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THE MCKINLEY TARIFF BILL.

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SPEECH

OF

HON. CHAS. J. FAULKNER,  
OF WEST VIRGINIA.

IN THE

SENATE OF THE UNITED STATES,

THURSDAY, AUGUST 21, 1890.

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WASHINGTON.  
1890.



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OF  
HON. CHARLES J. FAULKNER.

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The Senate, as in Committee of the Whole, having under consideration the bill (H. R. 9416) to reduce the revenue and equalize duties on imports, and for other purposes—

Mr. FAULKNER said:

Mr. PRESIDENT: I engage in the discussion of the measure now pending before the Senate, fully realizing its vast importance, not only to the people of the State which in part I represent, to the sixty-four millions who compose our population and yield obedience to our laws, but also to those who, though alien to its institutions and beyond the limits of its territorial jurisdiction, have watched with amazement the marvelous progress and unexampled development of our country, and who, recognizing it as one of the leading nations of the world, will be influenced by its declared policy touching the great economic questions involved in this measure.

It is not my purpose to question the wisdom of Washington, who advised his countrymen that "the great rule of conduct for us in regard to foreign nations is, in extending our commercial relations, to have with them as little connection as possible," but to urge upon the Senate to preserve the distinction made by him in that memorable address, and while avoiding all entangling political alliances with foreign nations to go no further in a direction that will tend inevitably to restrict and weaken our commercial relations.

Our interests as a people will induce us to avoid political alliances with powers whose institutions, customs, habits, and destinies are controlled and directed by influences which have nothing in common with the aspirations of the American people; but the interests of a favored class, small in numbers, powerful in wealth and organization, have, during the last thirty years of our national existence, so shaped our legislation and controlled our foreign policy that we have lost the rank we formerly occupied among the commercial nations of the world, until to-day there are but one or two lines of steamers engaged in the foreign trade that carry the American flag.

This is a humiliating admission to be made in the presence of the American people, but it is nevertheless true.

This humiliation is intensified when we recall the fact that as far back as 1823, with a population of only 9,633,822 people, Congress and the country were electrified by that famous message, which declared to the allied powers of Europe that "We owe it, therefore, to candor and to the amicable relations existing between the United States and those powers to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dan-

gerous to our peace and safety," and which, without treaty obligations, placed the Government of the United States before the civilized world as assuming a protectorate over the western hemisphere.

It is true we did not question the right of the parent country to enforce obedience in its colonies to its decrees, but we boldly and firmly announced to the combined monarchical governments of Europe that any assistance offered to the parent country to enforce its laws in the colony, or any attempt by those governments, singly or together, to conquer colonies that had declared their independence of the mother country would be regarded as an act "dangerous to our peace and safety."

The broad views of public policy and the foresight of the wisest statesmanship which dictated this message gave to the United States, among the nations in the western hemisphere, a commanding and influential position.

Gradually, as they have asserted their independence of the mother country and organized independent governments, they have been influenced by the position occupied by this country and have modeled their constitutions from our organic law, and declared the rule of action for their citizens by laws based on our legislative enactments.

From the Rio Grande to Cape Horn republican forms of government have been established, and the present year witnessed the representatives of all those rapidly developing countries assembled in the Federal capital to deliberate upon the means that would best promote the commercial relations and bind more firmly the interests of the people of all these countries.

No longer bound by the shackles which for so many years had paralyzed their energies and smothered their aspirations, we should recognize that in the great national conflict for supremacy we can not afford by unwise laws, passed for the benefit of a privileged few against the interests of the common mass of our people, to retard the growth of any industry or set an example to our southern neighbors that would encourage the formation of classes among their people resting upon the unnatural development of a single great industry that with others goes to make up the wealth of a nation, and encourage the establishment of a fiscal system that would tend to exclude our own exports.

Mr. President, I am impressed deeply with the belief that the fiscal laws which we formulate for the government of the people, subject to the jurisdiction of the Congress of the United States, will not only promote the prosperity or retard the development of our own people, but will have a strong influence in shaping the policy, in determining the material development, and in hastening or retarding the commercial intercourse between this country and those republics south of us who have watched with confidence the practical workings of our laws, and have attributed the marvelous development and growth of our country to the wisdom of the statesmanship which has guided its course for more than a century.

We can not afford, through the operation of bad laws, to segregate our country from the commercial nations of the world, as China did for centuries. The interests of our people demand that we shall take advantage of the position conceded to us by the nations of both hemispheres, that the vast and varied resources which we possess may be developed, our general prosperity promoted, and all of the great industries of the country encouraged, not by concentrating its wealth in the

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hands of one in every five hundred of our population, but in diffusing it among the great mass of our citizens, recognizing that the strength of a people is measured by their peace, good order, and contentment, and not by the luxurious rioting of classes in the ill-gotten gains wrung through unjust and inequitable laws from the brain and muscle of the toiling millions.

IS A TARIFF FOR PROTECTION, REGARDLESS OF REVENUE, CONSTITUTIONAL?

Mr. President, to enable us to consider the pending measure in the spirit which its importance demands, we must immolate the spirit of greed—which is generally the life and vitality of such a bill—upon the altar of justice and fair dealing; we must extend the horizon of our vision beyond the mere boundaries of our personal locality and interests; we must realize that when the Government assumes to control and regulate the natural rights of the citizen, that power only extends to the point of promoting the general welfare and not to the extent of advancing the interests or increasing the wealth of a segregated few in the community. We must consider the needs of a public service, analyze the estimates on which appropriations are asked, and limit the expenditures to the needs of the Government economically administered, and in the extent of the exercise of this Federal power we must find our authority in the law of its creation.

Mr. President, I appreciate the fact that a constitutional argument against any measure proposed is frequently considered by members of this body as a useless and unnecessary consumption of time; but, sir, I am not willing to yield to such a criticism in the discharge of the important duties of the office which I have the honor to hold. The Constitution is our chart, and in reference to every measure which is brought before Congress for its consideration it should be our guide, as in law it is the limitation of our power. I prefer to follow in such a case the sound advice of Cicero rather than to acquiesce in that sentiment which seeks to extend the powers of the Federal Government by disregarding those limitations which the wisdom of the fathers imposed when they created this governmental structure. He said:

It is necessary for a senator to be thoroughly acquainted with the constitution; and this is a knowledge of the most extensive nature, a matter of science, of diligence, of reflection, without which no senator can possibly be fit for his office.

What a contrast, sir, between this utterance, which has survived its author nearly twenty centuries, and that of the distinguished Senator from Kansas, made upon this floor, that the Constitution of the United States means anything which a majority of the people want it to mean.

The sentiment of the Roman orator and statesman is worthy of perpetual remembrance, while that of the American Senator merits forgetfulness and oblivion.

Mr. President, I shall assume in the discussion of this measure that it is the settled policy of Congress (with the exception of the revenues derived from the internal-revenue laws and from the sale of public lands) to raise the means necessary to meet the expenditures of the Government by duties on imposts, levied under authority conferred by the first clause of the eighth section of the first article of the Constitution, that—

The Congress shall have power to lay and collect taxes, duties, imposts, and excises; to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States.

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To comprehend fully the scope of the eighth section it is proper to refer to the seventh section of the same article, which provides that—

All bills for raising revenue shall originate in the House of Representatives; but the Senate may propose or concur with amendments, as on other bills.

These sections must be construed together to enable us to clearly understand the purpose and intention of their insertion and the limitation upon the power granted to Congress under the eighth section of the first article. When the seventh section is read in connection with the eighth we find that the framers of the Constitution have placed two limitations upon the exercise of this grant of power: First, it limits the right to originate such bills to the popular branch of Congress, which, by reason of biennial elections provided for in the Constitution, makes its membership more directly and immediately responsible to the people than the Senate is; and, secondly, it specifically defines the object for which the expressed power may be exercised, and limits it to bills the object and purpose of which is the raising of revenue. As the Federal Government is a government of limited powers, exercising such only as are expressly granted, incident to, or necessarily implied from those expressed, we can not, as in other forms of government, seek authority for a given act of Congress by referring to the inherent powers that usually reside in all governments, but must trace our authority to the express grant or satisfactorily show that the power sought to be exercised is necessarily implied from that expressed.

This limitation, found in the seventh section, in fact declares nothing more than the general common-law principle which is universal in its application under all forms of constitutional government. Its meaning is that the granted powers of taxation shall be exercised for public purposes in promoting the general welfare, and shall not be employed with a view of advancing private interests.

Mr. President, this construction of the Constitution is strengthened, when we remember the limitation imposed by the fifth amendment to that instrument, upon the right of the Government in exercising its sovereign right of eminent domain, which limitation is the expression of the common-law principle and made a part of the organic law of the country. It provides—

Nor shall private property be taken for public use without just compensation.

This fundamental declaration, contained in the bill of rights of almost every State in this Union, as a restriction upon the inherent right of government, conclusively shows that when those great principles of the limitation upon the arbitrary powers of absolute government were formulated, and at a time when constitutional governments originated, the thought had never been conceived by those who then guided and controlled the destinies of nations that there existed either an inherent or other governmental power by which private property could be taken for private use. Consequently we find that the only limitation upon the exercise of this sovereign attribute is, that just compensation shall be paid when private property is taken for public use. As a result, sir, of this construction, if there exists such a power in this Government, or that of any of the States, to take private property for private use, we have the strange anomaly presented in both State and Federal Governments, that although there is a restriction upon the power when exercised for public purposes, yet there is no limitation upon those governmental exactions when exercised for private objects.

I can not, for one, sir, consent to the proposition that would be in-

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volved in so absurd a construction, but prefer to follow the expression of opinion of the learned court in 50 Maine, 590, which declares:

No public exigency can require private spoliation for the private benefits of favored individuals. If the citizen is protected in his property by the Constitution against the public, much more is he against private rapacity.

This, Mr. President, is no longer an open question. Both the State and Federal courts have with absolute unanimity applied the common-law principle, under the constitutional guaranties, in favor of the citizen, and denied the power of taxation as an incident to the powers of government, when exercised to promote private interests. The courts have gone further, and have met the arguments advanced by those who assert the doctrine that because the establishment of manufactures is a public benefit, therefore the Government is authorized, in the exercise of its taking power, to levy a tax to promote the enterprise, and in clear and vigorous language, illuminated by illustrations so convincing that he who runs may read, have denied the existence of such a power. In the case of the Loan Association vs. Topeka, 20 Wall., 657, Judge Miller, in announcing the opinion of the court, says:

If it be said that a benefit results to the local public of a town by establishing manufactures, the same may be said of any other business or pursuit which employs capital or labor. The merchant, the mechanic, the inn-keeper, the banker, the builder, the steam-boat owner, are equally promoters of the public good, and equally deserving the aid of the citizens by forced contributions. No line can be drawn in favor of the manufacturer which would not open the coffers of the public Treasury to the importunities of two-thirds of the business men of the city or town.

And in speaking further on the general power of taxation, he uses this language:

The power to tax is, therefore, the strongest, the most pervading of all the powers of the Government, reaching directly or indirectly to all classes of the people. It was said by Chief-Justice Marshall, in the case of *McCulloch vs. The State of Maryland*, that the power to tax is the power to destroy. A striking instance of the truth of the proposition is seen in the fact that the existing tax of 10 per cent. imposed by the United States on the circulation of all other banks than the national banks drove out of existence every State bank of circulation within a year or two after its passage. This power can as readily be employed against one class of individuals and in favor of another, so as to ruin the one class and give unlimited wealth and prosperity to the other, if there is no implied limitation of the uses for which the power may be exercised. To lay with one hand the power of the Government on the property of the citizen, and with the other to bestow it upon favored individuals to aid private enterprises and build up private fortunes, is none the less robbery because it is done under the forms of law and is called taxation. This is not legislation. It is a decree under legislative forms. Nor is it taxation.

"A tax," says Webster's Dictionary, "is a rate or sum of money assessed on the person or property of a citizen by Government for use of the nation or State." "Taxes are burdens or charges imposed by the Legislature upon persons or property to raise money for public purposes." Coulter, J., in *Northern Liberties vs. St. John's Church*, says very forcibly: "I think the common mind has everywhere taken in the understanding that taxes are a public imposition, levied by authority of the Government for the purpose of carrying on the Government in all its machinery and operations—that they are imposed for a public purpose."

If possible, however, a more striking judgment in its application to the measure now before the Senate has been rendered by the supreme court of Maine. Under the constitution of that State the Legislature may submit to its supreme court questions of law for its adjudication, and in conformity with that constitution the following propositions were propounded to the court:

Has the Legislature authority under the constitution to pass laws enabling towns by gift of money or loan of bonds, to assist individuals or corporations to establish or carry on manufacturing of various kinds within or without the limits of said towns?

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The answer to these propositions may be found in 58 Maine, 590, from which I quote:

Taxes are the enforced proportional contribution of each citizen out of his estate, levied by authority of the state for the support of the government and for all public needs. They are the property of the citizen, taken from the citizen by the government, and they are to be disposed of by it.

There is nothing of a public nature any more entitling the manufacturer to public gifts than the sailor, the mechanic, the lumberman, or the farmer. Our Government is based upon equality of rights. All honest employments are honorable. The state can not rightfully discriminate among occupations, for a discrimination in favor of one branch of industry is a discrimination adverse to all other branches. The state is equally to protect all, giving no undue advantage or special and exclusive preference to any.

The same court, in 60 Maine, in the case of *Allen vs. The Inhabitants of Jay*, had their attention directed again to this question, and the opinion delivered by the chief-justice, who states briefly a number of cases, fully sustains the principles announced in 58 Maine.

The judge said in that case:

Taxation, by the very meaning of the term, implies the raising of money for public uses, and excludes the raising of it for private objects and purposes. "I concede," says Black, C. J., in *Sharpless vs. Mayor*, 21 Pennsylvania, 167, "that a law authorizing taxation for any other than public purposes is void." "A tax," remarks Green, C. J., in *Camden vs. Allen*, 2 Dutch., 839, "is an impost levied by authority of Government upon its citizens or subjects for the support of the state."

"No authority or even dictum can be found," observes Dillon, C. J., in *Hanson vs. Vernon*, 27 Iowa, 28, "which asserts that there can be any legitimate taxation when the money to be raised does not go into the public Treasury, or is not destined for the use of the government or some of the governmental divisions of the state."

"If there is any proposition about which there is an entire and uniform weight of judicial authority, it is that taxes are to be imposed for the use of the people of the state in the varied and manifold purposes of government, and not for private objects or the special benefit of individuals. Taxation originates from and is imposed by and for the state.

"The idea seems to be that thereby capital would be created. But such is not the case. Capital is the saving of past earnings ready for productive employment. The bonds of a town may enable the holder to obtain money by their transfer, as he might do by that of any good note. But no capital is thereby created. It is only a transfer of capital from one kind of business to another.

"The industry of each man and woman engaged in productive employment is of 'benefit' to the town in which such industry is employed. This can be predicated of all useful labor, of all productive industry. But because all useful labor, all productive industry, conduces to the public benefit, does it follow that the people are to be taxed for the benefit of one man or of one special kind of manufacturings?"

"The sailor, the farmer, the mechanic, the lumberman, are equally entitled to the aid of coerced loans to enable them to carry on their business with Messrs. Hutchins & Lane. Our Government is based on equality of right. The state can not discriminate among occupations, for a discrimination in favor of one is a discrimination adverse to all others. While the state is bound to protect all, it ceases to give that just protection when it affords undue advantages, or gives special and exclusive preferences to particular individuals and particular and special industries at the cost and charge of the rest of the community.

"Where is the difference between the coerced contribution of the tax-gatherer to be loaned to individuals for their benefit and those of the conqueror from the inhabitants of the conquered country?"

Mr. President, if these decisions, made by the highest courts, both of Federal and State jurisdiction, mean anything, they announce clearly and distinctly the doctrine, that the power of taxation conferred upon the Government, constitutionally extends no further than the right to exact from the citizen forced contributions for the purpose of meeting governmental needs, with a view of carrying out the public purposes for which they were created.

In the light, therefore, of these decisions, it may not be unprofitable to direct the attention of the Senate, to the declaration of principles on



this subject, made by the two great political parties seeking the ascendancy in this country.

The Chicago convention of 1888, ignoring these just and fundamental principles of governmental limitation, in behalf of the Republican party, declared:

The Republican party would effect all needed reduction of the national revenue by repealing the taxes upon tobacco, which are an annoyance and burden to agriculture, and the tax upon spirits used in the arts and for mechanical purposes, and by such revision of the tariff laws as will tend to check imports of such articles as are produced by our people, the production of which gives employment to our labor and, release from import duties those articles of foreign production, except luxuries, the like of which can not be produced at home. If there shall still remain a larger revenue than is requisite for the wants of the Government, we favor the entire repeal of the internal taxes, rather than the surrender of any part of our protective system at the joint behest of the whisky ring and the agents of the foreign manufacturers.

In this plank of that platform the Republican party announced to the American people that, rather than surrender any part of the protective system, its policy would be to repeal the entire internal revenue tax upon tobacco and whisky, and in the revision of the tariff laws seek to reduce the revenue from custom imposts by increasing the duties, and "check imports of such articles as are produced by our people." No other limitation upon this vicious, unconstitutional system of taxation was made in that platform.

Whether the article was one of luxury, or one of prime necessity, entering into the daily consumption of the great mass of the people, in both instances, if either or all came in competition with home production their costs were to be increased, that their importation might be decreased. Its pledge to the country was, that if placed in power it would formulate a bill the foundation of which would be protection *per se*, and not one having for its object the raising of revenue with incidental protection to American industries. In other words, that the legislation of Congress should be framed for the sole purpose and object of advancing the interests of one-thirteenth of the population of the country imposing upon the other twelve-thirteenths the burdens of forced contributions, in the interest of a favored class of our citizens.

The Democratic party, through its chosen representatives, did, during the same year, in the interest of the whole people, announce those principles which have for a century given vitality to its organization, and which have been the cohesive power that enabled it to meet defeat without disintegration, and to use its victories in promoting the interests of a common country. It declares:

Knowing full well, however, that legislation affecting the occupations of the people should be cautious and conservative in method, not in advance of public opinion, but responsive to its demands, the Democratic party is pledged to revise the tariff in a spirit of fairness to all interests.

But in making reductions in taxes it is not proposed to injure any domestic industries, but rather to promote their healthy growth. From the foundation of this Government taxes collected at the custom-house have been the chief source of Federal revenue. Such they must continue to be. Moreover, many industries have come to rely upon legislation for successful continuance, so that any change of law must be at every step regardful of the labor and capital thus involved. The process of reform must be subject in the execution of this plain dictate of justice.

All taxation shall be limited to the requirements of economical government. The necessary reduction in taxation can and must be effected without depriving American labor of the ability to compete successfully with foreign labor, and without imposing lower rates of duty than will be ample to cover any increased cost of production which may exist in consequence of the higher rate of wages prevailing in this country. Sufficient revenue to pay all expenses of the Federal Government, economically administered, including pensions, interest, and principal of the public debt, can be got, under our present system of

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taxation, from custom-house taxes on fewer imported articles, bearing heaviest on articles of luxury and bearing lightest on articles of necessity.

We therefore denounce the abuses of the existing tariff, and, subject to the preceding limitations, we demand that Federal taxation shall be exclusively for public purposes, and shall not exceed the needs of the Government, economically administered.

Mr. President, the platform of the Republican party of 1888, on the subject of tariff taxation, was a departure from the declared principles which have guided and directed its policy from its organization to that time. It in terms repudiates the platform of 1872, which announced that—

The annual revenue, after paying current expenditures, pensions, and the interest on the public debt, should furnish a moderate balance for the reduction of the principal; and that revenue, except so much as may be derived from a tax upon tobacco and liquors, should be raised by duties upon importations, the details of which should be so adjusted as to aid in securing remunerative wages to labor and promote the industries, prosperity, and growth of the whole country.

At this time we find that it distinctly declares that tobacco and whisky shall be two of the sources of revenue, and that the growth and prosperity of our great manufacturing interests shall be promoted by giving to them that incidental protection which a fair adjustment of the details will secure.

Its platform of 1876 rests upon the same constitutional theory:

The revenue necessary for current expenditures and the obligations of the public debt must be largely derived from duties upon importations, which, so far as possible, should be adjusted to promote the interests of American labor and advance the prosperity of the whole country.

And that no doubt should arise or misconception exist of the declaration made by it in 1876, in 1880, after four years of reflection, its convention declared:

We reaffirm the belief avowed in 1876, that the duties levied for the purpose of revenue should so discriminate as to favor American labor. \* \* \*

Mr. President, for the first time in the history of our Government a political party in 1888 announced to the American people the constitutional power of Congress to so frame a revenue bill that protection should be its object, and revenue a mere incident.

The reasons which induced so radical a change of policy by a party that had controlled the destinies of this country for twenty-seven years, must have been very potent. A reference to the political condition which confronted the Republican party at the time of that declaration may throw some light upon the influences which dictated it.

The Democratic party in 1884 had elected Grover Cleveland upon a platform that demanded a wise and conservative revision of the tariff, and a reduction of the Federal revenues. A Democratic House of Representatives had framed a bill in the spirit of that platform, which, while reducing the taxes of the people \$72,000,000, would not have impaired, or injuriously affected, the prosperity of American industries. The record of the Democratic administration was marked by ability, purity, economy, and patriotism.

The Republican party realized the condition that confronted it, and appreciated the necessity of making an issue which would bring to its support, not the popular sentiment of the country, but the powerful organization and the unlimited means of a small but influential class of citizens, who, prompted by self-interest and stimulated by a promise of higher profits, would turn the tide in favor of "Republicanism and protection," by imposing more onerous burdens than then existed upon agriculture and other unprotected laborers.

## PARTNERSHIP BETWEEN THE REPUBLICAN PARTY AND MANUFACTURERS.

Mr. President, with this object in view, the Republican party, which had originated in sectionalism, chose rather to rely upon a class for its support than upon those governmental principles which would commend it to the approval of the body of the people. Ignoring its history and traditions, made during the thirty years of its brief life, it deliberately entered into a partnership with the representatives of the manufacturing interests of the country, in consideration of liberal contributions which were to be used to defeat the purity of the ballot; to reverse the honest sentiment of a majority of the people; to shake the confidence in popular sovereignty and universal suffrage; to disgrace a Government whose foundation must rest upon the intelligence, integrity, and incorruptibility of the people, and to place in high and responsible executive position in the public service men bearing the ineffaceable stains which disfigure the character of those through whose agency the ballot is debauched and the suffrage of a free people corrupted.

The fact that this partnership exists is sufficiently proven by the legislation upon all of these great economic questions which has characterized the proceedings of a Republican Congress. It is also a matter of general reputation, easily susceptible of proof, but being circumstantial in its character, I prefer to rely upon the free and voluntary confession of the parties in interest rather than to detain the Senate by welding each link in the chain of circumstantial proof.

In the light of this evidence the Republican platform of 1888 is easily understood and should excite no surprise.

I will call to the stand the editor of the *Tariff League Bulletin*, whose paper represents the great protected industries of the country, and which I am informed is scattered broadcast throughout the land by the aid of funds furnished through an association composed of these pampered favorites of class legislation.

This editor, in criticising the language of the "confidential circular" sent to the manufacturers during the campaign of 1888 by the Republican League of the United States, observed:

These charges, when stripped of their discreditable verbiage, are, first, that the "campaign which we are about to enter will concern more than anybody else the manufacturers of the country"—"men who are getting practically the sole benefits, or at least the most directly important benefits, of the tariff laws;" and, second, "That while reaping the fruits of the tariff policy they have been very laggard in their contributions to the Republican cause." Their conduct is called "craven parsimony." The New England manufacturers, it is said, have been somewhat less parsimonious than the others. But of Pennsylvania manufacturers it says, in language both vigorous and picturesque:

"If I had my way about it I would put them under the fire and fry all the fat out of them."

This extract shows the honest indignation of this true representative of monopoly, who recognized, however, that the specific charge made by the authorized agent of the Republican party demanded from him a specific reply. He did not attempt to repudiate the obligations which had been assumed by those he represented; he virtually admits that they had agreed to furnish the cash capital, and the other partner the experience, in manipulating elections and in enacting laws in their interest; he realized the great demands made upon the social assets, and that unless the Treasury was replenished bankruptcy would be inevitable, and the inordinate, anticipated profits would not materialize.

Self-interest suggested a prompt response, and while his employers hurried to their counting-rooms to sign their checks in favor of the

treasurer of the Republican League of the United States, this honest and trusty, but indignant editor, sought the privacy of his sanctum, where he might pen a few plain truths in vindication of the conduct of those silent partners.

In the following terse and pointed language, he answers the allegations of the "confidential circular:"

But while manufacturers derive no greater advantages from protection than other classes in proportion to the magnitude of their enterprises, they nevertheless do contribute far more than all other classes to its support. The records of the Republican party prove it. Those who have been engaged in collecting funds for its defense will testify to it.

We therefore deny the assertion of the Senator whom the Republican League has chosen for its mouthpiece, and we affirm that more than three-fourths of all the money used in support of Republicanism and protection has come from men directly or indirectly engaged in manufactures.

The next witness which I shall call to the stand to sustain the proposition that the representatives of the Republican party upon the Finance Committee of the Senate interpreted their platform as pledging them to the doctrine of a prohibitory tariff in the interests of the manufacturer, is the distinguished Senator from New York, Mr. HISCOCK.

In a colloquy which occurred on the floor of the Senate between him and the Senator from Kansas, Mr. PLUMB, he frankly admitted that, in arranging the details of the bill, he voted on the rates of duty imposed "without the slightest regard to whether it would increase or decrease the revenue," wherever he "believed that the effect of the duty was to create or foster a healthy industry here and give a market for our own manufactures."

The colloquy refers more especially to the duties imposed upon tiles and bricks, but was made general in its application by a question propounded to the Senator from New York by the Senator from Kansas, which was as follows:

Mr. PLUMB. I notice that with reference to paragraph 95 the committee use the same expression:

"The proposed specific rate in place of the present ad valorem is thought to be no more than is necessary to protect domestic industry."

Now, if that is the theory, then of course if there is any revenue derived from the imposition of the duty the committee will be disappointed.

Mr. HISCOCK. I shall be, yes; but I trust there will be no occasion for such disappointment.

Mr. PLUMB. The idea is one of exclusion, but if we get revenue we shall just be that much ahead.

Mr. HISCOCK. I beg the Senator's pardon. On this subject of exclusion I would be entirely gratified and pleased, if it be the fact—and I hope that will be the fact—if we shall be able to supply the home market by our domestic production; and if it has that effect I grant that the effect will be rather to reduce than increase the revenue.

Mr. PLUMB. Then, if it should happen that in the imposition of duties the foreign manufacturers should continue to bring in products and pay the duty, while we should be that much ahead, it would not be what the committee anticipated, and we should have failed of our purpose in excluding foreign manufactures.

Mr. HISCOCK. We should have failed to accomplish our purpose in transferring the industry wholly and completely, so far as the supplying of our domestic wants is concerned, to this country.

Mr. PLUMB. Well, Mr. President, it becomes evident that, so far as these ideas are concerned, they do not relate to the general subject of revenue resulting from the imposition of tariff duties. Is the Senator willing to state whether that was the idea which obtained with him in other cases where a similar reason is urged for the imposition of higher duties?

Mr. HISCOCK. I say very frankly to the Senator that, speaking for myself, in all cases where I believed that the effect of the duty was to create or foster a healthy industry here and give a market for our own manufactures, I voted for the rate of duty that would accomplish that; and believing, as I do, that that always has the effect to reduce the price, I voted to accomplish that without the slightest regard to whether it would increase or decrease the revenue.

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Mr. President, the Republican party has been shown by direct as well as circumstantial evidence to have surrendered unconditionally to the direction and guidance of those whose interests are identified with the protected industries, and who are seeking, by an increase of rates of duty, to put it in the power of grasping monopolies, through trusts and combines, to control the markets in which the people are bound to purchase. These ties of reciprocal interest have grown so strong that but little hope can be entertained that they can ever be severed.

The energies of the Republican party are directed, its aspirations are stimulated, and the wisdom of its statesmen is guided by those who have contributed more than three-fourths of all the money used in the support of "Republicanism and protection." This arrogant, aggressive, and domineering partner, in consideration of the personal emoluments and private benefits which were to follow success, liberally contributed to the fund to be used in selecting, controlling, and voting those "blocks of five" that victory might cement the bonds of this "unholy alliance." Through the sacrifice of cash and principle that party to-day controls every branch of the Federal Government.

The partnership thus formed has been temporarily successful; the cash partner now demands a settlement of the partnership and a redemption of the outstanding promises. The bill now before us for consideration is an evidence of good faith on the part of the partner whose capital was experience and promises. The pledge then made must be redeemed, though in doing so the Constitution be violated. The tariff must be revised, not with a view to raise revenue, but "to check imports of such articles as are produced by our people." Territories with a population one-third less than sufficient to entitle them to representation in the House of Representatives must be admitted into the Union and clothed with all the functions, privileges, and powers of a State, that the fruits of this compact may be indefinitely enjoyed. In a few days we will witness the final consummation of this agreement, which will bind the arms of labor more tightly and leave the interest of agriculture in a more deplorable condition than we find it to-day.

#### REVIEW OF TARIFF LEGISLATION.

Mr. President, a review of the tariff legislation since 1857 must convince the most incredulous that the revenue laws framed by Republican Congresses have been so designed that the interests of the great mass of our people, who represent the consumers of all the various products of this country, have been forgotten or purposely ignored in the interest of those few who have reaped the benefit of those laws which have discriminated against labor and in favor of accumulated capital.

The average ad valorem rate under the revenue tariff of 1846 did not exceed 24 per cent., which average was reduced by the tariff of 1857 to 19 per cent. The Morrill tariff of 1860 was introduced with the avowed purpose of restoring the average ad valorem rates of the tariff of 1846. In 1862 the rates were increased to 32 per cent., and in 1864 there was a further increase to 47 per cent., and from that period until the general revision of 1883 there were numerous acts passed which affected particular subjects embraced in the several schedules of the tariff, but none that materially changed the ad valorem average under that tariff. In 1882 the popular clamor for a revision and reduction of tariff taxation became so strong that the advocates of a high protective tariff

found it necessary to apparently yield to the wishes of the people by the appointment of a commission composed of the representatives of protected capital, some of whom had large pecuniary interests invested in American manufactures; and yet, sir, they were forced to admit in their report, found on page 5 of the first volume, that—

Early in its deliberations the commission became convinced that a substantial reduction of tariff duties is demanded, not by a mere indiscriminate popular clamor, but by the best conservative opinion of the country, including that which has in former times been most strenuous for the preservation of our national industrial defenses. Such a reduction of the existing tariff the commission regards not only as a due recognition of public sentiment and a measure of justice to consumers, but one conducive to the general industrial prosperity, and which, though it may be temporarily inconvenient, will be ultimately beneficial to the special interests affected by such reduction. No rates of defensive duties, except for the establishment of new industries, which more than equalize the conditions of labor and capital with those of foreign competitors, can be justified. Excessive duties, or those above such standard of equalization, are positively injurious to the interest which they are supposed to benefit. \* \* \* Excessive duties generally, or exceptionally high duties in particular cases, discredit our whole national economic system and furnish plausible arguments for its complete subversion. \* \* \*

It would seem that the rates of duties under the existing tariff, fixed for the most part during the war, under the evident necessity at that time of stimulating to its utmost extent all domestic production, might be adapted, through reduction, to the present condition of peace, requiring no such extraordinary stimulus. And in the mechanical and manufacturing industries, especially those which have been long established, it would seem that the improvements in machinery and processes made within the last twenty years, and the high scale of productiveness which has become a characteristic of their establishments, would permit our manufacturers to compete with their foreign rivals under a substantial reduction of existing duties.

Entertaining these views, the commission has sought to present a scheme of tariff duties in which substantial reduction should be the distinguishing feature. The average reduction in rates, including that from the enlargement of the free-list and the abolition of the duties on charges and commissions, at which the commission has aimed, is not less on the average than 20 per cent., and it is the opinion of the commission that the reduction will reach 25 per cent. The reduction, slight in some cases, in others not attempted, is in many cases from 40 to 50 per cent. \* \* \* If the reduction reaches the amount at which the commission has aimed, and if there is any truth in the allegations of the opponents of the present economic system, that a duty on articles such as are produced in this country, whether in manufactures or agriculture, enhances the price to the consumer, not only of what is imported, but of the whole domestic production, to the amount of which the duty is a measure, the reduction proposed by the commission would benefit consumers to the extent of hundreds of millions of dollars.

Mr. President, the recommendation of the commission that the reduction should on an average equal from 20 to 25 per cent. had but little influence on Congress, as the reduction made by that bill as it passed Congress was but 4 per cent. less than the war tariff of 1864. Many of the most important schedules, such as those relating to cotton cloths, ready-made clothing, and iron, were materially increased.

The work of this commission is entitled only to such credit as is usually given to the evidence of witnesses who testify against their own interests. It was constituted for a particular purpose, and represented but a single interest to be affected by its recommendations.

This criticism is not only warranted by the results which have followed their recommendation, but its influence upon Congress is clearly illustrated by the following observation made by the distinguished Senator from Iowa [Mr. ALLISON], who on February 3, 1883, said:

Now I want to say one word in regard to the Tariff Commission report upon the cotton schedule. The truth is that the Tariff Commission did not examine this cotton matter at all; it may as well be said on the floor of the Senate; nor did they make this schedule that is called the Tariff Commission report schedule. It was made by a cotton manufacturer from Boston, with an expert ap-

praiser in New York, and the Tariff Commission accepted it. When the knowledge of that fact came to me I had no particular faith in the Tariff Commission report on this cotton schedule, and therefore I examined it as best I could for myself, hearing the witnesses, reading the testimony, and hearing people who I supposed knew something about it and in whom I had faith.

In this, as in all other instances in which the public have been taken into the confidence of those who have managed and controlled the policy of our tariff legislation, we find that the arrogant demands of the representatives of those interests, and the agents employed by them, are the instruments which dictate the details which fasten upon the people this burdensome taxation.

Mr. President, again the public sentiment which demanded a reduction of taxation was defeated by the manipulations of those in the interests of the protected industries. For seven years the people have borne this onerous taxation; the accumulations of their labor have been taken from them by forced exactions under authority of law, when the public needs did not require this sacrifice; an enormous surplus was annually being accumulated in the vaults of the Treasury, until the Administration, with a view of restoring to the circulation of the country the money unnecessarily withdrawn from it, was forced, in addition to the amount required for the sinking fund, to purchase at a premium bonds that were not due or payable, and which could only be obtained by the payment of the price demanded by the holders.

For twenty-five years, sir, the powers of this Government have been used by a small minority of its citizens to check by artificial means the growth prosperity, and development of agriculture in the interest of the manufacturers of the country.

The taxes paid to the Government by consumers of the imported articles and the bounties paid to the manufacturer by the consumer under the tariff rates for this period would average over a billion of dollars annually, and furnishes sufficient explanation why the great agricultural industry is now in so "deplorable a condition," why those great agricultural States of the West have their lands plastered with mortgages, and why the wealth of the country has been transferred from that class of its people and concentrated in the hands of a few in the great manufacturing States of the East; and yet the greed of these classes, who have been the pets of class legislation and the pampered favorites of this undemocratic system, is not satisfied.

Perhaps there is a Providence which is controlling this grasping spirit in the interest of the people. I hope at least that the philosophy of the poet may be true in this case, that "whom the gods destroy they first make mad," for we find in the bill now before us for consideration that the Republican party, acting under the influences which I have heretofore described, through its Committee on Ways and Means of the House, have, by its provisions, increased the burdens of taxation on the prime necessities of life by an average ad valorem duty of 20 per cent. in excess of that paid upon similar articles under the tariff law of 1883.

Mr. President, if the statement of the Tariff Commission to Congress is true, that a reduction of from 20 to 25 per cent. (which they recommended) would "benefit the consumers to the extent of hundreds of millions of dollars," will not the reverse proposition be equally true, that an increase of 20 per cent. will injure the consumers to the extent of hundreds of millions of dollars?

This, however, is not the only bill which has been passed by this Congress with a view of protecting American industries and increasing

taxation. No allowance will hereafter be made for damages to goods, wares, or merchandise imported into this country. Hereafter "all cartons, cases, crates, boxes, sacks, and coverings of any kind, and all other costs, charges, and expenses incident to placing the merchandise in condition, packed ready for shipment, will be required to pay a duty," which increases the ad valorem rates upon imported articles from 5 to 15 per cent., making the aggregate increase of taxation under the two bills from 25 to 35 per cent. in excess of the tariff of 1883.

The following recapitulation of the thirteen schedules by the Finance Committee of the Senate will fully sustain the position I have taken as to the increase of taxation under the provisions of this bill. [For table see opposite page.]

Mr. President, an examination of this measure will develop these facts, that with the exception of sugar and molasses, the articles transferred to the free-list under the provisions of this bill, have only yielded a revenue of \$4,841,122.71, and consist of acorns, books in languages exclusively other than English, feathers and down, currants, dates, opium unmanufactured, green-house plants, paintings in oil or water colors, and statuary; other articles transferred, being such as are used in the manufacturing industries of our country. The free-list under this bill tends to reduce the cost of manufactures, while the dutiable-list is formed with a view to increase the protection of the manufactured products. It puts no article of universal use and absolute necessity upon the free-list, being more generous to the rich than to the poor in allowing them to import their green-house plants and their paintings and statuary free of duty, while it requires the laborer to pay an increased tax upon his blanket, his tools, tin bucket, knives and forks, woolen goods, etc. Upon every article that enters the country, used by the great body of the people, it demands from the agriculturist and the laborer and from every other consumer a higher bounty and a more onerous tax than the present tariff.

On all articles composed entirely or in part of iron or steel, it increases the rates of duty from \$38.24 on the \$100, to \$51.76; on all cotton goods from \$35.64 on the \$100 to \$38.28; on all woolen manufactures from \$58.98 on the \$100 to \$78.41; on paper boxes, etc., from \$19.84 on the \$100 to \$23.57, making an annual increase, based upon the imports of 1889 upon those articles which enter into the daily use and consumption of the people, of \$40,281,060.59.

As an example of the great increase under the McKinley bill I will quote from the statement of Gustave Blumenthal before the Committee on Finance of the Senate, who, after making a full statement of the effect of the provisions of that bill upon the tariff on buttons, said:

In conclusion, I herewith hand you a statement of a small invoice of buttons which arrived yesterday and was entered at the custom-house at New York to day, the market value of which is \$1,600.80 and the present duty \$400.20, while figured at the rates as proposed the duty on the same invoice would amount to \$5,187.60.

Mr. J. W. Riglander, referring to the increase of duty on spectacles, gives the following table:

	Instead of
10 francs per gross.....	45 per cent.—
15 francs per gross.....	335 per cent.
20 francs per gross.....	235 per cent.
30 francs per gross.....	185 per cent.
45 francs per gross.....	135 per cent.
60 francs per gross.....	110 per cent.
	85 per cent.

FAUL



Schedule.	Articles.	Imports for fiscal year 1889.		Estimated duties under proposed rates by—		Equivalent ad valorem rate under—		
		Values.	Duties.	H. R. 9416.	Senate.	Exist- ing law.	H. R. 9416.	Senate.
A	Chemicals, oils, and paints.....	\$15,028,766.89	\$5,466,702.96	\$5,553,892.70	\$5,554,577.92	Per cent.	Per cent.	Per cent.
B	Earths, earthenware, and glassware.....	18,420,634.57	9,410,603.64	9,717,467.49	9,314,387.04	36.69	37.30	37.05
C	Metals, and manufactures of.....	50,409,513.14	19,239,102.65	26,518,336.15	23,094,755.15	51.09	52.75	50.56
D	Wood and manufactures of.....	9,570,860.79	1,761,252.01	1,825,735.07	1,825,735.07	38.24	52.61	51.76
E	Sugar.....	287,788.28	243,206.82	25,263.22	33,156.96	18.40	19.60	19.16
F	Tobacco, and manufactures of.....	13,733,912.60	11,194,486.68	20,948,556.27	20,948,556.27	98.90	36.17	17.08
G	Agricultural products and provisions.....	46,119,072.60	11,319,737.84	19,838,600.88	17,387,705.25	81.50	152.46	152.46
H	Spirits, wines, and other beverages.....	10,480,344.77	8,104,770.39	8,130,198.25	7,887,611.59	24.54	40.39	35.40
I	Cotton manufactures.....	20,287,543.35	7,230,434.50	7,792,207.44	7,766,013.61	77.33	77.58	75.25
J	Flax hemp, and lute, and manufactures of.....	40,098,455.38	13,437,235.62	16,959,022.12	15,953,162.64	35.64	38.06	38.28
K	Wool, and manufactures of.....	71,153,033.27	41,379,082.21	55,856,319.11	55,791,735.44	33.51	42.36	39.79
L	Silk, and silk goods.....	34,956,738.77	17,342,571.54	17,830,702.75	17,830,702.75	58.98	78.50	78.41
M	Pulp, paper, and books.....	6,906,160.68	1,370,104.38	1,627,506.43	1,627,506.43	49.61	51.01	51.01
N	Sundries.....	52,984,301.98	13,909,495.25	13,791,169.89	13,666,300.96	19.84	23.57	23.57
	Total dutiable.....	390,437,117.07	161,408,846.49	206,344,977.77	201,689,907.08	41.34	52.80	51.97

Mr. Walter Fletcher shows the increase of duty on cashmere shawls under this bill to be as follows:

These goods which I now show you are what we call cashmere shawls, and they are very cheap. Here is an article that costs about 74 cents. There is already 71 per cent. duty on it now. Under the present bill they propose to make it a hundred more per cent. It is pretty much the same thing all the way through this line of goods which I have indicated in the table. There is about 33½ per cent. These goods are not made in this country at all.

And Mr. John Egington, in referring to the increase of taxation on liquid extracts of beef, which are manufactured only to a limited degree in this country and which are used largely as a medicine, said:

On a late invoice this would show a difference of \$803.55; proposed duty, \$1,202.55, old duty \$399.55, or an advance of 200 per cent.

THE CONDITION OF THE COUNTRY, ESPECIALLY AGRICULTURE.

Mr. President, it may be true, and it is not my purpose to question the fact asserted by Senators during the progress of this debate, that the business interest of the country is prosperous and that no fears are entertained of a change of this condition of affairs. This is not true, however, of the greatest of all our industries—agriculture. The low prices of agricultural products and the enhanced cost of all articles of prime necessity is affecting most injuriously this large class of our population, and as a result the value of the farms have depreciated, large indebtedness has been accumulated, hopes that were entertained that relief would be given by at least reducing the burdens of taxation have been disappointed, and if this class is not in a deplorable condition, those engaged in it fully realize the fact that in the settlement of the annual balance of debit and credit, each succeeding year finds them in a worse condition than they were at the end of the preceding year.

The magnitude of the agricultural industry must be appreciated, when we recall the fact that at least forty millions of our population are dependent on that pursuit; that the value of the annual product reaches over two and one-half billions of dollars, of which amount nearly \$2,000,000,000 worth is consumed in this country, and over \$500,000,000 of its product is exported.

With these facts fully understood and known by the leaders of the Republican party, who have controlled the legislation of this country for thirty years, no effort has been made by them to advance the development or promote the prosperity of this, the greatest of all industries. The legislation which they have formulated, and the laws which they have enacted, which in any way could affect it, have operated as restrictions upon its growth and of limitations upon its expansion. The bill under discussion furnishes no hopes of relief, although the chairman of the Committee on Ways and Means of the House admitted, in reporting it to that body, that there was a "widespread depression" in this industry, and yet its provisions but tend to aggravate the evils which have produced the conditions under which it is now suffering.

Their appeals to Congress for the passage of fair and equitable laws have been unheeded; the arrogant demand of the capitalist, the manufacturer, and the monopolist, and the persistent working of their representatives in the corridors of this Capitol, whose cry is always give, give, give, has been promptly heeded, duly considered, and favorably answered by the Republican majority, by the introduction of a bill increasing the burdens of the agriculturists from 25 to 35 per cent. and enhancing the value of the products of the manufactories in almost the same proportion.

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I know, sir, of no consolation that can be offered to the farmer or the laborer, so long as the Republican party controls the destinies of this country, but the philosophy contained in the old Italian proverb, "You can't strip two skins off of one cow."

Mr. President, the Republican party in 1883 refused to give to the people the relief they demanded from the burdens of war taxation. It refused to surrender more than 4 per cent. of the war taxes. It attempted to deceive by a revision and not a reduction of tariff duties, and again in 1888 the same influences defeated the relief demanded. To-day, every department of the Federal Government is controlled by that party, but the obligations assumed during the last campaign were such that even the unrest of the people has failed to impress upon them the necessity of listening to their appeals. Taxation must be increased in the interest of those who contributed three-fourths of the funds for "Republicanism and protection."

NECESSITY FOR AN INCREASE OF TAXATION.

Sir, I would ask those who are responsible for the administration of the Government whether the public necessities require that additional burdens shall be laid upon the labor of the country?

The Democratic administration left your finances in a healthy condition. Your balance-sheet showed a large surplus subject to the draft of your Treasurer when Mr. Harrison was inaugurated. Has the extravagance of the Republican party, during eighteen months of its administration, rendered it necessary that the duties should be raised from 25 to 35 per cent.? Is it true that the appropriations of the present session will exceed, not only the estimated receipts, but the surplus of the preceding year, and the \$54,207,975.75 of trust funds covered into the Treasury under the act of July 14, 1890?

If such waste of the public funds has been the result of placing in power a Republican administration and Congress, the country should know it.

Unless you fear a deficit, can any reason be given for this extraordinary bill but the one frankly admitted by the distinguished Senator from New York, that the purpose of the committee in framing it was to fix the duties so high as to give the American market to the American manufacturer?

Mr. President, when we compare the demands on the Treasury at the end of our great civil war, and those which we now have to provide for, it is almost impossible to believe that there is any justification for an increase of taxation on those commodities which are essential to the comfort and well-being of the people.

In 1866 our annual expenditures amounted to .....	\$519, 022, 356
The interest account included in this sum was .....	133, 067, 625
Leaving the ordinary expenses .....	385, 954, 731
In 1889 our annual expenditures were .....	281, 996, 615
Including interest account of .....	41, 201, 484
Leaving the ordinary expenses .....	240, 795, 131
The public debt in 1866 was .....	2, 773, 236, 173
The public debt, July 1, 1890, less cash in the Treasury, was .....	876, 386, 113
Amount of debt paid in twenty-four years .....	1, 896, 850, 060

Sir, our annual ordinary expenses between 1866 and 1889 have decreased \$237,029,741; our debt has been decreased \$1,896,850,060, and yet it is proposed to increase the average ad valorem rate of taxation from \$41.34 on the \$100 to \$51.97 on the \$100. But, Mr. President, our friends on the other side of the Chamber will claim that in the course of the last twenty years they have reduced the revenue by relieving certain subjects that were formerly taxed. This is true; but in repealing those taxes they but illustrate the policy which has controlled the Republican party when legislating in reference to this subject.

In 1866 the internal-revenue receipts from taxes on capital, luxuries, whisky, etc., amounted to \$309,226,863; in 1889 they amounted to \$130,881,513, leaving an excess of internal-revenue taxes in 1866 over those in 1889 of \$178,345,350; in other words, there has been a reduction of taxation on capital, luxuries, and whisky, of \$178,345,350, while at the same time there was an increase of taxation from customs duties, within the same period, of \$44,786,089.

The extent of the burden transferred by a repeal of taxation under the internal-revenue laws, to the shoulders of the laborer, is more fully shown by a recapitulation of the amounts, contained in a letter from the former Commissioner of Internal Revenue, Mr. Miller, addressed to Mr. BRECKINRIDGE, under date of May 2, 1888, in which he shows that taking into consideration the growth of the country, the loss of revenue in 1888 by the repeal of these laws amounted to \$247,703,452.

*Recapitulation of taxes repealed under the foregoing-named acts.*

Taxes repealed on—	Amount.
Manufactures and products.....	\$127,230,609.00
Gross receipts.....	11,262,430.00
Sales.....	8,837,395.00
Special taxes not relating to spirits, tobacco, and beer.....	14,144,418.00
Income.....	72,982,159.00
Legacies and successions.....	3,091,825.00
Articles of luxury kept for use.....	2,116,674.00
Slaughtered animals.....	1,291,571.00
Passports.....	31,149.00
Total abolished.....	240,988,230.00
Add stamp taxes reduced.....	366,722.00
And for increase on gas from 1866 to 1872.....	989,076.00
And for increase on raw cotton from 1866 to 1867.....	5,359,424.00
Total repealed and reduced.....	247,703,452.00

The Senator from Rhode Island, who had charge of the Senate bill in 1888, which was offered as a substitute for what is known as the "Mills bill," on the 5th day of October of that year, in advocating that measure, advanced the argument that had the rates of duty in force prior to the act of July, 1870, been applied to the importations of 1887, the amount of duties collected would have exceeded the receipts of that year from customs by \$139,596,693. Even assuming, Mr. President, that this estimate of the distinguished Senator is correct, what does it prove? Simply, that a Republican Congress has relieved capital, luxuries, and whisky of taxation to the amount of \$101,106,739 more than they have taken from the shoulders of agriculture and labor.

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## COMPARISON OF STATE AND FEDERAL TAXATION.

Mr. President, in considering so important and far-reaching a measure as this, the practical operation of which affects indirectly every citizen of the country, it may not be unprofitable to call attention to the aggregate of direct taxation imposed upon the people for State and county purposes, with a view of comparing the cost with that of the Federal administration.

We find to some extent that even under the system of direct taxation in the States, an inequality exists in the imposition of taxes upon the wealthy and those in medium circumstances. Under the Federal system the poor pay as much as the rich, as taxes are paid upon consumption, and not upon wealth. In the States it is paid upon wealth by a tax upon real and personal property, but even in this case, sir, there are thousands of wealthy men, who, as the owners of personal securities, non-taxable bonds, etc., avoid that equality of taxation which should exist in every system which provides a revenue for public purposes.

A comparison of taxation for these purposes will reveal a vast extravagance of Federal expenditures:

Estimate of State tax paid per capita .....	\$1. 10
Estimate of county tax paid per capita .....	1. 41
<hr/>	
Aggregate for State and county purposes .....	2. 51
For a family of five persons .....	12. 55

Assuming the population of this country to be 64,000,000, and the annual expenditures for 1890 to reach the sum of \$460,000,000, it would be \$7.19 per capita, or \$35.95 per family of five persons, which is within a fraction of three times as much paid to the Federal Government as is necessary to defray all the expenses of State and county administration.

Assuming the population of West Virginia to be 775,000, the people of that State would, under that estimate, pay in Federal taxation annually the sum of \$5,472,250.

This estimate of the cost per capita of taxation for the support of the Federal Government does not include that immense sum paid in bounties by the consumer to the manufacturer of articles so highly protected by Federal legislation, and which, under the estimate of the distinguished statistician, Prof. Arthur L. Perry, amounts to the sum of \$869,159,572, almost \$14 per capita of population, in addition to the \$7.19 per capita contributed for the support of the Federal Government.

## CONDITION AND PROFITS OF MANUFACTURES.

Mr. President, is it surprising that after thirty years of legislation, framed and administered in the interest of a single class in our country, that all should concur with perfect unanimity in the admission of the fact that there is a "widespread depression" in the agricultural industry that has been made to bear these burdens for so long a time; nor is it surprising that the admission is made with equal unanimity that the great manufacturing industry, the pampered favorite of this class legislation, is in a prosperous and growing condition.

With these two admitted facts confronting us, I would ask, sir, whether it is the part of wisdom or the evidence of a patriotic statesmanship that we should by our legislation further widen the breach between these two great industries of our country by artificially stimulating the prosperity and profits of the one, while by the same meas-

ure we increase the burdens and restrict the markets of the other, thus extending this already "widespread depression?"

Were our manufacturing industries prostrated, as agriculture is, at least a plausible excuse could be offered in justification of this unpardonable injustice to three-fifths of our population; but such is not the case; no such plea can be advanced by the advocates of this bill. The excuse for its passage can rest upon no higher ground than that given by the plunderer having the desire to appropriate his neighbor's property, and the power to carry into execution that inclination. Congress is asked to give its sanction to the transfer of the property of the consumer to the vaults of the Treasury in the one case and to the coffers of the manufacturer in the other.

To show, sir, that the manufacturing industry of this country is not a subject of charity, let us examine the statistics furnished by the census of 1880:

Value of product.....	\$5,369,667,706
Value of material.....	\$3,394,340,029
Value of annual wages.....	947,919,674
	4,342,259,703
Excess of value of product over material and wages.....	1,027,408,003

As the capital invested in this industry aggregates \$2,790,223,506, and the receipts exceed the cost of wages and material \$1,027,408,003, or 37 per cent. upon the capital invested, from which is to be deducted taxes, insurance, wear and tear, etc., in comparison with the profits on agriculture we find it would leave an exorbitant annual dividend, the result of inequitable laws, which permit excessive prices to be charged by destroying the natural competition of trade.

To illustrate more particularly the high profits received by these beneficiaries of an unconstitutional and unjust system of legislation, I will take the liberty of reading an extract from the able speech delivered by the Hon. BENJAMIN F. SHIVELY, of Indiana, in the House of Representatives on May 16, 1888. He said:

In an equity suit brought by some of the stockholders of the Jackson Iron Mining Company, in the Lake Superior region of Michigan, in 1883, the secretary of that company was put on the witness stand, and under oath admitted that from the organization of the company in 1863 up to that time they had declared a sum total of dividends of 1,785 per cent.; that the original capital stock was \$300,000; that the dividends declared amounted to \$5,355,000; that the plant was in 1883 worth \$1,500,000. An average annual dividend of 89½ per cent. for twenty years, and an addition of 400 per cent. to the value of the original plant in the same time, shows the languishing condition of an "infant industry," which all this time was clamoring for protection against the pauper labor of Europe.

The Quincy Copper Mining Company, of Michigan, paid an average annual dividend of 50 per cent. for the ten years preceding 1881, and the Calumet and Hecla Mining Company paid in dividends last year \$2,250,000 on an investment of less than \$1,000,000. I will be remembered in this connection that copper had a war tariff of 2 cents per pound and now enjoys a peace tariff of 4 cents per pound. A member of the Edgar A. Thomson Steel Works, located at Braddock, Pa., admits to a member of the Committee on Ways and Means of this House that he drew out of that establishment as dividend in a single year the sum of \$1,500,000, or \$5,000 per day, to say nothing of the undivided profits. This firm is protected by a tariff of \$17 per ton on steel rails and \$27.50 per ton on steel beams, and yet their works are at this hour surrounded by a cordon of Pinkerton's brass-buttoned mandarins to protect imported foreign labor inside, shoot the life out of struggling American workmen outside, and guaranty absolute free trade in labor!

#### IS LABOR BENEFITED BY THE TARIFF?

Mr. President, the advocates who seek to perpetuate this system of legislation, appreciating their inability to arouse the interest, or stim-

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ulate the philanthropic sentiments of the American people in behalf of the beneficiaries of this great public wrong, endeavored to divert attention from the true reasons which prompted their zeal in behalf of protection for protection's sake, by assuming the disinterested rôle of the champions and protectors of American labor against the low-priced pauper labor of Europe.

Such an appeal, coming from the source that it does, should excite suspicion. The experience of the past has demonstrated that there are but two members that compose this partnership. Labor is not one of them.

The power of the Republican party results from the magnificent organization, the cohesive force of mutual interests, and the unlimited means of the protected manufacturers. So long as its policy is controlled by the capitalist it can not champion the cause of labor.

The value of this argument in the political market is rapidly depreciating in recent years. Education, experience, the study of these economic questions, and their practical operation, is rapidly convincing the American laborer that between him and capital there is such a conflict that, in the language of the Republican John Jarrett, before the Senate Committee on Labor and Capital, "wages of labor can only be maintained at a living standard by the workingmen belonging to labor organizations. The advance in prices did them no good; the manufacturer took it all."

The Republican party, through whose legislation these great monopolies have been enabled to concentrate the wealth of the country in a few States in one of its sections, and who are the authorized representatives of the wealthy and creditor classes, which division among the people of the United States has been the natural outgrowth of the policy enforced during the last thirty years by that party, can not convince the American laborer that his interest is safe in its keeping, by declaring that high custom-duties must be imposed upon commodities of prime necessity, that labor may be fully and justly rewarded.

The statistics of the increase of the value of labor during periods of high and low tariffs conclusively demonstrate that labor does not reap the benefits that should flow from the sacrifices made by the consumer (of which he is the largest element), and none know this better than those who cry the loudest for protection to American labor.

Mr. President, experience teaches all who will stop to reflect upon this subject that there are two great questions entering into and determining the price of labor: First, the demand and supply, and, second, the efficiency of the labor.

It would be useless to consume the time of the Senate in discussing the first of these propositions—that the extent of the demand and the number of efficient laborers seeking employment must to a great extent be the measure of the value of the services rendered. The history of the price of labor in all the great and varied industries throughout the length and breadth of our country, from Maine to California, conclusively shows that these two elements, more than any other questions, tend to establish the value of labor.

The difference in price for the same class of laborers between the North and the South and between the East and the West fully sustains the correctness of the first proposition.

That an increased value to labor is not given by an increase of customs duties, even to the workmen in protected industries, is

clearly shown by the bureau of statistical information of the State of Illinois:

Protected occupations.	Weekly wages.		Per cent. decrease.
	1880.	1886.	
Brush-makers.....	\$12.00	\$10.80	5
Cloak-factory workers.....	14.75	11.75	20
Coal-miners.....	12.02	8.02	33
Confectioners.....	18.86	12.14	33
Iron and steel workers.....	41.10	36.50	11
Iron-molders.....	16.43	14.41	12
Organ-builders.....	15.00	12.00	20
Paper-mill operatives.....	12.00	10.05	16
Salt-laborers.....	13.20	12.00	9
Shoemakers.....	12.30	9.90	19
Tinners.....	12.90	11.25	12
Zinc-factory men.....	25.00	18.75	25

The above table shows an average decrease of 18 per cent.

This view is more conclusively demonstrated to be correct when we find from the same source of information that whereas there was a decrease between 1880 and 1886 in the price of wages in protected occupations, there was a large increase of wages during the same period in the unprotected occupations:

Unprotected occupations.	Weekly wages.		Per cent. increase.
	1880.	1886.	
Bricklayers and stone-masons.....	\$19.05	\$20.10	14
Electrotypers.....	13.50	19.15	44
Hod-carriers.....	9.00	11.50	27
Slate-roofers.....	14.25	15.75	10
Press-feeders.....	7.00	8.50	21
Stair-builders.....	13.50	15.75	17
Steam-fitter helpers.....	9.00	12.00	33
Stone-block pavers.....	18.00	24.00	33
Stone-cutters.....	18.00	21.60	20
Street-railway employes.....	10.25	13.01	27
Wooden-block pavers.....	18.00	23.50	30
Wood-turners.....	12.00	14.25	19

This is an average increase of 24 per cent.

The Commissioner of Labor concurs in this view in his report of 1883, in which he states that "in 1875 the per cent. of wages paid to the value of production in over two thousand establishments was 24.68, and that in 1880 it was only 20.23, a decrease of one-sixth in five years.

It is equally true that in considering the value of labor we should take into consideration its efficiency, or, in other words, its capacity to increase production.

A superficial examination of the relative cost of labor per day in America and England would at once suggest the conclusion that the price of labor is much higher in this country than abroad; but when we take into consideration the efficiency of the American laborer, and compare the relative value in price, measured by the value of the product of the two, we at once realize that there is little if any difference.

Mr. EVARTS, then Secretary of State, in presenting to Congress the reports of the United States consuls in relation to the state of labor in



Europe, in a letter dated May 17, 1879, sums up the information embodied in these numerous reports, and in referring to the relative value of work performed by the American and European workmen he says:

The average American workman performs from one and a half to twice as much work in a given time as the average European workman. This is so important a point in connection with our ability to compete with the cheap-labor manufactures of Europe, and it seems, on first thought, so strange, that I will trouble you with somewhat lengthy quotations from the reports in support thereof.

And on page 37 he suggests the reasons for this difference in efficiency in favor of the American workman. He says:

There is something in the Republic which gives an individuality to the people of the United States possessed by no other people to such a degree. Our inventive genius in mechanical appliances is original, and at least twenty-five years ahead of Europe. Our people accept innovation, are prepared for it by anticipation. Europeans do not. One workman in the United States, as will be seen from the foregoing extracts, does as much work as two workmen in most of the countries of Europe; even the immigrant from Europe attains this progressive spirit by a few years' association with American workmen. We have no oppressed and stupid peasantry, little more intelligent than the tools they handle. All are self-thinking, self-acting, and self-supporting.

Mr. Blaine, while occupying the same position, in transmitting similar reports to Congress, refers to the subject of wages in the cotton factories in the following language:

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

Mr. Frelinghuysen, in transmitting a similar report, in referring to the cost of labor for weaving and printing cloths in England, remarks:

Your readers will gather from the figures given in the foregoing table of costs that, in the matter of wages, America is as cheap as England.

The correctness of the conclusions reached by an analysis of the reports of our consuls in Europe is confirmed by an examination of the estimates as to the number of hands employed in the manufacturing industries in England and America, and the value of the product turned out by them:

	United States.	Great Britain.
Hands employed.....	5,250,000	5,140,000
Value of product.....	\$8,000,000,000	\$4,000,000,000

The utterances upon this subject to which I have referred are the mature judgment of leaders of the Republican party after a careful investigation of the facts, and made in their official character to Congress upon a subject that would necessarily enter into its consideration in framing legislation bearing upon these economic questions.

No element that composes our great population has given more anxious and careful consideration to the effect of the tariff on wages than the laboring masses. The organizations which have sprung up throughout the whole country have tended to educate those directly interested in the subject in the practical effects of its operation. The day has passed when the American laborer can be misled by the catch-words, "Protection for American labor."

The address issued by the Workingmen's Tariff-Reform Association of Philadelphia to the workmen of the United States shows a keen

appreciation of their relations to a high tariff, and boldly proclaims who in fact are the beneficiaries of this legislation. It declares:

LABOR'S SHARE.

The wages of labor in the manufactures are but little more than 17 per cent. of the product. In other words, the amount that falls to labor out of the total value of the products is only \$17 out of every \$100. Now, does it not stand to reason that if a tariff be at all necessary an average tariff duty of 17 per cent. would be amply sufficient to protect American labor against foreign labor, even if the latter got no wages at all? Yet the average of tariff duties now is 47 per cent., although the difference in the wages between this and other countries is not 5 per cent., calculated upon the relative productiveness of labor. Why, then, is this extra 30 per cent. put on? We see it can not protect labor. It does protect the manufacturers not merely against foreign competition, but most effectually against all our efforts to compel them to treat us justly. It is this 30 per cent. extra that secures to them all the benefit from protection and makes it impossible for us to even wring from them a share of it. It makes them free from competition and fortifies them against our just demands, and it yet leaves them free to draw their labor freely from the markets of the world, and the inevitable and natural result is cheap labor and dear goods.

Mr. President, manufacturers should not present themselves to the public as philanthropists; if they do, the facts of history would overthrow the claim. Until a Democratic House originated a law which prohibited it, they hesitated not to import the pauper labor of Europe, by contracts made abroad, with mortgages upon its future earnings, place it side by side with the American labor, with no other purpose in view than to reduce its value.

Before the passage of this law, strikes were far more numerous than now. Then, the laborer was in the power of the capitalist; he could be turned out of employment, his family reduced to a state of starvation, and himself to that condition of desperation that would make him yield to the demand of his employer; for if he refused to accept the wages offered, the markets of Europe were open, and they could be drawn on to supply his place. Thanks to a Democratic House of Representatives, this can no longer be done, and labor may now treat with capital upon a more equal footing.

The information furnished us by the Government shows that the view taken by the Workingmen's Tariff Reform Association as to the per cent. of labor in the protected manufactures is true; and those statistics further show a serious depression in the value of labor under the protection given to the manufactured commodities since the war.

The census of 1880 shows that the value of the manufactured product of this country in 1860 was \$1,885,861,676, and the wages paid to produce those commodities amounted to \$378,878,966, or 20 per cent. of the product. We learn from the same authority that in 1880 the value of the manufactured products was \$5,369,667,706, and the value of the wages paid was \$947,919,674, a fraction over 17 per cent., after twenty years of high protection. The wages in 1860 under one of the lowest tariffs this country has ever known, it being lower than the rates fixed by the revenue tariff of 1846, reaching only \$19 on the \$100, were 3 per cent. higher than those paid during the period of twenty years when a high protective tariff was in force, the low tariff during that time enabling the manufacturers to keep wages at the higher figure.

In considering the value of wages for workmen in England and America, the question is suggested whether the higher prices paid for labor in this country are not neutralized by the increased cost of living, caused by the enhanced prices given to articles of universal use, by the high duties imposed upon their production or importation by the tariff act.

We must not forget, sir, that the laborer is a consumer, and one of

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the largest class of consumers of those commodities which are highly protected. He consequently pays his full share of Federal taxation, and far beyond his equitable proportion of the bounties to the manufacturers. Every article of clothing purchased by him, or by his family, whether it consists of woolen or cotton goods, the tools of his trade, the china, crockery, and glassware used in his kitchen or placed on his table, his knives and forks, the stove on which he cooks his meals, the skillets and pots in which they are prepared, the tin-bucket in which he carries his dinner, every article that adds to his comfort is taxed from thirty-eight to eighty dollars on the \$100. This necessarily reduces the value of his labor, which is sold in a free market with no assistance by artificial means of increasing its price.

In estimating therefore, the value of labor between two countries, the cost of living is an essential element, and between England and the United States it is one that tends largely to equalize wages.

HAS THE TARIFF BENEFITED THE FARMER?

But, Mr. President, has the high tariff from 1861 to the present time, been beneficial to that largest class of our population, those who are engaged in and are dependent upon our agricultural industry? Have the accumulations of the farmer been as rapid in proportion to the capital invested as those of the protected classes?

These questions have been frankly answered by the Committee on Ways and Means of the House, in the negative. It must therefore be assumed as an admitted fact, in the discussion of this measure, that the agriculturists, composing three-fifths of our population, are not keeping pace in growth, wealth, and development, with those engaged in our other great industries, but are in fact, yearly losing the position they held when the Republican party assumed control of this Government in 1861.

Including the value of farms, stock, implements, and machinery, there is invested in agriculture the enormous sum of \$12,104,035,440. The magnitude of the investment, and the number of people depending upon it for their support, demands of those who are commissioned to frame legislation that may affect its prosperity, the most careful consideration; and yet, sir, the most critical analysis of the provisions of this bill, will disclose no effort made by its framers to remove the depression which now rests upon it, but on the contrary, a familiarity with its declared policy must convince the most biased and prejudiced, that in arranging its details there has been apparently, a deliberate purpose and intention to increase the excessive burdens under which it labors. This evidences neither a spirit of wisdom nor patriotism on the part of those who are responsible for it.

Mr. President, those engaged in the occupation of farming lead the most laborious lives of any of the citizens of the Republic. At work before the rays of the morning sun gilds the eastern horizon, and found guiding the plow through its furrow when the twilight of evening blends into the darkness of night. Though the largest in numbers, and the most influential in the exercise of political power, if once organized, they have had no paid lobby to urge the consideration of their interests, or to threaten political destruction to the party that failed to respond to their demands.

Congress has shamefully and cruelly, in the legislation which it has formulated, betrayed their interests, assisted in prostrating their industry, and heaped burden after burden upon them at the demand and under the dictation of a haughty, arrogant, and pretentious class, until at last patience has ceased to be a virtue, and you witness for the first time a powerful, indignant, and aggressive movement of this great

agricultural class, whose potent influence will hereafter be felt in shaping the course of Federal legislation.

It was once the proud boast of the farmer, that "he who plows his land and tends cattle, spins gold," but, sir, that was in the days of equal rights to all, and special privileges to none; when the voice of the people was reflected in the laws that were enacted, before the influence of Wall street fashioned and directed the financial policy of the Government; before the party which now controls the destinies of this country yielded to the baneful influences which first sought to quiet opposition, then to convert, and afterwards to guide and control.

For thirty years the protected producers have dominated the legislation of Congress on all great economic questions. Its aggressiveness has overcome all obstacles, and placed on the statute-books most unjust and inequitable laws.

Stimulated at last into vigor and energy by the consciousness of impending financial ruin, this great army of "workers" has aroused itself to action. It has formulated a platform, the fifth plank of which declares:

Believing in the doctrine of equal rights to all and special favors to none, we demand that taxation, national or State, shall not be, to build up one interest or class at the expense of another. We believe that the money of the country should be kept as much as possible in the hands of the people, and hence we demand that all revenue, national, State, or county, shall be limited to the necessary expenses of the Government, economically and honestly administered.

The demand of the people, as expressed in that platform, and as heard through nominating conventions, has at last attracted the attention of the country, and we find already its influence manifesting itself in the Federal halls of legislation. As its power is more fully developed its influence will become more potent, and I am satisfied that before long its voice will be heard, its counsels heeded, and its reasonable demands granted.

Mr. President, the object of this measure, when considered in its effect upon the American farmer, is most iniquitous. His appeals are heard with contempt, and his interests are treated with a cool brutality that is the offspring of unnatural greed and unexampled selfishness, which finds a parallel in no other period of the history of tariff legislation.

The language of the Tariff Commission in its report to Congress aptly expresses what will be the popular judgment of the measure now pending before this body when its provisions are fully understood and their effect fully comprehended. It said:

Excessive duties generally, or exceptionally high duties in particular cases, discredit our whole national economic system, and furnish plausible arguments for its complete subversion.

It is the means through which you seek to destroy the international commerce of the country; to build high the wall of exclusion and non-intercourse; to close the foreign markets to our exports, 73.24 per cent. of which consists of agricultural products; to force still lower the price of the products of the farm by compelling the producer to sell in the home market, already glutted with his products, and to suffer an annual loss of over \$500,000,000 which heretofore has been received in exchange for his products; for is it not true that with no increase of production it would require it least ten million additional population to consume the yield from our farms?

The Republican party no longer aspires to be national in its policies or in its aspirations. It is content, like its prototype, the Tory party of England, to rest its hopes for future power upon the approval of a small element of the citizens that compose the population of this great and rapidly-expanding country. It is warmed into life and vigor by

the flames of sectionalism, and will pass from the arena of national politics when the patriotic impulses of the people of the common country, forgetting the bitterness of the past, shall realize that their future safety depends upon the enactment of laws that will be just in their operation and equitable in the burdens imposed.

Mr. President, the contributions of the farmers to the Treasury of the Government, or to the coffers of the manufacturers, can not be less, even under the existing law, that \$450,000,000 annually. This drain upon their resources is gradually but surely surrounding them with conditions that will compel them to take advantage of the bankrupt law (which our Republican friends are urging shall be passed) to relieve the distress which their unwise legislation is producing.

Mr. President, the year 1890 will not soon be forgotten by the agricultural classes. The recklessness of the public servants of the people in their efforts to pass the measure we are now considering, united with the impenetrable dispensation of Providence, which is now bearing so heavily upon them in almost every section of the country, will sorely test their fortitude and shake their confidence in their ability to meet the impending losses which threaten them.

Prices have fallen; the seasons have been unpropitious; indebtedness has accumulated. Nothing, sir, but that spirit inherent in the American character has enabled him to overcome all natural obstacles and to resist the influences of an unwise policy which for thirty years has made him the burden-bearer of a class of "infant industries," the petted and pampered favorites of Federal legislation.

Mr. President, a knowledge of the facts to which I have referred will, to some extent at least, prepare the mind for the startling revelations disclosed by the official statistics of the Government, showing the gradual yet unchecked decline of the agricultural industry from the hour that the Republican party was placed in power and a Republican Congress framed a revenue measure, the essential element of which was an unjust and inequitable discrimination in favor of the manufactured products of the country.

From that period we can trace the rapid decline in the relative wealth of the agriculturist.

It was bone and sinew, honest toil and daily sacrifice, competing in the race for supremacy with the power of aggregated capital stimulated into unnatural activity and unhealthy development by the artificial encouragement of Federal legislation in the interests of a class. In such an unequal contest the result could easily be predicted. Fortunately, we do not have to rely upon prophecy. The recorded facts of history leave nothing to speculation. Statistics show that the value of the wealth of the country in 1850 was \$7,000,000,000, and of this amount the investments in the agricultural industry amounted to \$4,000,000,000. In a period of ten years, under a purely revenue tariff, between 1850 and 1860, the value of the wealth of the country had increased to \$16,000,000,000, of which sum the farmer still owned one-half, or \$8,000,000,000. From 1860 to 1880, a period of twenty years of high protection, the value of the wealth of the country had increased to \$43,600,000,000, of which amount the farmer owned but \$12,104,085,940, or a little less than one-fourth of the wealth of the country.

These figures, Mr. President, furnish food for reflection. They clearly indicate that the great agricultural industry which in 1860 occupied the front rank is rapidly losing the position it then held. Its energies have been paralyzed, its growth retarded, and its accumulations checked by the policy persisted in by the Republican party, which ignored its

claims in the inauguration of an economic system, the object and purpose of which was to build up one section at the expense of the other, and to create an aristocracy of wealth in the States of the East.

An examination of the report of the Comptroller of the Currency will strikingly illustrate the injustice to the great agricultural States of the West and South of the fiscal system which has been persisted in by the Republican party at the dictation and in fear of the threats of the money power of the East. These figures will further show the inequality in the distribution of the wealth of the country, and the terrible drain which has been made upon the resources of the agricultural States.

The capital and deposits in the nine manufacturing States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, and Pennsylvania aggregated \$3,378,295,000, and in all the other States and Territories but \$1,823,376,000. This gives to the nine manufacturing States per capita \$198, whereas the per capita in the other States and Territories amounts to but \$40. These nine States, with not over one-fourth of the population of the country, possess three-fifths of the banking capital and deposits. It is true that a larger portion of the capital in the agricultural States is invested in farms, etc., than in the manufacturing States, but it is equally true that the real property in those States is heavily mortgaged to the capitalists of the East, and that a large proportion of the annual profits of the farmer in the West and South is required to pay the annual interest upon this mortgage indebtedness.

This indebtedness is estimated by the New York Times at \$3,422,000,000; by the St. Louis Republic at \$4,531,000,000; by the Missouri Republican at \$4,521,000,000. These estimates, made by reliable public journals after thorough investigation, we must hope are exaggerated, but their accuracy, however, has not been disputed by the presentation of any evidence sufficient to overthrow them; we will have to wait until the returns of the present census either verifies or denies them.

In speaking of the Western States especially, the Missouri Republican closes an article upon this subject in the following strong and vigorous language:

The Western States are, in fact, being bled to death. Western farmers are actually becoming poorer and poorer every year. As a body they do not make a living, and the convincing proof of this fact is that their farms are fast passing under mortgage to the money-lending manufacturing States of the East. Twenty-five years ago these mortgages were few in number and small in amount; now they number millions and cover an aggregate value of thousands of millions, and all bear 6 to 8 per cent. interest.

The West does not own itself. It is owned by the industrial States. Twenty-six years of the malign, sectional, and oppressive policy of high tariff has done the work and done it effectually. The industrial States of the East, enriched beyond estimate by the annual tribute of \$600,000,000 exacted for a quarter of a century from the other States under the false pretense of building up home manufactures, own all Western railroads, telegraph lines, and bridges, and hold mortgages on nearly all farms, their cities, and towns.

Mr. President, the great mass of the people of the country who receive none of the benefits of protection, including those engaged in agriculture, those performing professional and personal services, and those employed in trade and transportation, but who bear all of its burdens as consumers, have at last awakened from the lethargy which for thirty years has enabled this iniquitous system of unnecessary taxation to be continued, not for the purpose of meeting the expenditures of the Federal Government, economically administered, but with a view of increasing the inordinate profits of a few, for political purposes.

Though Democracy was defeated in the campaign of 1888, and a ma-

majority in the electoral college was cast for the representatives of Republican principles, that great educational campaign will in after years be regarded as an epoch in the political history of this country.

For the first time in forty years, the great underlying principles involved in a bill similar to the one before us for consideration, were fully and elaborately discussed before the people. Organized labor promptly showed their appreciation of the efforts of the Democratic party to relieve them from some of the burdens imposed upon them by a war tariff, by rallying to its support. The agriculturist, by reason of that conservative spirit which has always been one of the characteristics of the American farmer, failed then to fully realize the importance to him of this great reform movement, and many were misled by the plausible arguments advanced by the representatives of class legislation; but, sir, the heaven deposited in the body politic has at last demonstrated its vitality and potency. From a disorganized mass has sprung, in the South and West, a disciplined and organized army, whose union is cemented by the strongest ties of self interest, and whose object and purpose is to throw its power and influence in favor of those true principles of governmental exactions which have given vitality to and preserved the existence of the Democratic party during a century of our country's history.

The declaration of principles announced by the Farmers' Alliance and the Knights of Labor in their national convention, and by the Grange organization, furnishes convincing proof that they now fully understand the limitations on the power conferred upon the Government through which it may extort contributions in the form of taxation from the citizen.

#### HOME MARKET.

Mr. President, the advocates of excessive duties on imported articles, find it necessary, with a view to divert the attention of the consumer from the consideration of the unjust and inequitable principle on which such a bill must rest, to invent some phrase that will tickle the ear, and even appeal to the patriotic instincts of the citizen. They tell us that these onerous burdens and shameful extortions upon the labor of the country must be borne that the "American home market" may be preserved for Americans.

We might partially answer such an argument by calling attention to the fact that it is not the American manufacturer who, in all cases, is protected under these laws. It is a part of the current history of the country that English capitalists are investing in all of our manufacturing industries immense sums of money, knowing that should this bill now under consideration become a law this country would furnish an opportunity for the largest profits upon the investment made of any country in the world. Prices are offered for manufacturing plants by these English capitalists far in excess of their actual or real value, relying, as they evidently do, upon the Republican majority in Congress to enact such a law as will enable them to compel the American citizen to pay tribute to British investors.

This appeal, in the interest of greed, to the highest and noblest impulses of the American people, is now fully understood by them, and when heard in the present campaign will fall upon unsympathetic ears. Like the appeal for the protection of the American laborer, it has been worn threadbare, and before an intelligent audience will excite sentiments of derision and contempt.

The question is not narrowed down to whether the American farmer would prefer to purchase a high-priced "American tin eagle," or a low-priced "British tin lion." It involves far graver considerations, es-

pecially to the American farmer. It involves the propositions whether he will approve that policy which will still further restrict and limit his opportunities to dispose of his surplus products in the world's markets of distribution; whether he will approve that system of legislation, the tendency of which will inevitably be to stimulate the international commerce of the civilized world, with countries other than his own, and the practical effect of which would be to deny him the opportunity of exchanging his surplus products for the products of other nations, and compel him to either reduce the sum of production or helplessly stand by and witness the decomposition of his annual surplus stored in his barns and cribs.

Mr. President, the iniquity of the present measure could not be more fully illustrated than when considering it in its relation to the agricultural industry. With an impertinence that would be grotesque, were it not for the serious results which will follow, a small but organized band of now highly protected citizens demand that there shall be paid an increase of taxation of from 25 to 35 per cent. beyond the present war rates by the farmers, who compose the largest element of the productive classes of our country, while in the same breath the advocates and promoters of this class of legislation tell him that he must confine the sale of his products to the American market, although his annual production exceeds the demands of that market by \$530,000,000; in other words, sir, the American farmer is told that the economic theory of the Republican party which they intend permanently to establish as a part of the domestic fiscal policy of this country, shall give to the manufacturers the right to compel the American consumer to purchase his commodities at a price to be fixed by himself, and at the same time deny to the American farmer even the poor privilege of selling his annual surplus of production in the markets of the world's distribution in competition with the low-priced labor of Egypt, India, and Russia.

The Republican majority, by the passage of this measure, boldly declare to their constituents that the excessive and inordinate profits upon the investments in a single industry must be increased, and that the value of agricultural production must be decreased to an extent equal to the difference between the home demand and the surplus now produced, or that the value of the surplus must be a total loss to the agriculturist, by excluding his exports from the foreign market.

Mr. President, I have not exaggerated the results which will flow from this policy should it be adopted by the American Congress. It is in its power by legislative favoritism, to stimulate the abnormal growth and to increase the excessive profits of one of these branches of industry, that with others compose the wealth of the nation; but the friends of this system, in doing so, show neither wisdom nor prudence. Especially is this true when the effect of such legislation is to hamper and paralyze the energies of that large element of the population that depends upon our agricultural industry for its support, its comforts, and its happiness.

If the demands you made were reasonable, and the necessities of the country required the sacrifice, the patriotic sentiments of the American people might be successfully appealed to; but, sir, this bill presents in all its naked deformity, without the slightest attempt at concealment, the true object of those who framed it and justifies a suspicion that the motives which prompted it originated, not in a desire to promote the public welfare, but rather to redeem a promise given in a moment of political desperation.

Mr. President, the agricultural exports since 1870 have exceeded on

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an average \$500,000,000 annually, and you offer the farmer, in exchange for the foreign market which has purchased and consumed these products, a home market. Has not the home market during these twenty years been amply supplied, and only the surplus has sought a sale beyond its limits? If agricultural production did not increase, but remained stationary, would it not require over ten million additional population to consume this surplus? If the legislation you propose to enact tends to restrict these agricultural exports, will it not result in overstocking the home market and in still further reducing the price of agricultural products?

Sir, the increase of production in this industry has for many years been in excess of the increase in population. Under these circumstances how do you propose to increase home demand, to keep pace with the increase of production? It is to be hoped that it is not your purpose to violate those wise provisions of the law which originated in a Democratic House of Representatives, and its passage insisted upon in a Republican Senate by an earnest, united Democratic minority, supported by the power and influence of organized labor, which prohibits the importation of laborers under contract to work in these industries, and thus to increase population; nor will it be claimed that the simple transfer of the rural laborer to the manufacturing centers will increase the demand for agricultural productions. The stifling air of the manufactory, the fetid atmosphere of the crowded tenement house, the price of wages, when balanced against the cost of living, will not tend to stimulate the appetite or increase the ability of this class of our deluded population who surrender the purity and contentment of a rural life to the fascinations and temptations which are found in a manufacturing city.

This neither increases the demand nor enlarges the population. We have the same mouths to feed, the same backs to clothe, the same feet to be shod, and the same heads to cover. To the farmer a home market in this country would mean a loss of over \$500,000,000 annually, the absolute prostration of the agricultural industry, and the transfer through mortgage sales of the home of his family to the possession of the Eastern creditor. To the manufacturer the home market is not a delusion, but a reality. So long as the product of our mills is not equal to the consumption by our people of their production, prohibitory duties will enable them to fix the price of their commodities and will continue to increase their accumulations.

Although protection can not benefit in any way the farmer who is compelled to sell his products at the price fixed in the free markets of distribution in competition with the lowest-priced labor known to any other industry, yet he has not complained that other citizens of his country received the benefits which must necessarily result from the passage of a tariff bill, the object of which is to raise a sufficient revenue for the economical administration of the Government, but he does deny the right of Congress to discriminate against his industry, lessening the value of his products by imposing excessive burdens upon the value of his labor, done, not for the public welfare, but to promote the private interests of individuals or corporations.

In the campaign of 1888, organized labor repelled the pretended sympathy offered them by the Republican party, and to-day the farmers of the country fully realize that the prosperity of their industry depends and that the value of their labor will be enhanced, by opening wider the doors of commercial intercourse; by repealing our unwise and restrictive navigation laws; by minimizing the limitations on our international intercourse; and by reducing our excessive and prohibi-

tory duties. They are looking forward with hope to the hour when an American Congress will recognize the wisdom and the patriotism of the suggestion made by the distinguished Secretary of State, in favor of entering into treaties for the exchange of the products and manufactures of this country with those of the Central and South American Republics and the Island of Cuba.

No stronger argument could be addressed to the public in favor of a foreign market for agricultural products than that penned by the most distinguished leader of the Republican party. He tully realizes the fact that a glut in the home market could only be relieved by throwing down the barriers and removing the restrictions now paralyzing the trade of the country. From a party standpoint he showed a wise appreciation of the iniquities of a bill that imposes such onerous burdens upon the farmer, and which does not seek to mitigate its injustice or attempt to offer him any relief. He sums up the effect of the provisions of the bill under consideration upon the interests of the farmer in the following terse but comprehensive language:

There is not a section or a line in the entire bill that will open a market for another bushel of wheat or another barrel of pork.

Mr. President, the statistics of our Government furnish the strongest evidence to overthrow the appeal of the protected industries that a home market which builds up their enormous profits is in any way beneficial to the agricultural interest. The loss in the values of farms, animals, implements, and machinery in the manufacturing States of New Hampshire, Maine, Vermont, Connecticut, New York, New Jersey, and Pennsylvania in the decade between 1870 and 1880 aggregated \$517,000,000, and as shown in the remarks of that distinguished Representative from Texas, Mr. MILLS, made during the present session, the loss in value by reason of the depreciation in price of agricultural products, based on the crop of 1889, aggregated the enormous sum of \$1,570,629,118, while, under the influence of a high protective tariff that furnished to the manufacturer a home market for his products, the manufacturing industries of the country rapidly developed, and those interested in them amassed great wealth.

During the same period the value of agricultural products was steadily falling; beef fell from \$9 per barrel to \$7; corn from 44 cents per bushel to 35 cents per bushel; flour from \$3.60 per barrel to \$1.80 per barrel, and wheat from \$1.10 per bushel to 78 cents per bushel.

This fall in the price of agricultural products has not resulted from overproduction. The wheat crop of 1880 amounted to 459,479,565 bushels, with a population contained within the limits of the home market of 50,000,000. The crop of 1888 amounted to only 415,868,000 bushels, while the population contained within the home market had increased to 62,000,000. These figures disclose the fact that, although we produced in 1888 43,611,000 bushels less than we did in 1880, and the demand in the home market was increased by the addition of 12,000,000 consumers, yet the price fell from \$1.10 to 78 cents per bushel, which shows a loss to the farmers of this country on the wheat crop of 1888 of \$133,077,760.

Mr. President, the loss suffered by the farmers by reason of this fall in price of the single article of wheat was not caused by overproduction. It resulted from the competition in the markets of distribution, and this active competition that has reduced the price of breadstuffs in those markets has been fostered and stimulated by the unwise policy of exclusion of foreign commodities from the American market. England has been our heaviest purchaser, the balance of trade with her being largely in our favor. Her statesmen have watched the growing

tendency on the part of the Republican party in the interest of a few of the citizens of this country, to frame our revenue laws with a view of excluding the products of her manufactories; and this conviction upon their part has induced them to lend encouragement to the development of the great wheat area of India, and to stimulate the production of this article by extending the lines of transportation further into that territory.

They did not intend to be dependent for their breadstuffs upon a country whose avowed policy it was to endeavor to exclude the products of other countries. Through her commercial supremacy on the seas she has been enabled to foster the development of agricultural products in other nations who are willing to trade with her, and the result of this policy has been, that whereas in 1879 the Argentine Republic exported no wheat, in 1889 she exported 4,000,000 bushels; India increased its export from 2,000,000 to 42,000,000 bushels, and Russia, from 36,000,000 to 126,000,000 bushels, thus increasing the world's supply in the markets of distribution 131,000,000 bushels.

With these facts staring us in the face we should not be surprised that our exports of wheat, which in 1879 amounted to 122,352,936 bushels, in 1888 fell to 56,563,675 bushels, and the loss to the American farmer on that single crop in the foreign market amounted to the sum of \$74,459,611.

The high tariff and unwise navigation laws passed by Republican Congresses have turned over to England the carrying trade of this country by destroying our merchant marine. In 1860 American vessels carried 66 per cent. of that trade. To-day but 13 per cent. is carried in American bottoms. The Republican party, through its legislation, is responsible for England's supremacy upon the seas. It has been her most active ally in building up her commerce, and has been the most persistent and inveterate foe to the development of the American shipping industry.

With a country whose resources are unequalled by those of any other nation, a population larger than that of any other of the rich and progressive countries that meet us in competition, a people whose robust energies, inventive genius, and marvelous promptness in adapting themselves to all innovations has excited the interest and commanded the admiration of the world; with all these advantages possessed by the American people, and with a fair lead among the commercial nations, they have found it impossible to surmount the obstacles and break down the barriers which a vicious system of legislation in the interest of a class (who sell their products to the American farmer from 10 to 30 per cent. higher than they do in the foreign markets) had placed in the path of their onward march for supremacy.

To-day, with numerous ports on two great seas, and with a coastline covering thousands of miles, the humiliating admission must be made that our foreign carrying trade in American bottoms no longer exists. It, like all of our other great industries, has been forced to succumb, that a higher tribute may be levied on the intelligence, genius, inventive skill, and the labor of a whole people, that one-thirteenth of the population may be made richer, more arrogant, and more pretentious.

#### DOES THE TARIFF REDUCE THE COST OF THE ARTICLE?

Mr. President, the advocates of high protection and prohibitory duties attempt to convince the people that the tendency of such legislation is to reduce the cost of the manufactured article. They tell us first that it is necessary to impose these duties to protect American

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labor against the pauper labor of Europe, and in the next breath they inform us that by imposing these high duties the American consumer will be enabled to obtain these commodities at a lower price than they can be furnished by this European pauper labor.

These arguments being inconsistent, the one answers the other. The theory upon which the proposition rests is that high protective duties encourage capitalists to invest in protected manufactures, and that competition between home producers lowers the price of the article.

This view of the question fails to take into consideration the prompting of self-interest which suggest a remedy that will enable two or more to defeat and control the natural and usual course of trade. Experience has demonstrated that through the assistance of the tariff this difficulty can be met and successfully overcome. Trusts, combines, and combinations are formed by those engaged in producing similar articles under agreements which it is almost impossible to reach through the courts. The value of the plants is estimated; trustees appointed to manage the interests of the several owners; trust certificates showing the interest of each in the aggregate business are issued, and an executive committee regulates the production and controls the price of the commodity; competition is destroyed, and a monopoly created. The only restriction that influences the price of the article is the duty imposed on the competing imported article.

If of equal quality with the foreign production the value can be fixed on the domestic commodity within a fraction of the cost of the importation after paying all charges, costs, transportation, and duty. Without the protection to the home manufacturer the price could never exceed on the same quality of goods the cost in Europe plus the costs, charges, and transportation to the port of entry. To this extent the tariff is a potent factor in encouraging these unlawful combinations and in protecting the guilty conspirators from that free and equal competition which under the laws of trade would otherwise restrain their selfish greed.

This method of conducting business in the diversified industries of the country that come within the influence of our high protective tariff is the rule and not the exception. The following table, which shows the trusts that have been formed and the protection extended to each class of commodities manufactured, will fully illustrate the correctness of this statement:

	Protected by duties aver- aging—		Protected by duties aver- aging—
	<i>Per ct.</i>		<i>Per ct.</i>
Salt trust.....	50	Tin trust.....	32
Earthenware trust.....	56	Lead trust.....	74
Bessemer-steel trust.....	84	Glass trust.....	55
Plow-steel trust.....	45	Soap trust.....	26
General steel trust.....	45	Linseed-oil trust.....	54
Nail trust.....	45	Rubber-shoe trust.....	25
General iron trust.....	45	Envelope trust.....	25
Copper trust.....	24	Paper-bag trust.....	35
Zinc trust.....	52	Cordage trust.....	25

Mr. President, the argument that the tariff reduces the price of the protected article must strike those who are familiar with the occurrences

which happened within this Capitol as exceedingly ludicrous. If it be true that such is the practical effect of a high protective tariff, why is it that whenever this subject is under consideration by Congress the corridors of this building are filled with skilled experts and able representatives of our great protected industries? What motive influences them to besiege the Committee on Finance and seek to impress upon individual members of Congress the importance of giving to each particular industry the highest possible protection?

Generally these representatives are liberal livers and generous entertainers. Their salaries are high, their expenses great.

Is this extravagance upon the part of those whose products are to be protected the result of an earnest and anxious desire to reduce the cost of the manufactured article in the interest of the consumer? If, sir, this is the pure and patriotic motive which influences their expenditures, the unjust and unfounded opinion of the people should be corrected. If the fortunes amassed in a few years by these public beneficiaries are the result of their business sagacity, and should not be attributed to that system of legislation which, the people understand, has within the last thirty years divided our population into classes, the delusion should be dissipated. If such is the true character of the beneficiaries of a high protective tariff, and these the motives which have induced their generous expenditures, the country has not appreciated these estimable philanthropists and unselfish patriots, but has misunderstood the noble impulses which prompted such sacrifices in the interest of the people.

The advocates of this system base their confidence of its permanent success upon the credulity of the people, but even they should remember that their cause will be weakened should they continue to insist that there exists in the practical affairs of life a being that could exist only in the domain of imagination.

Mr. President, those who advance this argument ignore the facts of history and discount too heavily the skill, intelligence, and inventive genius of the American workman. They fail to appreciate the great strides which have been made in the application of steam, and in the improvements of machinery in the methods employed in production, and must be totally oblivious of that marvelous displacement of labor which has occurred during the last thirty years.

During that period the whole labor system has been revolutionized. From the bureau of statistics in Berlin we learn that the power of the steam machinery in existence in 1887 was equivalent to 46,000,000 horse-power, representing 1,000,000,000 laborers, which is estimated by Mr. Wells to be "three times the working power of the earth." This same able writer discusses with wonderful lucidity and with rare ability the causes which have tended to reduce the cost of production, the most potent of which has been the ingenious application of machinery in the displacement of labor. He gives numerous illustrations of its marvelous increase of production resulting from improved methods and machinery, and the increase of intelligence of the workmen. He says:

In 1840 an operative in the cotton mills of Rhode Island, working thirteen to fourteen hours a day, turned off 9,600 yards of standard sheeting in a year; in 1886 the operative in the same mill made about 30,000 yards, working ten hours a day.

The report of the United States Commissioner of Labor for 1886 furnishes the following additional illustrations:

In the manufacture of agricultural implements specific evidence is submitted, showing that 600 men now do the work that fifteen or twenty years ago would have required 2,145 men—a displacement of 1,545.

The manufacture of boots and shoes offers some very wonderful facts in this connection. In one large and long-established factory the proprietors testify that it would require 500 persons, working by hand processes, to make as many women's boots and shoes as a hundred persons now make with the aid of machinery—a displacement of 80 per cent.

Another firm, engaged in the manufacture of children's shoes, states that the introduction of new machinery within the past thirty years has displaced about six times the amount of hand-labor required, and that the cost of the product has been reduced one-half.

On another grade of goods, the facts collected by the agent of the bureau show that one man can now do the work which, twenty years ago, required ten men.

In the manufacture of flour there has been a displacement of nearly three-fourths of the manual labor necessary to produce the same product. In the manufacture of furniture, from one-half to three-fourths only of the old number of persons is now required. In the manufacture of wall-paper, the best evidence puts the displacement in the proportion of 100 to 1. In the manufacture of metals and metallic goods, long-established firms testify that machinery has decreased manual labor  $3\frac{1}{2}$  per cent.

In 1845 the boot and shoe makers of Massachusetts made an average production, under the then existing conditions of manufacturing, of 1.52 pairs of boots for each working day. In 1885 each employé in the State made on an average 4.2 pairs daily, while at the present time in Lynn and Haverhill the daily average of each person is seven pairs per day, showing an increase in the power of production in forty years of 400 per cent.

In the manufacture of jewelry one skilled workman, paid at the rate of \$2.50 to \$3 per day, and working according to anti-machine methods in use a few years ago, could make up three dozen pairs of sleeve-buttons per day. Now, one boy, paid \$5 per week, and working on the most modern machinery, can make up nine thousand pairs in a day.

In other words, in the time of Adam Smith it was regarded as a wonderful achievement for ten men to make forty-eight thousand pins a day, but now three men can make seven million five hundred thousand pins of a vastly superior character in the same time.

Mr. President, in the opinions of many of the advocates of the protective system, these causes are entirely lost sight of. They refuse to credit these marvelous results to the skilled workmen and inventors. They are not content that this mighty revolution in the capacity to multiply production should be attributed to any other cause than to the cold, lifeless, and unintelligent enactment commonly known as the tariff, but technically designated as a bill to reduce the revenue by increasing taxation, and for other purposes.

Sir, with the purpose to deceive, they point the people to the reduction on those commodities which in the last thirty years have been highly protected, but they fail to call their attention to the fact that throughout the civilized world, both in free trade and highly protected countries, the price of all commodities has fallen. They ingeniously conceal the real causes which have produced this decline. They give no explanation that is satisfactory to the intelligent mind why the cost of the article has fallen, while at the same time the value of labor has risen by reason of increased production, resulting from a larger consumption.

The illustrations which I have given furnish a full explanation why those contradictory facts exist. The reduction in the cost of production has solved the problem in the interest both of the consumer and the laborer.

Human labor, the most essential element in the cost of production, has been displaced by machinery to an extent that can only be realized by careful analysis of the statistics on that subject. Indifference to the local tastes and idiosyncracies of the consumer has given place to a skillful and intelligent course of industrial training, by which the popular demand is supplied. Carelessness and extravagance in methods have yielded to sagacity and economy, and the cost of transportation by land or sea of the raw or finished article has been marvelously reduced.

These, sir, among others, have been the principal causes which have produced the decline in prices throughout the world, and which have

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been fully taken advantage of by the intelligent workmen and thoroughly educated business men of this country. Competition may have contributed to some extent in producing this result, but its influence has been so slight as to be almost imperceptible when contrasted with the causes which I have mentioned. The higher the protection, the less influence will competition have in the reduction of the value of the article, for as you increase the duties on the imported article, you furnish an additional incentive to the producers of that class of commodities to form trusts and combinations, which will limit the production and regulate the price, thus eliminating one of the elements of value, the influence of competition.

As stated by Mr. Hoyle, in his work on Our National Resources, and how they are Wasted, in referring to the displacement of labor and the development of the capacity for production—

One individual, aided by the machinery of the present day, will produce as much yarn as 750 persons could have done a little over one hundred years ago.

#### CONCLUSION.

Mr. President, neither the Democratic party nor the great body of consumers in this country have asked that its business interests shall be imperiled, or that the artificial stimulus given to its manufacturing industries during the last thirty years shall be suddenly withdrawn. They realize that such legislation, in view of the history of the past, would cause a prostration of those industries and a paralysis of all those business interests so intimately connected with them; but, sir, the Democratic party, and that large class of consumers whose interests it has espoused, recognize that the time has now come when the interests of the farmer, laborer, and consumer must be considered by the Congress of the United States in the arrangement of the details of a revenue measure, and not solely the interests of the manufacturer and the importer; that instead of increasing the war taxes which now bear so heavily upon labor, with a view of giving to other interests increased protection and higher profits, that there shall be not only a revision but a conservative reduction of the onerous burdens of taxation which now press so heavily upon the consumer.

It is agreed by all parties that it is the settled policy of this Government that the principal part of its revenue shall be collected "by the tax upon imports, and no change in this policy is desirable;" but as declared by President Cleveland, in his message of December, 1887:

In readjusting the burdens of Federal taxation, a sound public policy requires that such of our citizens as have built up large and important industries under present conditions should not be suddenly, and to their injury, deprived of advantages to which they have adapted their business; but if the public good requires it, they should be content with such consideration as shall deal fairly and cautiously with their interests, while the just demand of the people for relief from needless taxation is honestly answered.

A reasonable and timely submission to such a demand should certainly be possible without disastrous shock to any interest; and a cheerful concession sometimes averts abrupt and heedless action, often the outgrowth of impatience and delayed justice.

Mr. President, the Democratic party, through its authorized representatives, has at all times denied the constitutional or moral right of Congress to use the power of taxation for the purpose of creating or establishing an industry by so adjusting the details of a revenue measure as to prohibit the introduction of the foreign commodity; or, in other words, it denies that there exists the power in Congress to frame a tariff bill, the object and purpose of which is protection, with revenue simply as an incident. Recognizing its power and authority to frame a measure for raising revenue, it has always sought in the adjustment of the details of similar bills to furnish to American indus-

tries such incidental protection as would encourage their development, and equalize the difference in cost in production between this and other countries.

To ask more than this is unfair to the consumer, unnecessary in the interests of the laborer, and tends to build up in our country favored classes, who are educated to look to the Federal Government, not for the permanency and success of their business enterprises, but for an inordinate and excessive profit on their investment, which they know will follow class legislation.

Such a system ignores the rights of the great body of the people, tends to produce corruption in the body-politic, and encourage unlawful combinations which affect injuriously the interests of the citizen.

The Democratic party insists that only such taxation shall be imposed as will yield a sufficient revenue to meet all the ordinary and current expenses of the Government, including a reasonable annual reduction of the public debt, and the payment of fair and just pensions to the disabled veterans of our wars. It further demands that the revenue so raised through taxation shall not be squandered, wasted, or extravagantly used, but that in the administration of the affairs of the Government, honesty and economy shall dictate and control the appropriations of such funds.

Mr. President, the refusal of the Republican party in the present Congress to meet these fair, just, and reasonable demands, may continue for a time the burdens now imposed upon the people, and those additional ones which it is the purpose and intention of that majority to inflict under the provisions of the bill now before us for consideration. That majority has the power as it has the inclination to add to the wealth of those capitalists who were its friends, and through whose liberal expenditures it succeeded in the election of 1888, but, sir, permit me to say to the advocates of this vicious economic system which they are forcing upon the country, that the passage of this bill will not remove this vital issue from the arena of politics.

The victory, secured through corrupt means and methods two years ago, will not silence the demands of the farmer and the laborer for equal and exact justice and an equitable adjustment of those rates in the interest of the whole people; for, sir, so long as the Democratic party shall be true to the principles which gave it birth; so long as it is faithful to the interests of the great mass of the people of this country; so long as it is influenced by its traditions and its history, and so long as it follows the teachings of its founders and those whose records furnish the brightest pages in the history of American statesmanship, it will keep before the public mind this great economic question, the influence of which is felt in the marts of trade and in every rural district throughout the length and breadth of our country—yes, sir, in every home and hamlet in the land, for on its proper solution depend the material prosperity, the wealth, the contentment, and the happiness, not of a petted and pampered few, but of the great body of the American people.

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