularly. We are short of coal there to-day.

Mr. DAVIS, of West Virginia. I think it may reach Galveston on tide. It never gets off tide-water. I never heard of a ton of foreign coal leaving tide water anywhere.

Mr. MAXEY. We have three hundred and six miles of seacoast, at any port of which coal could be introduced by sea.

Mr. DAVIS, of West Virginia. I think the Senator gets very little foreign coal there.

Mr. MORGAN. I wish to ask the Senator from West Virginia whether iron is not made from anthracite coal?

Mr. DAVIS, of West Virginia. Iron is generally made in the North from anthracite coal. Upon anthracite coal there is no duty.

Mr. MORGAN. Anthracite coal is in competition, then, with all the coal that can be made in any part of the United States in making iron.

Mr. DAVIS, of West Virginia. Anthracite is now on the free-list.

Mr. MORGAN. And you want protection for it?

Mr. DAVIS, of West Virginia. No; I do not.

Mr. MORGAN. On bituminous coal?

Mr. DAVIS, of West Virginia. On bituminous coal.

Mr. MORGAN. Then I am mistaken. I thought the Senator referred to anthracite.

Mr. DAVIS, of West Virginia. Quite the reverse of that.

Mr. MORGAN. I was mistaken in the character of the amendment. I have an amendment myself that I want to offer as soon as the Senator gets through.

Mr. DAVIS, of West Virginia. It might be interesting to state what the tariff has been on bituminous coal from the organization of the Government.

Mr. VOORHEES. Before the Senator does that will he allow me to ask him a question? Do I understand the Senator to say that the coal products of Ohio and Indiana are not affected by the rate of duty on bituminous coal?

Mr. DAVIS, of West Virginia. All those living on tide-water may be affected. The coal imported comes from Nova Scotia and other British possessions and goes along the lakes, or it may take the Mississippi and go down. Of course that part of the country would be affected more or less if foreign coal can come in.

Mr. VOORHEES. I was going to ask the Senator from what points the principal importation of coal takes place?

Mr. DAVIS, of West Virginia. From Nova Scotia, the British possessions, and Canada generally. It is sometimes brought here as ballast in ships.

I have a small map here of the coal-fields in the northern part of this country, showing that they are on tide-water and that it is very easy to run from tide across into any of the Atlantic ports. Last year there

were about 800,000 tons of foreign coal imported into this country, the revenue from which was about \$600,000, of which I will speak directly.

My object in taking this map in my hand now is to show that the British coals are practically on tide-water, where there is no land transportation required. All our bituminous coals on an average are from two hundred to two hundred and fifty miles from tide-water, and have to be brought by rail, and have to compete with foreign coal which is near tide-water.

I wish to make another statement that I think ought to have a bearing upon the tariff on coals. I believe no one whatever appeared before the Tariff Commission in connection with coal. I hunted and hunted in vain in the Tariff Commission report to see whether anybody had spoken of it before them, and I find that no one did. I suppose the persons dealing in coal were so sure no change would be made that nothing was said.

At some times the tariff on coal has been ad valorem, and I will give the rates as worked out by the Treasury Department.

The first coal duty that was laid was in the first tariff law that was formed. The duty was fixed in 1789 at 56 cents per ton of twenty-eight bushels. In 1790 it was increased to 84 cents. It is 75 cents now, I recollect. In 1792 it was increased to \$1.25; in 1812 \$2.80 was fixed as the rate; in 1816 it was reduced to \$1.40; in 1824 it was increased to \$1.68; in 1833 it was made \$1.40; in 1842 it was raised to \$1.75; in 1846, which we all know was a low tariff, when the whole tariff-list was generally reduced to a considerable extent, the duty on coal was made 30 per cent. ad valorem, which was about \$1.30 per ton.

In 1846, when the tariff was the lowest probably that we have ever had, the rate was 30 per cent. ad valorem. In 1862 when the war broke out, believing that we wanted foreign coal and ought to have it here, the duty was reduced to \$1 a ton; in 1864 it was made \$1.10; in 1865 it was advanced to \$1.25 a ton; and in 1873 it was reduced to 75 cents a ton, at which it remains now. The bill proposes to reduce it to 50 cents.

I have stated that the English coals are practically on tide-water, and therefore can come to all tide-water cities much cheaper than our coals can reach them, as we have to haul them at an average of one hundred, two hundred, and two hundred and fifty miles to get them to tide.

Practically the parties who will be affected by this are persons engaged in gas-works. The gas companies of the country are more interested than any others in the Atlantic seaports or anywhere else that I know of, where the bituminous coal question does not affect the people, except for steam purposes, as the bituminous coal is not used for domestic purposes. If it is reduced 25 cents per ton as proposed, it is more than the average profit made by those who are dealing in coal.

Mr. SAULSBURY. I should like to ask the Senator, for he may have the information, what is the reason why anthracite coal is placed on the free-list and bituminous coal put at 50 or 75 cents per ton?

Mr. DAVIS, of West Virginia. There is a good reason for it. The anthracite coal of Pennsylvania is the only anthracite coal in the world. There is no other anthracite coal anywhere.

Mr. BECK. There is some talk of it elsewhere.

Mr. DAVIS, of West Virginia. There is some little talk about it, but it does not amount to anything. The four hundred and seventy square miles of anthracite coal in Pennsylvania form the only pure anthracite coal region known. There is some talk of some being found west of the Alleghanies, in Colorado. I have heard of some in Rhode Island.

Mr. BECK. And in Maine.

Mr. DAVIS, of West Virginia. My friend calls my attention to some little in Maine, but it is not considered by coal experts to be anthracite coal. It takes the place to some extent in England of our anthracite coal.

Another answer to the question of the Senator from Delaware is that anthracite coal all along the tide-water enters into domestic use generally, and bituminous coal does not. I will venture to say that neither my friend nor any one else in Delaware ever used bituminous coal for domestic purposes. Of course for some purposes a great deal is used, but I am speaking of its use for domestic purposes.

Mr. SAULSBURY. Every manufacturing establishment, from the blacksmith's shop up to the highest class of manufacturing establishments, uses bituminous coal.

Mr. DAVIS, of West Virginia. Yes, it is used for manufacturing.

Mr. SAULSBURY. My friend refers to the fact that there was no tax upon anthracite coal in the early tariffs, but the use of anthracite coal had not then been discovered. I think the use of anthracite coal did not commence until about fifty years ago.

Mr. DAVIS, of West Virginia. It commenced in 1824.

Mr. SAULSBURY. And then it was used in very limited quantities. If there is any good reason why bituminous coal should have a duty imposed upon it of course I have no objection to it, but I do not understand that there is any special reason why it should. I apprehend that while it does not come in competition with anthracite coal to such an extent as that if it was placed upon the free-list it would reduce the price of anthracite, I am not sure that it might not have that effect.

Mr. DAVIS, of West Virginia. It would have no effect upon it whatever. It is not used for the same purpose. The bituminous coal interest west of the Alleghanies, except that lying on the waters where it can be transported easily from the British possessions, is not affected. In the South, all Alabama, Georgia, and Tennessee, and that section of country are interested in it, not that a tariff will affect the price of the article, but if foreign coal takes the place of our coal that might go from Alabama, Tennessee, and Georgia and other places to tide-water, the foreign coal will displace it that much and will reduce its price.

One of the leading reasons for the adoption of my amendment is that this tariff is lower now than it has been from the foundation of the Government, with the exception of one year; and it is believed that this coal ought to have a fair share of protection. I say a fair share, because I only ask for that.

What are the facts? The bill proposes to reduce the duty on bituminous coal 33 per cent. when no other articles except those that have been placed on the free-list are reduced in the same proportion. Is it fair that one article shall be selected out and reduced 33 per cent. when the others are practically reduced but 10 per cent. on an average?

This affects directly 96,000 people. There are 96,000 people engaged in the bituminous coal trade. There are double that many if you take both kinds of coal. In the bituminous coal trade there are \$93,000,000 of capital engaged, principally east of the Alleghanies. There are 33,000 people engaged in the trade in Pennsylvania; 16,000 in Illinois; 16,000 in Ohio; 4,500 in Indiana; in Kentucky there are 3,000; in Maryland, 3,600; in West Virginia, 4,500, and in Iowa a little upward of 5,000 who will be affected by this tariff.

As I said, there is \$93,000,000 of capital invested in mining bituminous coal. Pennsylvania has \$38,000,000; Ohio, \$13,000,000; Maryland, \$13,000,000; Illinois, \$10,000,000; West Virginia, \$5,000,000; Indiana, \$5,000,000; Kentucky, \$2,000,000; and Iowa nearly \$3,000,000.

Let us see how it affects the revenue, for I want to be as brief as I

can, so as not to detain the Senate. I have a statement here, made up in the Treasury Department, commencing with 1850, showing the amount of bituminous coal that has come into the country since 1850, and the revenue derived therefrom. Of course, during the reciprocity treaty with Canada there was considerable that came in along the border, but none came in free after that treaty expired. Each time that the duty on coal has been reduced there has been a decided loss of revenue. Last year, as I said, there were 851,000 tons imported, yielding a revenue of \$596,000 to the Government.

Mr. INGALLS. From what countries imported?

Mr. DAVIS, of West Virginia. From British America most generally, but 300,000 tons came from England here; it came across as ballast.

In 1860, as I said, there was a reduction in the duty on coal. The next year, instead of bringing in additional revenue, there was \$150,000 less of revenue.

Mr. ALLISON. May I ask the Senator, before he passes to another point, in reference to the importation? I understand him to say that the total importation of bituminous coal was 851,000 tons last year. Will the Senator in that connection inform us of the production of bituminous coal in this country?

Mr. DAVIS, of West Virginia. About 41,000,000 tons of bituminous coal and near 30,000,000 tons of anthracite coal, making in all nearly 70,000,000 tons produced in this country last year. The amount of anthracite coal is about 28,000,000.

I will pass over the different amounts that I have here and speak of the action of 1872. It will be recollected that in 1872, the tariff on bituminous coal was \$1.25. In that year it yielded a revenue of \$606,000, looking at it now from a revenue standpoint. The next year, after the duty was reduced to 75 cents a ton, the revenue was \$369,000, so that we lost nearly half of the revenue of the year before in the next year by reducing the duty. I have heard it said here, reduce the duty and you will get more revenue, but that has not been the case in regard to coal. Last year, as I said, the revenue was nearly \$600,000, and the first year that it was reduced from \$1.25 to 75 cents it was \$369,000. It has been gradually running up since then, until it has finally reached \$600,000. I venture to say that if you reduce the rate now to 50 cents a ton, it will yield less than \$200,000 revenue, which is just in proportion to the reduction in revenue caused by former reductions of duty; and it would do nobody any good as a rule, except the gas companies.

Mr. BLAIR. Is not the bituminous coal used in the creation of steam-power?

Mr. DAVIS, of West Virginia. Yes, to a considerable extent. Nearly all the railroads use it.

Mr. BLAIR. I understood the Senator to confine the use of bituminous coal to gas companies mainly.

Mr. DAVIS, of West Virginia. I say that the foreign coals that come here are generally used by gas companies, and that the cities on the seaboard are the only places it practically affects where this bituminous coal is used principally by gas companies; what is not used by gas companies is used by steam companies. It does not enter into domestic use.

Mr. BLAIR. It is not of very great consequence to the manufacturer wherever he depends wholly or in part on steam-power for the conduct of his business? The city of Manchester, for instance, in my own State, has reached nearly the limit of its water-power, and it would probably have by free coal its prospective development in that direction doubled.

Mr. DAVIS, of West Virginia. Let me say to my friend that New Hampshire never gets a pound of foreign coal; it never gets up there.

Mr. BLAIR. I admit that; but it is possible that her interests might be very much benefited if she could. If the duty was reduced or abolished entirely I have no doubt she would get her bituminous coal from Nova Scotia.

Mr. DAVIS, of West Virginia. How would she get it; by hauling it from tide-water up there?

Mr. BLAIR. So far as transportation is concerned she would get it much more cheaply than from Pennsylvania or from Maryland or from West Virginia. There is no question in regard to that.

Mr. DAVIS, of West Virginia. The Senator is wrong in his premises to suppose that would be the case. I ask him if he would think it proper, right, and just to put a protective duty upon nearly everything manufactured in New Hampshire, and when it comes to coal to bring it in free, no matter whom it affects elsewhere or how it affects others? I know he is too fair a man to take that view of the question. If he is consistent, which he is, I have no doubt, in saying that the different manufactures we produce in this country should have a fair and uniform protection, how could he be consistent in voting for a duty on anything that might be manufactured in New Hampshire, and when it comes to something that Pennsylvania or West Virginia or Virginia is especially interested in to vote for it to come in free?

Mr. BLAIR. I am not taking a position in favor of making coal free.

Mr. DAVIS, of West Virginia. I hope not.

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Mr. ALLISON. I want to ask the Senator whether what is known as the Cumberland region, the Allegheny region, of bituminous coal is gas coal also?

Mr. DAVIS, of West Virginia. No.

Mr. ALLISON. The gas coals of our country, as I understand it, come from the neighborhood of Pittsburgh.

Mr. DAVIS, of West Virginia. The gas coals of our country come from the neighborhood of Pittsburgh, and in West Virginia west of the Alleghanies.

Mr. ALLISON. In other words, the gas coals used east of the Alleghanies must cross the mountains in order to be used in the Eastern States?

Mr. DAVIS, of West Virginia. Yes, sir; there are no gas coals east of the Alleghanies; they are all west; and they have to be hauled fully three hundred miles to get to tide-water, so as to compete with the coal that comes from Nova Scotia or elsewhere.

Mr. ALLISON. They must come from the neighborhood of Pittsburgh and Wheeling and that region and across the mountains?

Mr. DAVIS, of West Virginia. Yes.

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Mr. SEWELL. It is proposed to reduce the present rate from 75 cents to 50 cents, and that would be simply to fix the price that much less to the gas companies on the Atlantic coast. That would be practically the result.

Mr. DAVIS, of West Virginia. That would be practically the result, but not entirely. It is used somewhat for other purposes.

Mr. SEWELL. This class of coal does not enter into general use.

Mr. DAVIS, of West Virginia. The gas companies would get a larger benefit from a reduction of duty than any other class of people.

Mr. SEWELL. And in order to compete with that reduction the miners of coal west of the Alleghany Mountains would have to submit to a reduction in their labor of 25 cents a ton.

Mr. DAVIS, of West Virginia. The effect would be to reduce either the transportation or the labor. Something would have to be reduced.

Mr. SEWELL. This proposed legislation would practically be a reduction of labor.

Mr. DAVIS, of West Virginia. Yes, largely. I have already stated that the proposition to reduce the duty on coal is larger and more out of proportion than almost any other article in the bill. The proposed reduction is 33 per cent., and I believe the average reduction of the whole bill will not go probably over 10 or 15 per cent. My friend from Kentucky [Mr. BECK], however, can tell me whether the whole average of the reduction will exceed 10 or 15 per cent.

Mr. BLAIR. I should like to ask the Senator a question. Is there any importation of anthracite coal? I understand there is none.

Mr. DAVIS, of West Virginia. There is none.

Mr. BLAIR. There is no duty on anthracite?

Mr. DAVIS, of West Virginia. There is no duty on it.

Mr. BLAIR. Then in what way will the reduction of the tariff on bituminous coal affect the price of anthracite?

Mr. DAVIS, of West Virginia. Not at all.

Mr. BLAIR. Then it will effect no reduction in the price of labor that is employed in producing anthracite coal?

Mr. DAVIS, of West Virginia. It will have no effect upon anthracite coal whatever.

Mr. BLAIR. But I see by the volume of the census placed before us this morning that the production of anthracite coal in Pennsylvania alone was almost 30,000,000 tons in 1880; probably by this time it has risen to 40,000,000.

Mr. DAVIS, of West Virginia. Not so much.

Mr. BLAIR. At least 35,000,000, because then the aggregate was less than 60,000,000 of the production of coal of all descriptions; and it is now, as I understand the Senator, 70,000,000.

Mr. DAVIS, of West Virginia. The total production in the country is about 70,000,000.

Mr. BLAIR. Seventy million tons. Now, the same proportionate increase in the production of anthracite that has taken place in the production of coals of every description would make the production of anthracite about 35,000,000 tons at the present time. I understand that this reduction, so far as it applies to the anthracite, one-half of the total production, would have no effect whatever on wages paid to labor in the anthracite production. Is not that so?

Mr. DAVIS, of West Virginia. I do not know that it is wholly so, but it is partially so.

Mr. BLAIR. If there is no competition, and there can be none, because anthracite coal is free already and there is none imported, this reduction can not have any effect whatever upon the price so far as anthracite coal is concerned.

Mr. DAVIS, of West Virginia. I agree with the Senator in that.

Mr. WILLIAMS. I ask the Senator what he considers the ad valorem according to this change?

Mr. DAVIS, of West Virginia. I am going to give it to you.

Mr. WILLIAMS. It strikes me it is 75 per cent. I have some interest in coal-mines myself west of the Alleghany Mountains, and it costs us 4 cents a bushel to mine that coal and put it on the cars. This percentage is 3 cents a bushel, 75 per cent. ad valorem.

Mr. DAVIS, of West Virginia. So far as Kentucky is concerned it does not affect Kentucky in any way at all, except on the general principle that if you strike down one industry you affect another.

Last year, as I stated, the revenue from foreign coal was \$596,791.27, and at 75 cents a ton the ad valorem is 27.87 per cent., and the reduction that is proposed to be made will bring it to 18.58 per cent.

Now, let us apply that to the whole tariff. According to Spofford's Almanac—and I believe Mr. Spofford is very good authority—the average duty levied by our tariff on all dutiable goods is 43.98 per cent. If you add to that the free-list it will bring it to 39.11 per cent. Coal now, at 75 cents a ton, is below the average of all imported goods—I mean taking the free and dutiable goods together. Still the bill as reported proposes to bring it to 18.58 per cent., which is less than one-half the whole average of duties.

The entire duties to be collected from customs for the first year of the new tariff are estimated by the Treasury Department at \$235,000,000. Take 35 per cent. from other articles, as from coal, and what is the effect? The receipts from the customs duties would be reduced to \$156,000,000. Then if you make all the reductions in proportion to the proposed coal reduction, you would get from customs duties but \$156,000,000. Then you are treating this article of industry unfairly and unjustly by reducing it far more than anything else. The present duty is less than the duty on anything else; it is less than the average if you take the free-list and dutiable goods and put them together.

Mr. President, I do not desire to consume time, although there are many other figures that could be presented. I hope and believe that the Senate will vote to retain the present duty because it is less now than the average duties on the tariff-list.

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Mr. INGALLS. Does the Senator from West Virginia ask to have this increase upon coal for revenue or for protection?

Mr. DAVIS, of West Virginia. It is not an increase; it is to retain the present duty.

Mr. INGALLS. But I mean the increase over the tax recommended by the committee.

Mr. DAVIS, of West Virginia. For both.

Mr. INGALLS. For revenue and for protection?

Mr. DAVIS, of West Virginia. Yes, sir; that is my theory; that is what I believe is right.

The amendment was then agreed to—yeas 21, nays 20.

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