FORDNEY OF MICHIGAN ARRAIGNS THE SUGAR-DESTROYING TARIFF

IN HOUSE OF REPRESENTATIVES, HE DRIVES HOME STRIKING FACTS

Shows Depression and Disaster in Louisiana and Elsewhere, Due to Duty-Slash

Joseph F. Fordney of Michigan arraigned the Democratic administration and the Democratic slash of sugar-duties in a speech to the house on July 1. The Congressional Record reports the speech as follows:

Mr. Chairman and gentlemen, I will be as brief as possible. I will confine my remarks to the subject of an industry which has been materially affected by recent legislation.

President Wilson is quoted in the papers as having said that if it is shown by the report of the present investigating committee that the domestic sugar industry can not succeed without protection, it is a hothouse industry and must go.

The president either singles out the domestic sugar industry to be discriminated against, or else the same reasoning must apply to all American industries; that is, if they can not survive without tariff protection, they are hothouse industries and must go.

The president contends that conditions in America are artificial and not natural. Did he ever stop to think that wages and the standard of living for our laborers are abnormally high? As laborers in our domestic sugar industry and other American manufacturing establishments receive an average of about two and one-half times the wages paid to the same class of labor in Europe, from the president's course of reasoning it would appear that hothouse wages exist in this country—wages made possible by tariff protection from foreign cheap labor and no other cause. What makes the sugar industry, as the president calls it, a hothouse industry? Have we less farming lands suitable for raising beets? Is our land less productive? The industry needs protection on account of the cost of labor, which is equally true of other American institutions. American laboring men are accustomed to a high standard of living. They would not tolerate conditions of labor existing in some foreign countries with whom we must compete. Hothouse wages have brought about hothouse industries and hothouse habits for our workingmen. I favor hothouse wages and the protective tariff policy which has made hothouse wages possible.

There is no sound argument to justify the Democratic policy in regard to the domestic sugar industry.

This government requires the money the tariff on sugar produces. No revenue is collected with less burden on the people than the import duty on sugar.

The price of sugar to the consumers in the United States is lower than in any country in continental Europe.

The raising of sugar beets benefits the soil, and is most profitable to the farmer.

No monopoly exists in the manufacturing of domestic sugar. On the other hand, the so-called sugar trust is engaged in refining imported raws.

In short, the cause for the attack on the domestic sugar industry by the administration is inconceivable.

The great sugar-refining companies, the so-called sugar trust, for many years have been spending large sums of money in distributing literature to create a sentiment among our people for free trade on sugar, and failed to accomplish the results they desired until the Democratic party came into power March 4, 1913. It was the golden opportunity for the sugar trust and the Democratic party was easily led on in the matter of tariff legislation. Their case was presented to Congress through one Frank C. Lowry, their hireling. The administration yielded to this lobbyist and accepted his falsified figures and statistics.

Abolishing the duty on sugar will permit the sugar refineries to more cheaply import foreign raws, but this was not the fundamental reason for their activities. The remarkable growth of the domestic industry they considered a menace to their welfare and it was their greatest desire to curb or eliminate the strong and increasing competition caused by the domestic beet and cane sugar industry. The war between the great refineries and the domestic producers of beet and cane sugar has been fiercely waged since the inception of the beet-sugar industry, but the growth of the domestic beet sugar industry between the years of 1895 and 1912 has been phenomenal, jumping up from an annual production of a few thousand tons to 625,000 tons in the year of 1912. This, together with the domestic cane sugar produced in the south, furnishes the American people with about 25 per cent of the sugar they consume annually. It can readily be understood that the great refining companies saw in the domestic industry a most formidable foe—one that, unless it could be conquered, would bring unquestionable destruction in the end to the great monopoly engaged in the refining of foreign imported raw sugar.

Our domestic sugar has entered the markets in every state in the union and in all cases—without a single exception—has sold at from 20 to 40 cents a hundred pounds below the price obtained by the sugar trust for their sugar produced from foreign imported raws; and if the market for sugar is closely followed, it will be observed that during the six or seven months, from October to May, when the domestic sugar is on the market, the wholesale price, and also the price to the consumer, is lower than during the remainder of the year, when the sugar trusts have no competition. Yet Mr. Lowry tells us that the consumers will receive the entire benefit of a tariff reduction on sugar. I can not conceive that the sugar trust, with competition eliminated, will not sell its product at the highest price it can demand.

The refiners have increased their margin from $0.44 on February 11, 1914, to $0.894 on June 25, 1914, which increase amounts to $0.454. The refiners' margin has been increased 103.2 per cent.

This great change in the refiners' margin is proof that the refiners sell their sugar at the highest price they can obtain. In February domestic sugar was on the market, and competition forced the refiners to accept a small profit. I do not believe any well-informed man will contend that the domestic industry will be able to exist under free trade, and with all domestic competition wiped out the refiners can and will certainly increase their profits and absorb the tariff reduction. The benefit to the consumers, if there is any benefit at all, will certainly be insignificant. The crippling of the domestic sugar industry is a gross mistake. The tariff reduction on sugar can not be justified.

While the seaboard refiners and their free sugar allies among the Democrats claim that the Underwood bill has resulted in cheaper sugar, they conceal the essential facts from the people.

By cheaper sugar they expect the public to believe that the sugar found on the breakfast table of the American people is cheaper since the Underwood bill passed than it was before.

As a matter of fact, the cheaper sugar has been confined exclusively to raw sugar grown by the American farmers and to granulated sugar turned out by the beet sugar factories and better equipped sugar houses in Louisiana in competition with the trust.

This is strikingly shown by the movement of the sugar market during the last month that the old rates were in effect and the first month following the operation of the sugar schedule of the Underwood bill—February and March, 1914. During this period there was a net decline of 0.47 cent in raw sugar on the New York market, while granulated, the lowest grade of refined sugar, declined only 0.147 cent, the excess in the decline of raws over granulated being 0.323 cent, suffered by the American farmers. Since March, however, after the domestic crop had gone off the market, the refiners advanced their price on granulated sugar 0.441 cent, and now the price of granulated sugar is 0.224 cent higher than in February, before the tariff reduction became effective.

But this was not the worst feature. The campaign for free sugar was conducted by the refiners under the pretense that they would cheapen the higher grades of table sugars to the masses of the people, and that the grades known as dominoes and cut-loaf sugars, the grades of table sugars used for sweetening tea and coffee, would be cheaper by 2 cents a pound following the removal of the duty.

The trade reports show that while the refiners beat down the prices of raw sugar on the eve of the tariff changes, entirely "absorbing" the reduction, as they put it and also reduced the price of granulated in order to injure the beet people and those planters who were competing with them in that grade, they made absolutely no reduction in the price of crystal dominoes or cut-loaf sugar. These are the fancy grades in which the beet factories and the Louisiana planters do not compete. The trust, through selling them at exorbitant prices, has been able to pile up millions of dollars of profit annually.

The market quotations of Willett & Gray show that crystal dominoes were quoted without a break from January 8 to April 30 at 6.75 cents to 7.25 cents a pound, according to packing. Cut-loaf sugar was quoted at 5.05 cents during the same period without a break. The depression has been in raw sugar and the low grades, and the only losses have been sustained by the American farmer and the federal treasury.

The trust has maintained its fancy prices for fancy grades unimpaired by the tariff.

The loss to the federal treasury has been officially shown by two letters from the department of commerce under date of April 10 and May 18, respectively. These letters state that during the month of March, the first month the new sugar rates were in operation, the government sustained a loss of $2,479,458.62, while during the second month April, the government sustained a further loss of $1,951,198.91, a total of $4,430,657.53 lost to the United States treasury and absorbed entirely by the sugar refiners.

It will thus be seen that the refiners, through the operation of the new tariff, have within the space of two months recovered at the expense of the federal treasury $4,500,000, or a little more than the entire sum that the federal government forced them to disgorge by reason of their crooked weighing and other methods of petty thieving. These odious practices, it will be remembered, caused the attorney-general of the United States to denounce the refiners as guilty of "a long-continued system of defrauding the government of an unparalleled depravity."

While the golden stream of import duties has thus been diverted from the public treasury into the coffers of the sugar trust, the loss to private enterprise has been no less severe.

The culture of beets, which has been the marvel of American industry and development during the past decade, has been halted. Twelve beet factories have been abandoned. The destruction in the cane-growing state of Louisiana has been appalling. Mr. Charles Godchaux, one of the leading bankers and planters of that state, in a recent telegram which was read upon the floor of the senate, gave a few illustrations of the tariff disaster which has overtaken his people. He said:

"The Miles Planting Co abandoned their properties in Ascension and St. James parishes, containing over 15,000 acres, fully equipped with three large factories and railroads. They have sold off their live stock and are now offering their factories at wrecking value. Part of the lands have been leased for rice, and other crops, but a large portion are idle and the labor has moved away. The loss to the tbove company, composed of the daughter and son of Gen. Miles, is not less than half a million.

"In Terrebonne parish the Argyle property is now under seizure. The owner will sell at fifty to seventy-five thousand, while three years ago he purchased one-quarter interest from his brother for one hundred thousand. This shows a loss of over three hundred thousand.

"The Bayou sale property of Mr. Wahl and others, consisting of about 2000 acres, has been entirely abandoned, due to the fact that they were unable to secure the money to operate. The seed cane saved to plant in January has not been touched, and the loss on this place is at least a hundred thousand.

"The losses to sugar district since Underwood tariff was talked of or became effective amount to not less than $10,000,000 and will be that much more at the end of another year, when 90 per cent of the properties will be abandoned and expensive factories sold for junk. I could cite dozens more abandoned places if desired."

This is the practical side of the sugar question. But, like all great questions, it also has a sentimental side.

Let us turn to the record of the Baltimore convention in the opening days if we would understand why the American sugar growers feel so deeply on this question. In a telegram sent from Baltimore to the New Orleans Picayune before the balloting began, and published on the first page of its issue of June 26, we find the following:

"The Texas delegation made common cause with the Louisianans today in the effort to get in the platform some expression which would act as a protection of sugar in the future."

It was those men from the sugar-growing states of the south who stood like adamant for Mr. Wilson against the assaults of most of the other southern states in the battle for the nomination. The representatives from the other southern states who followed Hon. Ollie James in the senate and Mr. Hardwick in the house in destroying the sugar industry of southern Louisiana and Texas were simply revenging themselves because the representatives of those sugar states held out for Mr. Wilson and insured his nomination at Baltimore.

This is clearly shown by the record. Take the vote of the solid south after the 41 ballots, on the last ballot taken Tuesday, the day before all of the southern states broke to Wilson and attempted to out-Herod Herod in their devotion to the nominee. It is typical of the balloting that had been going on from the beginning and reads like poetic justice when we recall what the nominee and the solid south did to the domestic sugar industry later on when they came to revise the tariff.

Here is the forty-second ballot (Wilson, Clark and Underwood):

	W.	C.	U.
Alabama			24
Arkansas		18	
Florida	2		10
Georgia			28
Kentucky		26	
Louisiana	12	7	
Maryland	5	10	14
Mississippi			20
Missouri		36	
North Carolina	20		4
South Carolina	18		
Texas	40		
Virginia	9½	12	2

The sugar people know that they insured the selection of the Democratic nominees at Baltimore and feel that they were afterwards destroyed in the house of their friends for having done so.

While this prenomination assistance rendered by the sugar men would seem to have been sufficient to gain for them the assistance of the new administration, certain other events occurred during the campaign that followed which caused the sugar industry to feel that it had nothing to fear from Mr. Wilson.

These have been enumerated by Mr. Henry N. Pharr of Olivier, La., as follows:

1. The Underwood free-sugar bill of 1912 met a cold reception at the hands of the Democratic members of the senate finance committee, who recommended instead a one-third cut in existing rates.

2. The assurance given at that time by Senator John Sharp Williams of Mississippi, that "even though a Democratic president and a Democratic senate and a Democratic house should come into power, there is not the slightest anticipation in the mind of any intelligent man that sugar would be placed on the free list."

3. What we regarded as positive assurance from Mr. Wilson in his preconvention campaign that there need be no apprehension on the part of the Louisiana sugar planters in the event of his nomination.

4. The open secret that the subcommittee which drafted the Democratic platform absolutely refused to entertain a free-sugar plank submitted by the refining interests.

5. The declaration in that platform in favor of "legislation that will not injure or destroy legitimate industry."

6. Mr. Wilson's positive refusal during his campaign to declare himself in favor of free sugar when interrogated by the collector of the port of New Orleans, as shown in attached copies of telegrams.

7. Mr. Wilson's statement at Pittsburg, Pa., on October 17, that "The Democratic Party does not propose free trade or anything approaching free trade"; and, finally,

8. The assurance by President-elect Wilson that honest business had nothing to fear from his administration.

The telegraphic correspondence referred to by Mr. Pharr was as follows:

"New Orleans, La., Oct. 5, 1912.

"Hon. Woodrow Wilson,

"Democratic Nominee for President of the United States (care of Hon. William Jennings Bryan, Lincoln, Neb.):

"The last Democratic house passed the Underwood free-sugar bill. The Democratic platform for 1912 approved the legislation of the Democratic house at its last session. The Democratic campaign book for 1912 advances extended arguments in favor of free sugar. Notwithstanding these facts, sugar men in Louisiana are being assured that you will not advocate the Underwood free-sugar bill, if elected president, but will be guided by the fourth paragraph of the Democratic platform on the tariff question, which promises downward revision that will not injure or destroy legitimate industry. The Republican campaign opens in Louisiana on the 10th instant. We do not wish to misrepresent your position. May I ask if you are in favor of the Underwood free-sugar bill or not? If not, what duty on sugar will you advocate if elected president? We will publish your answer in full with this telegram.

"C. S. HEBERT,

"Chairman Republican State Central Committee."

President Wilson's answer was as follows:

"Phillipsburg, Kans., Oct. 6, 1912.

"C. S. Hebert,

Chairman Republican State Central Committee, New Orleans, La.:

"Your lettergram October 5 received. My position on the question mentioned was stated in my speech of acceptance.

"WOODROW WILSON."

In the light of this correspondence, the letter of acceptance will be studied in vain for the slightest intimation of the cruel destruction that awaited the Louisiana sugar industry when Mr. Wilson and his friends came to revise the tariff.

Last year 647,606 acres were planted with sugar beets in the United States. This season 513,201 acres have been planted. This is a decrease of 134,305 acres, due to the closing down of 12 beet sugar factories in different parts of the United States.

The contracts between the factories and the beet growers in the State of Michigan have been so changed as to reduce the price per ton paid for beets to the farmers an average of 50 cents. As the average yield of beets in Michigan is about 10 tons per acre, this means an average reduction in the farmer's income of $5 per acre. A farmer growing 15 tons per acre, of course, will lose $7.50 per acre on his beet crop this year as compared with last year.

The question may be asked, why the domestic beet and cane sugar industry cannot thrive, or even exist, without tariff protection against foreign competition. A few of the facts in the case show most clearly a reason that cannot be disputed. It has been shown that the beet-sugar factories in the United States in 1910 paid from $6 to $6.50 per ton for beets delivered at the factory, and in the State of Michigan the factories that year paid $6.91 per ton for beets delivered at the factories (see Hardwick hearings, p. 771), while it was developed at the Hardwick hearings that the farmers in France received an average price for their beets from 1902 to 1911, inclusive, of $4.05 per ton of 2,000 pounds; and in Germany, for the same period of time, the farmers received $4.45 per ton; and it was further developed by the investigations of that committee that the French and German beets averaged about 2½ per cent more sugar in the beets than is obtained from beets in the United States. And, again, the purity is greater in German and French beets than in the United States and yields about 30 pounds of sugar per ton of beets more than is extracted from beets in this country showing the same test or percentage of saccharine, which is caused by the superior purity of sugar in the beets. And, again, the wages of the men, women and children in the beet fields in France and Germany were shown to be about 40 per cent of the wages paid to the same class of labor in the beet fields in the United States.

It was shown by that investigation that the cost of production of granulated sugar from beets in the United States was $3.55 per 100 pounds, while the cost of production of brown sugar from cane in the southern states was $3.75 per 100 pounds. The cost of refining this brown sugar ranges from 40 to 50 cents per 100 pounds and makes a total cost for refined sugar produced in the southern states of 4¼ cents per pound, while, on the other hand, Cuban raw sugar, 96 degree—which is a light-brown sugar—is sold f. o. b. Habana for about 2 cents per pound. The freight on this sugar to New York is 10 cents per 100 pounds, and the refining cost about 40 cents per 100 pounds, so that under free sugar the refining companies, known as the Sugar Trust, can, under free trade, produce refined granulated sugar from foreign imported raws at a cost of 2½ cents per pound. It can therefore be plainly seen that the refining companies, who have so long and earnestly clamored for free trade on foreign imported sugar, can under free trade put sugar on the market at a price far below the price at which it can be produced by the domestic sugar manufacturers and thus crush out the domestic beet and cane sugar industry.

There is more than $100,000,000 invested in our beet-sugar factories and about twice that sum in the factories and cane fields of the south. There is conclusive evidence that this industry cannot survive under free trade, and, according to the president's statements, it is a hothouse industry and must go.

The reduction of duty as provided for in the Underwood tariff law, sanctioned and approved of by the administration, on Cuban sugar is a fraction over one-third of a cent per pound. This change or reduction of duty was made effective March 1, 1914. Its effect so far has been to close the following beet-sugar factories:

In Ohio, the Continental Sugar Co., with a slicing capacity of 500 tons per day, and the Altowa Sugar Co., with a capacity of 600 tons per day.

In Nevada, the Nevada Sugar Co., slicing 500 tons.

In Arizona, the Southwestern Sugar Co., 650 tons capacity.

In Wisconsin, the Rock County Sugar Co., 700 tons capacity.

In Iowa, the Iowa Sugar Co., 550 tons capacity.

In California, the Alameda Sugar Co., 800 tons capacity; the Sacramento Valley Sugar Co., 700 tons capacity.

In Colorado, the Holly Sugar Co., 600 tons capacity; the Las Animas Sugar Co., 700 tons capacity; the American Beet Sugar Co., 400 tons capacity.

In Michigan, the Western Sugar Refining Co., 600 tons capacity.

Twelve factories in all out of a total of 74 in the United States, or about 16 per cent of our beet-sugar factories, have already been driven out of business.

In the state of Louisiana since the 1st day of January, 1914, the new tariff law has, as before stated, caused 42 factories and plantations to discontinue. Following is the list:

The Bell Helene Planting Co.
The Valverda Planting & Manufacturing Co.
The Miles Planting & Manufacturing Co.
The Sera and Magnolia plantations.
A plantation at Plaquemine of 10,000 acres.
The Sweet Home plantation.
The La Place sugar plantation.
The Vanfry Planting Co.
The Ivanhoe plantation.
The Alice B. plantation.
The Crawford and Richland plantations.
The Home Place.
The Glen Coe plantation.
The McManor plantation.
The Front Lawn plantation.
The L. & Kay plantation.
The Sherley Planting Co.
The Cora Planting & Manufacturing Co.
The Celeste Planting Co.
The McCall. Bros. Planting & Manufacturing Co.
The Miles Co.
The Ascension Planting Co.
The Augusta plantation.
The W. W. Ventress plantation.
The Leeman Co. (Ltd.).
The Milly plantation.
The Southside Planting Co.
The Oliver plantation.
The Mary plantation.
The Magnolia plantation.
The Braitwaite plantation (property of the United Railway & Trading Co.).
The Catran plantation.
Jos. Weber & Co.
The Star plantation (owned by the Klotz Manufacturing Co.).
The Cecelia Sugar Co. (Ltd.).
The Davis Planting & Manufacturing Co.
The St. Clair plantation.
The Myrtle Grove plantation.
The Fairfield plantation.
The Upper Elmer plantation.

This shows that the Underwood tariff law has been a Waterloo for our domestic sugar industry. It can not be denied. Evidently it is all for the purpose of giving the sugar refining companies, or the so-called sugar trusts, a wider field and more exclusive control of our markets for our sugar, and the poor unfortunate consumer will pay the penalty to these companies.

To date out of the 74 beet-sugar factories in the United States, scattered throughout 17 states of the Union, 12 or 16 per cent of the total have been closed. The embarrassment caused by the Underwood tariff law to the sugar industry in Louisiana has forced 4 sugar plantations and companies into the hands of receivers, 20 others have discontinued operations, and 18 have been sold at sheriff's sales, making a total of 42 sugar plantations and factories in the State of Louisiana alone that have been forced to go out of business since January 1, 1914. To no other cause can the failures be attributed than the Democratic free-trade tariff law. The destruction to this one great industry alone within six months from the time of putting into effect the administration's tariff policy must be appalling to fair-minded people. Any attempt to mislead the people into believing that any cause other than the tariff is to blame is an insult to their intelligence.

The president and his party are free traders and have put their free-trade policies into effect. No one can deny it. It has failed to bring better conditions to the people of this country, which they claimed it would. They are now putting forth all manner of excuses for their failure. Last winter when such large numbers of unemployed men in the large cities were applying for shelter and food it was a Democratic contention that the excessive cold weather was responsible for the suffering. The cold-weather argument can not now be used. The conditions are growing worse instead of better, and the administration realizing this gives voice to the carping cry that this is purely a psychological condition.

The Democratic administration has its foot on the throat of business; how long will they attempt to conceal the real cause of business depression?

Secretary Redfield not many months ago boasted of the magnificent balance of trade of the United States for the calendar year of 1913—nearly $700,000,000. A favorable balance of trade is a great asset to a country. Mr. Redfield knew it and members of Congress know it. In April our imports exceeded our exports by $11,300,000, and in May our imports again exceeded our exports, the excess amounting to approximately $2,000,000. With free trade on sugar this country's imports will increase some $40,000,000 annually. These increased imports will come no matter what we think. It will not be psychological. The imports will come in and gold will go out to pay for the same.

Our Democratic friends have always claimed that our domestic sugar industry, especially beet sugar, is a hothouse industry, and, in fact, it has been claimed there is not sufficient soil adapted for the successful growing of beets in the United States to warrant the establishment of enough beet-sugar factories to produce a quantity of sugar equal to our consumption.

When Mr. Wilson was the secretary of agriculture, he made a report that his department had made thorough tests of soils in the United States and determined that there is 274,000,000 acres of land in the United States as well adapted to the growing of beets as the soil on which sugar beets are now grown in the state of Michigan, and that if a crop, such as was produced in the state of Michigan for 1911, was harvested from this 274,000,000 acres of land, that one-crop of sugar would exceed in quantity all the sugar used by all the people of the world since the birth of our Saviour. A crop of beets from 13,000,000 acres of land in the United States would furnish an annual supply of sugar to all the people of the world. In other words, would produce a quantity of sugar equal to the world's annual production.

Is it not a matter of significance to find the representatives of the refining industries before the Hardwick sugar investigating committee and the committee on ways and means, when the tariff bill was up for consideration, advocating free sugar, and later, find the paid representative of the refining institutions, Frank C. Lowry, writing a part of the Democratic Campaign Textbook for the year of 1912, the celebrated so-called "Farmers' Sugar Bowl," setting forth gross misrepresentations as to the benefit to be derived by the consumers under free trade on sugar; and also to find that two of the Spreckels family engaged in the refining of sugar, one at San Francisco and the other at New York, supporting the Democratic party in the campaign of 1912 not only by personal efforts, but it is reported, by contributing large sums of money for the campaign of 1912, while at the same time a suit was pending, brought by the government in the federal court for the southern district of New York, against the Federal Sugar Refining Co., of which one of the Spreckels is president, for a claim of $119,080.98 principal, representing unpaid duties on importations of raw sugar entered at the port of New York by the defendants, and that suit is still pending and unprosecuted? This suit was begun against the Federal Sugar Co. under a Republican administration. It was one of several suits brought against the importers of foreign raw sugar, and some of the officials of one of the refining companies, I believe, are now serving terms in the penitentiary for fraudulent underweighing and undervaluations or other frauds in connection with the importation of foreign raw sugars, for which the Arbuckles and the American Sugar Refining Cos. have paid upward of $3,000,000 in fines. All these suits, if I am correctly informed, have been prosecuted to a completion, with the single exception of the suit against the Federal Sugar Refining Co. above referred to.

We are now sending abroad about $100,000,000 annually to purchase foreign sugar to be refined by the great Sugar Trust to supply us with our consumption of sugar in addition to that produced by our domestic beet and cane factories. This money goes abroad and employs labor in foreign lands, where as if kept at home it would furnish a very large amount of employment to laborers in the United States.

Our laborers in the United States employed in the great refineries receive in wages not to exceed 40 cents for each 100 pounds of raw sugar refined, while if that sugar was produced in the beet and cane factories of this country labor would receive eight times that sum, or, in other words, eight laborers would be employed in the sugar industry of this country if we produced at home all the sugar we consume for every one laborer employed by the Sugar Trust engaged in refining imported raws. However, that is a system or policy to which our Democratic friends seem unalterably opposed. They propose to completely destroy the domestic industry and transfer the labor abroad.

During six months of the year, when there is no domestic beet sugar on the market, imported raw sugar is refined as follows:

The Federal Sugar Refining Co. produces 6.3 per cent of our consumption.

The Warner Sugar Refining Co. produces about 2.5 per cent of our consumption.

While the American Sugar Refining Co. and the Arbuckle Bros. Sugar Refining Co. produce the remaining, or 91.2 per cent. The American Sugar Refining Co. has its head office at 117 Wall street and the other refining companies have their offices in two buildings on Front street, New York, less than one and one-half blocks away from the American Sugar Refining Co. Is it not possible for these companies to get their heads together in fixing the price of refined sugar during one-half of the year, when there is no domestic sugar on the market? As before stated, it will be observed that during that time the price of sugar to the consumer is higher than during the six months of the year when the domestic sugar is on the market.

Our insular possessions furnish us with the following quantities of sugar:

	Tons.
The Hawaiian Islands	500,000
Porto Rico	[illegible]
The Philippines	200,000

Our domestic production, as before given, is 950,000 tons, and the balance of our consumption, or 1,750,000 tons, is furnished by Cuba, making a total of 3,700,000, or about 81 pounds per capita as the annual consumption in the United States.

A dollar in America will purchase more refined granulated sugar in the United States than in any country in the world.

The English Board of Trade, in a report on the comparative labor conditions in England and the United States, taking $1 paid to labor in England as a basis for comparisons, showed that the same class of labor in the same kind of employment in the United States receive $2.40; and what the Englishman is able to purchase in England for $1 can be purchased by the American laboring man here for $1.38, as shown by that report, thus leaving the American laboring man a surplus of $1.02 out of every $2.40 earned.

Again, Willett & Gray's Statistical Trade Journal quotes the net cash wholesale price for refined granulated sugar at Liverpool on June 4 at $3.80 per 100 pounds, while at the same time they quote the net wholesale cash price for refined granulated sugar in New York at $4.116 per 100 pounds. Therefore, if the consumer could purchase at the wholesale price, the English laborer could purchase with his dollar 26.2 pounds of refined granulated sugar, while the American laborer, at the American wholesale price could purchase with his $2.40 58.2 pounds of refined granulated sugar. In other words, the American labor-
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ing man can purchase for a given unit of labor more than two and a quarter times as much sugar as the Englishman.

In the per capita consumption of sugar of the nations of the world the United States stands fifth.

New Zealand consumes 130 pounds per capita; Australia consumes 129 pounds per capita; United Kingdom consumes 91 pounds per capita; Denmark consumes 84 pounds per capita; United States consumes 81 pounds per capita.

It is of interest to know that in 1830 our consumption of sugar was but 10.2 pounds per capita and in 1870 it was 32 pounds and the wholesale price was 13½ cents per pound, while for the year of 1913 the wholesale price for domestic beet sugar was $3.82 per 100 pounds. About one-third of the per capita consumption of sugar in the United States is used by manufacturers of candies, preserves, and other foods.

The campaign for free sugar has been so diligently carried on by the importers of raw sugar that a feeling has been created that the import duty on sugar is a great burden on the consumer. Certainly this belief is unwarranted. The following is a list of import duties, excises, and internal-revenue taxes that must be paid in the principal European countries on sugar for home consumption. The United Kingdom has the lowest rate.

	Per 100 pounds.
The United Kingdom	$0.40 to $0.45
Switzerland	.79
The United States:	
Cuban sugar	1.00
Maximum	1.26
Denmark	1.22
Germany	2.03
Belgium	2.23
Norway	2.43
France	2.89
Sweden	3.64
Austria-Hungary	4.02
Bulgaria	4.69
Netherlands	4.92
Greece	5.06
Servia	5.31
Finland	6.48
Roumania	6.56
Russia	7.00
Portugal	7.26
Spain	8.56
Italy	8.67

The average for all Europe is $4.43 per 100 pounds. If the United States would impose an internal revenue tax on sugar consumed in this country of $4.43 per 100 pounds, that tax would bring a revenue to the government of $370,000,000.

Mr. Chairman, I listened with considerable interest to some gentlemen on Saturday from the Democratic side of the House who gave a glowing report of the increased production in certain industries in the state of Indiana. I am in business. I am employing men in the lumber industry. I have never yet seen a time since 1896 when that industry was in such a chaotic condition as at present. And what is true of the lumber industry of this country from the Atlantic to the Pacific is true practically of every industry in the land. I am sorry this condition exists. And I hope that I am not and that the Republican party is not responsible for that condition. I want to say to my Democratic friends that with your opinions on the question of a tariff duty to be collected on foreign imports I differ. I believe in a protective tariff and you do not. One or the other of us is wrong in judgment. I want to give you credit for being candid and honest in your opinion, but I believe you are misguided in judgment.

I have repeatedly stated, and I wish to again state, that there is not a country under God's sun in which a dollar today will buy as many pounds of granulated sugar as it will buy in the United States, England not excepted. England has a duty on sugar ranging from 40 to 45 cents per 100 pounds. Her rate of duty is 45 cents per 100 pounds on sugar of 98 deg. or above, and lower rates of duty on lower grades. On 96 deg. it is 40 cents.

Mr. Stephens of Texas—Will the gentleman yield for a question?

Mr. Fordney—Yes, sir.

Mr. Stephens of Texas—The gentleman stated that sugar is cheaper than ever before in this country. Is not that carrying out the promises of the