

SECRETARY SHAW DISTORTS FACTS AND FIGURES.

Secretary Shaw, the spokesman for the administration, made another one of his exuberant speeches at the Auditorium in Chicago on June 21. As in his recent Wilmington (Del.) speech, he made some striking and even startling statements, and quoted statistics in his usual free and easy manner.

In his Wilmington speech he admitted that the cost of living was high, but promised that before the campaign had proceeded far the Republican party would produce figures "from the highest authority" showing that "the average wages have increased in larger proportion than the average articles of ordinary household consumption." He said that "high-priced living expenses is preferable to employment for only a portion of our people." He failed to observe that at the present time living expenses are extremely high, while a large proportion of our workers are unemployed. In Wilmington and Philadelphia alone there are probably within a radius of 20 miles 200,000 factory workers now idle in the textile, leather and other mills in these cities. It is not probable that these 200,000 or more idle hands, almost within the sound of the secretary's voice, shouted "Amen" when the secretary closed his peroration with: "But may the good Lord deliver us from another period when living expenses are cheap." In his Chicago speech of Tuesday evening he reeled off figures, some of which may be true, but many of which certainly are false; and made some admissions on the subject of export prices which, coming from such a high Republican is most refreshing. Thus he said:

Our opponents lay much stress upon the fact that some American manufactures are sold abroad cheaper than at home. Our friends sometimes have joined our opponents in recommending a removal of the tariff from all such articles. It is useless to deny, and, in my judgment, unwise, to apologize, and a little short of foolishness to attempt to remedy the assumed evil in the manner proposed by the opposition.

He then proceeded to quote from the industrial commission, which reported that "\$4,000,000 worth of merchandise, the product of American factories, is annually sold abroad cheaper than in the domestic market." He then said that as "we manufacture \$13,000,000,000 worth per annum our exports sold abroad cheaper than at home are only one-thirteenth of one per cent. of the output of our factories."

Secretary Shaw is either a novice with figures or he is entirely willing to fool the voters with big statistics which he knows are not true. It is hardly possible that our secretary of the treasury does not know that we do not produce \$13,000,000,000 worth of manufactured goods in a year ready for final consumers, or anything like this amount. Our census statistics of manufactures contain many duplications. Thus we have manufactures of cloth goods and of clothing; of iron and steel and of foundry products, machinery, etc.; of lumber and of furniture, of leather and of boots and shoes. In these few industries the duplications amount to \$2,000,000,000 or \$3,000,000,000. Were it possible to take out the duplications, that is, the products of one mill that are sold as raw material to another mill, it is probable that the total value of finished manufactured products would not be more than half of \$13,000,000,000. Whether or not our census figures have been stuffed in order to make a great showing for protection can only be surmised.

The statement that only \$4,000,000 worth of our manufactured goods are sold abroad cheaper than at home is ridiculous. It is entirely safe to say that ten or twenty times this amount of iron and steel goods alone are sold abroad at prices from ten to sixty per cent. below the prices at which they are sold in this country. In fact there are single items in our exports of iron and steel sold abroad at lower prices which amount to more than \$4,000,000. Thus, during the ten months ending April 30, 1904, we sold for export 208,000,000 pounds of wire valued at \$4,777,000. It is reasonably certain that every pound and every dollar's worth of this wire was sold abroad at prices below those prevailing in this country, and that the average difference was not less than 25 to 30 per cent. Similar statements might be made in regard to the items of builders' hardware and sewing machines. All, or practically all, are sold to foreigners at bargain-counter prices. Nearly \$2,000,000 worth of steel rails were sold abroad during these ten months at an average price of about \$20 per ton, the trust keeping the price in this country steadily at \$28. Millions of dollars' worth of structural iron and steel, billets, bars, etc., were sold abroad at a price probably averaging ten dollars per ton less than the domestic price. Ship plates have been selling abroad at \$26 to \$30 per ton, and in this coun-

try at \$38 to \$40 during the last year. Secretary Shaw quotes the report of the industrial commission. He evidently had not read the testimony of Mr. Charles M. Schwab, president of the United States Steel corporation, before the industrial commission, May 11, 1901. Mr. Schwab told the commission frankly that all kinds of iron and steel goods were invariably sold for export at prices lower than home prices. When asked: "Is it a fact generally true of all exporters in this country that they do sell at lower prices in foreign markets than they do in the home market?" he answered: "That is true, perfectly true."

The secretary will find this testimony in Volume 13, pages 448-487. It may interest him.

The secretary says that "while our people complain of this practice, I think it defensible. But whether defensible or not, I know that foreign producers do the same thing."

It is not denied that the practice of selling goods for export at prices far below domestic prices prevails in nearly all highly protected countries. It is a part of the protective system. But it is a miserable, hypocritical, outrageous system wherever it prevails. It compels consumers to pay extra tariff taxes to support an industry that shows its ingratitude by charging its benefactors two prices for its products. All the countries on earth could not make this system right.

Continuing, the secretary says:

For my part, I am willing to pay any reasonable price for the small amount of barbed wire which I consume, provided the wheat from my field, the dairy products from my herd, and the meat from my stall shall feed the men who mine the coal and iron and the artisans who produce the wire to fence the farms of South America.

But suppose that, upon inquiry, the secretary should find that while he was paying two prices for his barbed wire because of protection, he was selling his wheat and other products in a free trade market and was getting no benefit whatever from protection; would he then be willing to pay high protection prices for his fencing wire? If the secretary can induce the farmers of this country to think along these lines he will have accomplished a great work.

BYRON W. HOLT.

Human right is basic. Human welfare is a product of human right. Men will promote their own welfare if their rights are not interfered with.

EDWARD HOWELL PUTNAM.