

THE TARIFF

WHAT IT IS. HOW IT WORKS.
WHOM IT BENEFITS.

PROTECTION.
REVENUE.
FREE TRADE.

BY
LEE FRANCIS LYBARGER

Member of the Philadelphia Bar,
Lyceum and Chautauqua Lecturer.

PUBLISHED BY
THE PLATFORM
THE LYCEUM AND CHAUTAUQUA MAGAZINE
601 STEINWAY HALL
CHICAGO.

Copyrighted 1114 by Lee Francis Lybarger.



Dedicated

to

Woodrow Wilson

President of the United States

William Jennings Bryan

Secretary of State

Oscar W. Underwood

Chairman of the Ways and Means Committee

The Three Foremost Men of the Nation in Arousing
and Directing the Forces which Won for
the American People the

"FIRST BATTLE"

for the

"NEW FREEDOM"

Heralding the Dawn of a

"NEW INDUSTRIAL DAY."



Rev. Mr. L. L. L.
J. L. L.
1930

AUTHOR'S PREFACE.

IN THE days when the execution of prisoners convicted of murder was public, it was the custom to give the prisoner an opportunity to say anything he might desire to say to the assembled multitude before being launched into eternity.

Artemus Ward tells us that on one of these occasions, when an unusually vast concourse of people had assembled to witness the tragic scenes, the prisoner had "nothing to say." No urging could induce him "to make a speech." This being the case, an enthusiastic gentleman jumped on the platform and said that as the prisoner refused to speak, he felt the occasion was too fitting to be allowed to go by without an address from somebody, and so with their consent he would make a few remarks on the Tariff.

And so the author desires "to make a few remarks on the Tariff." The occasion seems fitting. About nine months ago the reign of High Protection was brought to a close and Low Protection substituted in its place by the enactment of the Underwood Tariff, Oct. 8, 1913. To some it may seem that this moderate and rational measure will bring to a close the centuries-old discussion of the Tariff. But it will not. The best we can hope for is that it will usher in an era of *rational* discussion.

It does not close the debate. It simply opens it anew. Nothing is ever settled until it is settled in the minds and judgment of men. And this is possible only thru the employment of the rules of right reasoning. Blaine well says of our ever-recurring Tariff Discussion: "Public attention may be *temporarily* engrossed by some exigent subject of controversy, but the tariff alone steadily and *persistently* recurs for agitation, and for what is deemed *settlement*. Thus far in our history, settlement has only been the basis *for a new agitation*, and each successive agitation leads again to new settlement."

And yet the author cannot believe but that this is due, not to the insurmountable difficulties of the problem, but to the lack of a scientific and systematic presentation. With the possible exception of the peerless and unanswerable volume on "Protection and Free Trade" by Henry George, the Congressional Library at Washington shows not a single complete treatise on the Tariff. Tho for a hundred and twenty-five years we have been discussing the Tariff, there is not a *text-book* on the subject in the English language. The only inference to be drawn from this fact is that while there has been much "discussion," yet no systematic *thought* has been given to the subject.

To the thinker in the realm of human affairs, our past discussion of the Tariff resembles a "running debate" that has been going on for centuries in the tree tops every fall, and in which one party to the controversy says that "Katy did," while the other party as emphatically declares that "Katy didn't." And that discussion will continue unabated and undecided "to the

crack of doom." Is our "running debate" on the tariff to go on forever? Is there no way to stop it, to settle it permanently?

You have heard them arguing for and against the Tariff from the time you were a child. They were arguing about it when your father was a boy. They were arguing about it when your great-grandfather was a boy, and even back of that. Well, is it not about time to settle it one way or the other—even though we have to abolish the thing in order to do it?

And yet we can never "settle" the Tariff Agitation permanently until we settle it right. And we never, never can settle it right until we get down and reason on the subject. We can never settle it right until we get the facts in the case—not some of the facts but all of them. We must go at it not in a partisan way, but in a rational way. It must be decided by the Rule of Reason. And my hope has been to so state, and so analyze, the Tariff Problem that you can reason upon it. All that the cause of Justice and of Humanity requires is that the Tariff be put in such form that the American people can apply their great Common Sense to it. That will "do the rest."

All human beliefs and convictions rest upon certain ideas, concepts, sentiments, etc. They are simply the application of certain rules or principles resting deeper down in consciousness—perhaps in the subconscious realm. They represent conclusions drawn from certain premises. And as a rule the error is not in the conclusion but in the premise.

And so the problem of the writer is to analyze so deeply into his own consciousness as to find what ideas and

conceptions *would* produce such beliefs and conclusions, in order that he may eliminate these erroneous beliefs and convictions in the minds of his readers. With those ideas and concepts in the subconscious realm no other beliefs are possible for the individual. And so the only hope of changing his conviction is to change the erroneous *assumptions* on which they rest.

In Geometry the proof of all propositions rests finally upon certain self-evident truths and axioms. In the realm of human affairs our axioms must be certain moral concepts. Unless we are agreed as to great fundamental moral principles all discussion is in vain—unless it can go still further back and establish moral foundations.

I have but one moral principle which is the basis of all my economic reasoning, and that principle is that NO HUMAN BEING HAS A RIGHT TO THE WEALTH OR SERVICE OF ANOTHER WITHOUT RENDERING AN EQUIVALENT IN WEALTH OR SERVICE. That is equity. That is justice. That is the one and only Moral Law that should reign in the realm of government.

Therefore, the conclusion seems clear that IT IS UNJUST FOR THE GOVERNMENT TO GRANT TO ANY INDIVIDUAL, OR CLASS OF INDIVIDUALS, ANY RIGHTS OR PRIVILEGES NOT EQUALLY GRANTED TO ALL OTHERS. And for the reason that any special privilege gives to the holder the wealth produced by others without the necessity of giving an *equivalent* in return. If a Protective Tariff can stand this test, it will stand forever. If not, then the sooner we resolve upon its complete abolition the better for the world; because we shall be a nobler and

freer people when our triumphant feet shall tread the dust of its ruins.

It is the author's hope that he has made a positive contribution towards the solution of the Tariff Problem by making such profound and extensive analysis, and furnishing such definiteness in the statement of issues, propositions, and definitions as have never before been presented in this discussion. He has connected the Tariff with all other industrial problems, and especially has he connected it with the one particular thing to which it refers—Trade. Tariff is meaningless when dissociated from Trade. And yet most speakers and writers deal with the Tariff as if wholly unrelated to commerce.

The author believes that there can be such a thing as a Social Science. He believes in the power of Analysis, in the reliability of Deduction and Inference, and in the "Rule of Reason" as our only guide in this mundane existence. He believes that the same Natural Laws which govern Mathematics, Astronomy, or Mechanics, also govern Political Economy. Under the inspiration and guidance of these invincible convictions he has attempted a complete and profound analysis of the Tariff Issue, in the hope of reaching conclusions that shall be final.

The indefiniteness connected with political and economic subjects is due to lack of intense and systematic thought, and does not inhere in the subjects themselves. Tho complex, they admit of clear-cut definitions. Analysis should present propositions as unanswerable in Economics as in Mathematics. But the first requisite towards securing such a result is the desire to know the truth—whatever the truth may be.

It has been my aim to free the subject from all tech-

nicalities. Words are given clear-cut and exact definitions. Sophistry and metaphysics are eliminated. The vocabulary and illustrations are those of the people. The average man will here find a complex problem stated and discussed in terms of his own language and experience. Believing with Spencer that "Science is simply *the extension of common knowledge*," I have sought to translate the whole discussion into terms of "common knowledge."

The book contains many chapters, but most of them are short; thus giving the subject the compact and crisp discussion of an encyclopedia—and such it is designed to be. The reader can follow the book thru in regular order, or he can look over the Table of Contents and read the chapters which most concern him *first*. "The Tariff" was written for the busy man as well as for the profound student of the Distribution of Wealth—the greatest problem confronting the intellect of the human race.

Having heard the whole of the debate in the House on the Underwood Bill, the author feels that he is competent to speak as to the present *status* of the Tariff Issue. In fact, "The Tariff" was outlined and all the arguments and proposition indicated while sitting in the gallery of the House, day after day and week after week, hearing the speeches on both sides of this discussion. And it is believed that every vital argument, proposition, and line of facts for and against a Protective Tariff are here presented.

For greater clearness of discussion and definiteness of statement, the book has been divided into Five Parts, making each part a presentation of the subject from a special viewpoint.

PART I.—*THE MECHANISM OF THE TARIFF.*

This is a presentation of the Tariff from the standpoint of Mathematics and Mechanics. While original as to its viewpoint, its mode of argument, and the detail of its analysis; yet this will probably be found the most luminous presentation of the subject that can be made. And that for the reason that it makes mathematical reasoning possible. I have endeavored here to present an argument as logical, fundamental, and unanswerable as a book of Geometry. And Geometry consists of just two things—Propositions and their Proof. The same method of reasoning has been employed here. I have sought to give to each proposition a *physical demonstration*.

PART II.—*TEN OBJECTIONS TO A PROTECTIVE TARIFF.* Here are presented in crisp and compact form the practical objections which both Facts and Reason urge against a Protective Tariff. I have sought to give "The Case Against Protection" in a way the average man can heartily appreciate. The appeal is made directly to his common sense and daily experience.

PART III.—*TARIFF FOR REVENUE ONLY.*

This part shows the fundamental distinction between the Democratic doctrine of Tariff "for revenue only" and Free Trade. It shows the ignorance and absurdity of calling the Democratic Party a "free trade" party, much as the author might wish it were. In fact, six stages—or gradations—are shown between the High Protectionist at one end of the scale and the Absolute Free Trader at the other—placing High Protection at the bottom round of economic thought, with Absolute Free Trade as the summit of Intellectual Progress in the realm of Political Economy.

PART IV.—*OUR TARIFF HISTORY BY SCHEDULES*. There is in this History of the Tariff little or no discussion. The reader can here trace the Tariff History of the leading products entering into the daily consumption of the people for one hundred and twenty-five years. The important facts and rates under nineteen Tariffs are here presented. Each chapter invariably begins by giving Tariff Rates. Then a few paragraphs are added to show the circumstances under which the Tariff was written, explain why and how it came to be enacted, and give the *results* which followed from its application.

PART V.—*TARIFF HISTORY OF 150 ARTICLES*. This part selects the leading articles under each of the 14 Schedules and then traces their tariff rates under the last seven Tariff Bills, beginning with the Tariff of 1883. Then follows the Mills Bill of 1888—which never became a law, the McKinley Tariff of 1890, the "Cleveland" Tariff of 1894, the Dingley Tariff of 1897, the Payne-Aldrich Tariff of 1909, and the Underwood Tariff of 1913.

Thruout this History tariff rates are taken from the original bills, as enacted by Congress; and so represent the highest authority obtainable. The same is true of the statistics thruout the book, with which it is abundantly supplied. They are taken from government sources and represent the most accurate and reliable information which the departments at Washington are able to furnish.

It is my sincere and earnest desire that this book—the product of a lifetime of thought and investigation—may become a mighty factor in driving out and utterly

destroying the most gigantic superstition that ever haunted the benighted mind of man—the superstition that a people can be enriched by their own taxation.

Lee Francis Lybarger.

Mifflinburg, Pa., June 15, 1914.

TABLE OF CONTENTS.

PART I.

MECHANISM OF THE TARIFF.

CHAPTER	PAGE
I. TWO THEORIES OF THE TARIFF.....	1
II. CLEARING THE GROUND.....	7
III. TARIFF DEFINED	13
IV. HOW MUCH IS THE TARIFF?.....	15
V. HOW DOES THE TARIFF WORK?.....	17
VI. WHERE THE TARIFF COSTS MORE THAN THE GOODS	21
VII. THE PROTECTIVE BRANCH OF THE TARIFF	26
VIII. WHOM DOES THE TARIFF PROTECT?... ..	29
IX. FROM WHAT DOES THE TARIFF PRO- TECT?	33
X. HOW DOES THE TARIFF PROTECT?....	35
XI. PROTECTION AND PRICES.....	37
XII. THE MOTIVE OF PROTECTION.....	42
XIII. THE TARIFF A LOCAL ISSUE.....	45
XIV. ILLUSTRATIONS OF WHAT "PROTEC- TION" MEANS	49
XV. THE PRINCIPLE OF PROTECTION.....	55
XVI. WHO PAYS THE TARIFF?	58
XVII. WHO GETS IT?	64
XVIII. REVENUE VS. PROTECTION.....	67
XIX. THE HIGHER THE RATE THE LESS THE REVENUE	70
XX. CONFLICT OF PRODUCER AND CONSUMER	75

CHAPTER	PAGE
XXI. CAN WE GIVE EQUAL PROTECTION TO ALL?	83
XXII. THE TARIFF AND THE FARMER.....	87
XXIII. CONGRESSMAN PEPPER ON SCHEDULE G	104
XXIV. PROTECTION AND LABOR.....	111
XXV. HOW THE TARIFF "PROTECTS" LABOR..	115
XXVI. FACTS ABOUT OUR FOREIGN TRADE....	120
XXVII. IMPORTS, EXPORTS, AND PRODUCTION..	126
XXVIII. EXPORTING WITHOUT IMPORTING.....	135
XXIX. MY TWO ISLANDS.....	143
XXX. IS TRADE BENEFICIAL OR INJURIOUS?..	148

PART II.

TEN OBJECTIONS TO A PROTECTIVE TARIFF.

I. IT REPRESENTS SPECIAL PRIVILEGE.....	159
II. IT REPRESENTS CLASS LEGISLATION.....	161
III. IT BUILDS UP TRUSTS AND MONOPOLIES...	162
IV. IT ENABLES TRUSTS TO SELL CHEAPER ABROAD THAN AT HOME.....	167
V. IT ROBS THE PEOPLE WITHOUT THEIR KNOWING THEY ARE BEING ROBBED	170
VI. IT EMPLOYS PUBLIC TAXATION FOR PER- SONAL ENRICHMENT	180
VII. IT OBTAINS THE VOTES OF LABOR BY FALSE- HOOD AND FRAUD.....	185
VIII. IT DIMINISHES THE WAGES OF LABOR.....	190
IX. IT HAS DIMINISHED THE TOTAL WEALTH OF THE NATION	195
X. IT BUILDS UP GREAT FORTUNES BY IMPOV- ERISHING THE PEOPLE.....	200

PART III.

TARIFF FOR REVENUE ONLY.

CHAPTER	PAGE
I. PROTECTION—REVENUE—FREE TRADE.....	210
II. INCIDENTAL PROTECTION	224
III. THE CASE AGAINST A REVENUE TARIFF.....	228
IV. THE INCOME TAX.....	237

PART IV.

OUR TARIFF HISTORY BY SCHEDULE.

INTRODUCTION	246
TARIFF OF 1789	248
TARIFF OF 1812.....	250
TARIFF OF 1816	250
TARIFF OF 1824.....	253
TARIFF OF 1828.....	253
TARIFF OF 1832	254
TARIFF OF 1833.....	255
TARIFF OF 1842	255
TARIFF OF 1846	256
TARIFF OF 1857.....	258
THE WAR TARIFFS	261
TARIFF OF 1867	262
TARIFF OF 1870	266
TARIFF OF 1872	268
TARIFF OF 1883	269
McKINLEY TARIFF—1890	273
WILSON TARIFF—1894	285
DINGLEY TARIFF—1897	293
PAYNE TARIFF—1909	294
UNDERWOOD TARIFF—1913	297

PART V.

TARIFF HISTORY OF 142 ARTICLES.

GIVING THE TARIFF RATES ON THE LEADING ARTICLES UNDER EACH OF THE 14 SCHEDULES OF THE TARIFF OF 1883; THE MILLS BILL, THE MCKINLEY TARIFF, THE "CLEVELAND TARIFF," THE DINGLEY TARIFF, THE PAYNE TARIFF, AND THE UNDERWOOD TARIFF	312

PART VI.

CHAPTER	PAGE
I. ABOLITION OF PROTECTION IN ENGLAND	322
II. HISTORY OF PRICES FROM 1850—1912.....	332
III. A SCIENTIFIC (?) TARIFF BOARD	337
IV. EIGHT MONTHS AFTER	340
V. FUTURE OF TARIFFS AND TRADE	348

APPENDIX A.

THE TARIFF ON WOOL	359

APPENDIX B.

A DECLINING INDUSTRY.....	370

APPENDIX C.

FREE TRADE AND THE EUROPEAN WAR	377

INTRODUCTION.—THE PROBLEM STATED.

THE TARIFF A TAX.

CAN A PEOPLE BE ENRICHED BY THEIR OWN TAXATION? That is the Tariff Question in a nut-shell. And that is the question which for a hundred and twenty-five years the American people have been trying to decide. Yet it is a question which can be answered by "Yes" or "No." Which is it? And the answer must be the same for all lands and nations. It cannot be "No" in one country and "Yes" in some other. It must be the same for all.

The Tariff Question is not a partisan question. No question affecting the general welfare ever is. It is always a Moral Question, a question of Right and Wrong. Human rights are as much at stake in the Tariff as they were when our fathers wrote the Declaration of Independence. The right or wrong of the Tariff is a question of fact, a question of Cause and Effect—of Natural Law.

Human wills and party majorities cannot change the laws of nature. Tariff pertains to Trade. Trade pertains to nature, to universal nature—the satisfaction of human wants. Therefore, Trade is governed by Natural Laws. It is a product of Cause and Effect. It is a vital part and process of the Organic World.

Trade, then, is a fact of nature. It exists not because of governments but *in spite* of them. It is a product of Civilization. It appears wherever Civilization appears. In fact, it is always the first evidence of the dawn of Civilization. Trade fills the sails of every ship on every sea. For centuries Commerce has touched all ports of the universal ocean. A good part of the story of Progress are the achievements of Commerce. And the increase of Civilization but increases the scope and volume of the World's International Trade.

There is one fact, however, pertaining to International Trade which no human law can change. And that fact is this: In order for any people to engage in Foreign Trade they must consent to having some of their own products undersold *in their own markets* by foreign competitors. From that fact there is no escape. People who are unwilling to accept this fact cannot engage in Foreign Trade. They must either consent to being undersold by foreign competitors, *in some products*, or else keep foreign goods out.

And there is just one way by which they can be kept out: *the adoption of a Protective Tariff*. The only purpose of a Protective Tariff is to prevent Trade. This means of preventing foreign competition in the Home Market was discovered long ago by the nations of Europe, and was adopted in this country in the early days of the Republic.

How does the Tariff protect the home producer from foreign competition? *By increasing the price of his competitor's goods*. And this can be done, and done effectively, by levying a tariff on all foreign goods entering our ports.

This taxation of foreign imports in order to preserve the "Home Market for the Home Producer" is called Protection. It stands as the deadly foe of Trade and has been in existence for centuries. Every civilized country on earth has a Protective Tariff—save England.

And so a Protective Tariff is not an American invention. The truth is that we adopted in a Republic an institution employed by all the monarchies and despotisms of Europe. And all defend it on the same grounds—to prevent foreign trade, to keep out foreign goods. Here, then, is a scheme of taxation existing among all nations—except England. If right, then here is at least one great economic truth that has found universal *acceptance*—a thing unthinkable. If wrong, then but one country on earth has possessed sufficient enlightenment and moral courage to throw it off. Which is it? It cannot be both. Protection cannot be right for one country and wrong for another.

To have a rational discussion of any subject it is always necessary to know the points upon which the opposing parties are *agreed*, in order the better to know the points on which they differ.

It is agreed by the opponents of a Protective Tariff that it can prevent foreign goods from coming in; that it can preserve the "Home Market for Home Producers"; in short, that it can obstruct and even completely abolish all Foreign Trade. But they are not agreed as to the *justice* of such a course. In other words, they admit that foreign trade can be diminished, and even destroyed, but deny that this ought to be done. On the contrary, they maintain that foreign trade ought to be *increased* instead of diminished. And they are clearly in

the right, provided Trade be a *good* thing. But they are clearly in the wrong, if trade be a *bad* thing. Which is it? From that conclusion there is no escape.

The opponents of a Protective Tariff freely admit that it can "protect" the American manufacture; that is, that it can save him the necessity of having to *compete* with the products of foreign manufacturers; just as their Protective Tariff can "protect" *them* from the necessity of having to compete with *him* in their market. All this is fully and freely admitted by the foes of Protection. And it is also admitted by them that a Protective Tariff can, and does, put millions and even *hundreds of millions* every year into the pockets of the *owners* of factories and mines.

Now comes the question, Is it *wise* to do this? Is it just? Is it fair? How does it benefit *us* to enrich *them*? How does it cause us to prosper by having a Tariff pour the money out of our pockets into *their* pockets? Granting that it can be done, there is still the question, Ought it to be done? It is easy to see why *they* should favor such a law, but why should *we* favor it? Is it for the common good of all that a Protective Tariff keep out foreign goods, or only for the benefit of the "protected interests"—and at the expense of all the rest of humanity? These are questions worth while.

And so to prove that a Tariff benefits the manufacturers is no argument for Protection, unless you can also prove that it does not injure others. To show that a Protective Tariff gives millions of dollars annually to manufacturers, is an argument against protection instead of for it—unless it can also be shown that the millions it gives to them it does *not* take from the general public. Has this ever been done?

It is claimed that a Protective Tariff tends to the enrichment of the American farmer; that by shutting out foreign food stuffs, it enables him to so increase the price of his products to American *consumers* as to get from them tens of millions of dollars *more* than he otherwise could obtain. Such is the claim of Protectionists. This proposition, however, is squarely denied. But even if true, would this be an argument *for* a Protective Tariff, or *against* it? Is it statesmanship to benefit one class at the expense of another? Of course it is easy to see why the *producer* of food products should favor such a law, and he *supposes* that he has been getting it; but why should the tens of millions of *consumers* favor it? Why should they enthuse over their own taxation? Is this evidence of high intelligence?

That the American farmer has as much right to such a law as will enhance the price of his products, over and above the normal price—if he could *get* it—as the American manufacturer has, is undisputed. No question about that. The question is, Should either class—or *any* class—be granted such a privilege—the privilege of increasing the price of their products *by act of law*? That is the real issue involved in the Tariff.

It is claimed that a Protective Tariff benefits the American laborer; that it adds tens of millions of dollars to his wage-fund every year; that it is because of the Tariff that his wages are higher than the wages of the laborers of Europe; and that without it he could not secure a “living wage” in this country, and would be on a level with the “pauper” laborers of Europe.

Is this true? How could a Tariff benefit labor when
THERE IS NO TARIFF ON LABOR? Has any pro-

tectionist "statesman" ever answered that question? How could it? The opponents of Protection maintain that there has never been the slightest evidence to show that it adds one dollar to the wage-fund of American labor. Not a dollar. They deny the claim *in toto*. They admit that a Tariff *enables* the great Tariff Barons to pay more wages—much more; but deny that it *compels* them to do so. And between the two there is a vast distinction.

The Free Traders' contention is this: The wages of labor are determined *by competition with fellow laborers*—and in a crowded labor market. They deny that there is any connection whatever between what wage workers *produce* for their employers, and what they *get* for themselves. Is their contention true? Has the fact that Henry Ford can pay even his floor-sweepers \$5.00 a day, and still clear \$12,000,000 a year, any bearing on this claim?

Free Traders say that the Tariff affects only the *goods-market*, and in this the laborer must *buy*; but that he sells his only product—labor—in the *labor-market*, and that no Tariff "protects" *it*, that labor is on the "Free List." Is this true? What are the facts?

Furthermore, even granting that it does give additional millions every year to the wage-fund of labor—which is most emphatically denied, where does it *get* these millions which it gives? Can it give to one class without taking from another? If so, how? And if it does give to one class by taking from another, is not this Class Legislation?

Would this not be a *compulsory* donation, an *enforced* contribution—in short, a confession that the normal pay of American laborers will not support life, and so all the

rest of the people must be taxed to increase his normal pay to a "living wage?" And if so, is it not an admission also that the American laborer is a pauper, unable to make a living for himself, and so must be supported, in part, *by public taxation*? Is there any escape from this conclusion?

But if it be true that the Tariff does add materially to his daily wage, and that he could not live on his earnings *without* this donation; then the rational procedure would be to inquire as to how it comes that *the producers of all wealth* in a land distinguished by its limitless riches *and the number of its millionaires*, cannot make a living? Of course we never asked such questions as these before. Why? Because we never reasoned on the subject. We just believed—and voted.

And this brings us to the fundamental question, and that is this: Can a Tariff enrich some without robbing others? Can it give to some without taking from others? Is it possible for the Government, by a Tariff Law, to increase the *selling* price for the Producer without at the same time—and to the same extent—increasing the *cost* price to the Consumer? Is this possible? Surely what the one gets the other must give. And what one gains the other must lose.

Therefore, is not a Protective Tariff a modern form of Class Legislation? Is it not the granting of Special Privilege? Is it not the continuance of an order of things that long ago should have been abolished—because it violates the natural rights and the property rights of every free-born American citizen? These are the real questions, the vital questions, involved in a rational discussion of the Tariff.

There is for the vast multitudes of humanity "a struggle for existence." Does the Tariff diminish or *increase* this struggle? That is the question that concerns every lover of his race. This struggle for the mere making of a living is too intense and its anxiety too great for the real humanitarian to spend his time on speculative problems. For the Tariff merely as a question in Economics, I have not the slightest interest. But for the Tariff as a Life Problem, as a factor in the Struggle for Existence, and as a possible *burden* on all who toil, I am most intensely interested. And so is, or should be, every lover of his race.

Thruout the long, weary years of the past the great Common People of America have bent their backs beneath this colossal burden. From the products of their toil this same Tariff has extorted its untold millions. No question about that. This is all right if it makes them *richer*, and their burdens *lighter*. But does it? Where is the proof?

Surely that is an important question. The Tariff touches the life and welfare of all who toil, from infancy on up to old age. It takes its toll alike from the cradle and the coffin. It either adds to, or subtracts from, the products of every stroke which Labor makes. It follows the farmer as he turns the furrow in the field, and extorts its portion from the miner down under the earth. What does it give back in return?

The appeal in this book has been made direct to the mentality of the American people. Whether Protection be a blessing or a blight to industry is not a question of the Heart but of the Head. Let us settle the question in the High Court of Reason. Surely the belief that a peo-

ple can be enriched *by their own taxation* is the product not of Science but of Superstition. It is born of partisanship, prejudices, and race hatreds.

I appeal to the intellectual pride of my countrymen. Does Protection mean Prosperity or Plunder? We must seek the answer to this question with the sublime personal indifference with which we solve a problem in Astronomy. To the thoughtful man in distant ages it must ever appear that the intelligence of the American people has been *stultified* by the persistence of their belief in this gigantic delusion.

Protection has been accepted by the teacher and preacher, and the professional classes generally, just as a matter of course. It is assumed to be the *proper thing* that all conventional and well-groomed people should be opposed to Free Trade. Certainly. Why not? I ask them now to vindicate their right to an Intellectual Leadership by examining this question in the light of Pure Reason. We must accept only "Truth for authority, and not authority for truth."

A profound analysis of the issue involved in the Tariff Discussion shows that instead of there being but two propositions at stake there are three—Protection, Revenue, Free Trade. It is a *three-cornered* contest, with the second representing a compromise of the first and third. And so there can be no such thing as a scientific presentation and discussion of the Tariff without a clear definition of all three terms. The opposite of a Protective Tariff is not a Revenue Tariff. And the opposite of a Revenue Tariff is not a Protective Tariff. The only logical opposite of a Protective Tariff is Free Trade. The logical opposite of a Revenue Tariff is not Protective

Tariff but the Income Tax, or some other form of Direct Taxation. And yet in no discussion of the subject have these fundamental distinctions ever been recognized. It is for this reason that the Tariff Discussion has lingered so long. As we say in law, the parties have never been "at issue."

In reference to any result which takes place in the natural world there are three sets of forces or causes. The one set of forces, or causes, tended to produce it—perhaps did produce it. The second set of forces tended to *prevent* its existence; while the third set of forces—the existing simultaneous with the others—was wholly unrelated to it, and tended neither to produce nor to prevent.

And so in reference to the Tariff. At the same time that a Protective Tariff exists scores of *other forces* and conditions exist also. And now the question always is, (1) Do they exist because of it? (2) Do they exist in spite of it? (3) Or is the Tariff in any way whatever related to their existence?

Many results *accompany* the existence of a Protective Tariff. Some of these it produced. No question about that. But the question is, which ones? Others exist not because of a Protective Tariff but *in spite* of it. And there are scores of other things and conditions existing at the same time that a Protective Tariff exists, but which are wholly *unrelated* to it. And so the constant problem is to find the things which exist *because* of the Tariff, the things which exist *in spite* of the Tariff, and the things with whose existence it has no possible connection.

From all this it is clear that an intelligent and prudent

people should be constantly asking the question: Have we lived *because* of the Tariff or *in spite* of the Tariff? They will also ask: Have we accumulated over a hundred billion dollars' worth of property because of the Tariff or in spite of it? Would there have been less under Free Trade or would there have been more? Does the purchasing power of the wages of American labor exceed the purchasing power of the wages of the laborers of Europe because of a Protective Tariff, or in spite of it? Would this purchasing power be less or would it be greater under Free Trade?

Following along the same line of thought is the statement often made that "the Tariff has passed the stage of discussion and is to be tested now not by reasoning but by *results*." This statement is heard on every hand. It sounds good and does not require the exercise of much intelligence on our part to be believed. Now just what is meant by saying that we are to decide as to the justice or injustice of a Protective Tariff by the *results* which follow the passage of so moderate a Protective Tariff as the Underwood Bill?

It means this: If times get *good*, then we will know that a Low Tariff is a good thing. If times get bad, then we will know that a Low Tariff is a bad thing. That is the "argument."

Aside from the fact that times have been bad again and again under High Tariff, and so *it* cannot be a good thing; there is the further consideration that this proposition assumes that there is but *one factor* working in the Social Organism—the Tariff. There are scores of factors. It is only one of many. Therefore, the problem remains as to whether "good times" exist because of

the Tariff or *in spite* of it, and whether "bad times" exist because of the Tariff or in spite of it. Furthermore, it always requires Reason to decide as to the *cause* of any condition. And so there is no escape from the question, **IS IT BECAUSE OF THE TARIFF OR IN SPITE OF THE TARIFF?**

There can be no such thing as a "scientific" tariff for the simple reason that the Tariff is unscientific. Science consists in learning the laws which govern any given class phenomena, in order to *apply* them. Trade is a natural phenomenon. It is floated by the tides and currents of the natural universe. It is governed by natural laws. But the only object of a Protective Tariff is to obstruct and *prevent* Trade. And so it works against natural law and has no other purpose than to obstruct and *suspend* its operation. Thus does it represent Superstition instead of Science.

Long before a man could gain sufficient knowledge of the different sections of the country and of the different industries, with their marvelous inter-relations, in order to make an equitable and fair adjustment of the Tariff, he would know enough to know **THAT IT CANNOT BE DONE**. A man with sufficient sense of justice to levy a Tariff impartially—without discrimination as to classes, would have too much justice to levy a Tariff at all. He would know that it is Class Legislation to start with.

Instead of being Progressive, the position of the Progressive Party on the Tariff represents a *retrogressive* movement. It is a reversion instead of an advance; and for the reason that it proposes to make Protection a *permanent* policy of this Republic. No policy, no political economist of note—save John Stuart Mill—ever de-

fended it even as a temporary policy. He did think that in a new country, under certain conditions, it could be employed as a temporary measure—for about three years—to give a start to “Infant Industries.”

The founders of the system in this country never defended it upon any other ground than that of giving our “young industries” a chance to start. They never contemplated it as a permanent policy—never. The first Republican Congress—elected in 1856—instead of being Protectionists, reduced the Walker Tariff of 1846—a distinctively “free trade” Tariff “for revenue only” measure—from 25% to about 18%. Blaine says that no candidate for President that year mentioned Protection, and that even the manufacturers had ceased to ask for it.

And so a Protective Tariff was never contemplated—save as a temporary measure. Three Republican Presidents—Grant, Garfield, and Arthur—recommended a return to a “revenue basis.” It was Wall Street that fastened Protection on the Party as a permanent policy. It was never the idea of the thinkers of that great movement which had Emancipation as its goal. Their purpose was to *break the chains* and not to *rivet fetters* more tightly.

In another way is the position of the Progressive Party—AS TO THE TARIFF—most unprogressive, and reversional, and retrogressive. It proposes to take the Tariff out “out of politics.” That is to say, out of the hands of the people’s Representatives in Congress, and so out of their own hands. Instead, it proposes that the tariff rates shall be adjusted by a so-called “Scientific” Tariff Board, independent of the will and influence of Congress.

And yet the Tariff is a System of Taxation. It taxes the people. It is the most extensive and detailed system of taxation the world ever saw. No despot, no warrior, no plunderer of the oppressed ever devised a system of taxation so complete, so extensive, so detailed, as is our Tariff.

But the people's fight against being taxed by others or against their will, and for the *right* to be *taxed* only by *their own representatives in parliament assembled* is one of the brightest and bloodiest pages in the struggle for freedom. The right of the people to levy their own taxes upon themselves, and the denial of the right to be taxed save only by their own representatives, cost millions of human lives to obtain. But the victory was won—the most precious of all the blood-bought victories that struggling humanity has gained.

And now comes along a party, calling itself Progressive, which proposes to the people that they relinquish a right, bought at so dear a price, take it out of the hands of their representatives in the House and Senate, and give it to an appointive board—RESPONSIBLE TO NOBODY. Think of it! Do you believe that such a proposition was inspired by enlightened patriots?

Rather let us say that ardent and earnest patriots, desiring only their country's good, were hoodwinked, duped, and deceived by the cunning and sophistry of Greed. It is Wall Street's last move. It knows that left to the people, PROTECTION IS DOOMED. And so its only hope is to get it away from the people, to get it out of their hands, by taking it "out of politics."

And this becomes the more significant when we realize that a Protective Tariff is not a system of Public Taxa-

tion, for the support of public servants and public enterprises; but a system of Private Taxation, for the support and maintenance of private individuals and of private enterprises.

There is still another line of questions involved in the Tariff Problem. After our thieving Protective Tariff has lost every claim upon the logic and the common sense of the American people; then, as a last resort, Protection declares for what it calls a "Scientific Tariff Board," and a "Scientific" Tariff. The Tariff is no longer to be adjusted by the representatives of the people in Congress assembled, but is to be adjusted by "experts"—if they can be found. It is a serious question whether any scientific man could be found to do the work, for the reason that all profound scientific men in the realm of sociology and political economy are out and out Free Traders; and so would desire to have nothing to do with a Protective Tariff except to *abolish* it.

Upon what principle is it proposed that these Tariff "experts" shall regulate the tariff rate? Upon the principle of having the rate represent "the difference between the cost of production" of each line of articles at home and abroad—"together with a reasonable profit guaranteed to the manufacturer."

As a matter of fact, this proposition has nothing whatever to do with the issue for or against a Protective Tariff. It is concerned only as to the *rate* of protection—assuming that a Protective Tariff is to be forever *continued* in this country. *It takes it for granted* that the principle of Protection is economically just and sound. It implies that the wrongs against which even

Republicans have so loudly protested was wholly in reference to the tariff *rate*.

And yet as a matter of fact it is the *principle itself* which must now fight for its life. It is the principle itself which is in issue. And so a "scientific tariff board" is in no way an argument and a justification for a Protective Tariff. The real problem is not as to the justice of a Protective *rate* but of the Protective *principle*.

Nor does it seem to have occurred to the advocates of this difference-in-the-cost-of-production theory, that it makes no provision for "guaranteeing" that the *wages of labor* shall be "over and above" the foreign wage. The guarantee is only to the *manufacturer*. He is to get his laborers as cheaply as he can. And so he gets them in the *open* market in which each American laborer must compete with the toilers of the whole round earth. It proposes "guaranteeing to the *manufacturer* a reasonable profit." The laborer must shift for himself. I can see why the manufacturer should favor such a program but do not see why the laborer should favor it—do you?

Furthermore, Why should the amount of "protection" be *limited*? Surely the American laborer is not getting all that he needs. His average pay is less than \$500 a year. In a family of five, that gives less than 27 cents a day each for food, clothing, shelter, etc. And so if a Tariff can *double* his wages, by giving a higher rate—and *without taking it from others*—why is it not done? WHY BE NIGGARDLY AS TO THE TARIFF RATE?

Or if you can increase the incomes of manufacturers—and without taking it from the general public—by a

higher rate, then why should it be limited even as to them? To propose such a thing seems not generous and humanitarian, but ignoble and stingy. The higher the rate the better. Why not—provided you can enrich one class by a Tariff without impoverishing or plundering another class? Of all the “arguments” for a Protective Tariff, this “difference in the cost of production” is the most ungenerous, irrational, and indefensible. And yet you hear it on every hand, and among men otherwise highly intelligent. It is among the “educated” classes that this “argument” most prevails. Its existence is due to men’s reluctance to admit *that they were wrong*.

And all this brings us around again to the fundamental question: Is it true that a Protective Tariff adds—or can add—to the wealth of a nation? Can it increase the total volume of wealth? I know we have been so taught from our infancy, but is it *true*? Is it true that a Protective Tariff adds to the pay of American Labor? I know we have been so taught, but is it true? Where is the evidence? Can we call ourselves *intelligent* and still *believe without proof*? Convictions without evidence are not the signs of a rational mind. Such convictions resemble superstition and fanaticism, and are the characteristics of Credulity rather than of Intelligence.

Every impoverished people in the ages past were impoverished *by taxation*. To this fact the ample pages of history bear record. And so the burden of proof is on the Protectionist to show that the particular *brand* of taxation which *he* advocates—instead of impoverishing—*enriches* those from whom it takes its millions of toll!

Around this elaborate system of taxation, called a

Tariff, have been thrown all the associations of government, country, and patriotism; and yet it is hard to understand how the most elaborate and excessive system of taxation the world has ever known could endear a government to its citizens. One would think that a people would love their government in proportion as it *freed* them, and *protected* them, from taxation and plunder!

Patriotism and Protection are spoken as if inseperable terms. It is proclaimed as a patriotic duty to "protect" American labor. Protectionist champions grow eloquent in the praise of this "duty." All nations *pretend* to be doing the same thing—"protecting" their laborers. May it not be that the greatest need of labor today, all over the earth, is to be protected *from* Protection?

Here and there a man or woman can be found endowed with such a high order of intelligence as to be able to clearly separate *words* from *things*. But such individuals are rare. The large majority of mankind—the educated as well as the uneducated—are unable to make the distinction. They cannot separate the sign from the thing signified, the label from the things labeled.

Words are but labels and can be as readily attached to one thing as another. It is just as easy to label a barrel of salt as "sugar" or "rice" as to label it "salt." These labels can be as readily tacked to one barrel as to another. Nevertheless, the truth remains that calling a thing a certain name does not *make* it so. Thus far the human race have been unable to clearly realize this fact. They have lacked the intelligence and the *moral courage* to knock in the heads of the barrels and see if they are what they are labeled.

"Protection" is a beautiful word. It has the charm and lure of magic. It appeals to a want of the human heart. It represents a positive necessity of human life. In fact, protection is a constant need every day and hour of this earth-born existence. Therefore, it is with passionate eagerness that humanity grasps at anything bearing the label of "protection." But they have lacked the intelligence and the moral courage to "lift the lid" and see if the thing really is what it is labeled. May it not be possible—aye, is it not even probable—that it should have been labeled "plunder" instead of "protection?"

Nor is the Tariff Issue limited to the United States. It is an active issue in Canada, England, France, Germany, and scores of other countries. In fact, the common people of *all* lands lie prostrate beneath the burdens of Tariff Taxation. No people, either of the New World or of the Old, can hope to rise to freedom until that burden has been removed. They must break thru this paving stone of Privilege. No people can go far in their march towards freedom before they discover that there is a Tariff Wall, ancient and adamant, directly across the path of their progress.

Behind that Tariff Wall is the Organized Greed and the Entrenched Power of the nation. Special Privilege has defended our Protective System thru pulpit and press, thru platform, school, and book. This fact is likewise true of all other countries. The wrong is the same in all, and the arguments and principles are the same for all. Trade being a universal fact, the truths upon which it rests are also universal.

But in spite of all this organized influence and power, the American people are questioning the truth of the

claims of Protection as never before. They more and more realize that it is not the *abuse* of Protection against which we should revolt. Not at all. The principle itself is the abuse, if abuse there be. The common sense of the American people is sweeping aside all technicalities. They are asking today as never before: CAN A PEOPLE REALLY BE ENRICHED BY THEIR OWN TAXATION?

No one regards the revision of the Tariff, by the enactment of the Underwood Bill, as the end of the fight for Industrial Freedom. It is only the beginning. Even at the most it is but breaking the chains of the giant. He must still be furnished with Opportunity in which to expend his energy. Beyond the Tariff lies the Trusts, of which the Tariff was only one of two factors in producing. The greater source and cause of the Trust yet remains. Beyond the Trust lies the Railroad. Here is a power that of itself can impoverish the American people, and is impoverishing them. Without an equitable and uniform Railroad Rate industrial justice is impossible.

Beyond the Tariff and the Trusts and the Railroad, and beyond all other questions, is The Land Question. This, as Herbert Spencer said long years ago, "is one of the most intricate problems which society will one day have to solve."

But no matter what the magnitude of these other problems, and no matter how much we may differ as to their solution, the revision of the Tariff, and the utter annihilation of the *principle* of Protection, come first. Why? Because a Protective Tariff is based on Special Privilege and Class Legislation. So long as these two

arch enemies of freedom are recognized as the *fundamental policy* of the American Republic, Justice and Equality of Opportunity are out of the question. And so the very first step towards the abolition of Injustice and Class Legislation is to examine into the great moral and economic principles upon which the belief, and the justification, of a Protective Tariff is grounded.

And this result is obtainable only by a free, fearless, and impartial discussion. Jesus said: "Know the Truth, and ~~the~~ Truth shall make you free." Nothing but the Truth can make us free. And this holds just as much of the Tariff and other material things as it does of spiritual things. No citizen can escape his responsibility of knowing the truth in reference to the Tariff by saying that he belongs to some political party whose policies might be here undermined. He who chooses his convictions from his *party*, and not his party from his *convictions*, is not a free man but a slave.

With this lofty conception of Truth as the goal of all discussions, and realizing that it is not human theories but human life and the general welfare that are at stake; let us boldly follow the investigation wherever the star of Truth may lead, and with such fearlessness and majesty of intellectual deduction as becomes men and women worthy of being citizens of this Great Republic.

THE TARIFF.

PART I.

THE MECHANISM OF THE TARIFF.

CHAPTER I.

TWO THEORIES OF THE TARIFF.

THERE are two general theories, or Systems of Thought, relative to the Tariff—the Protective Theory and the Revenue Theory. The Protective Theory maintains that *in addition* to raising revenue, the Tariff should also be levied for the purpose of Protecting American Industries, and increasing the pay of American Labor. This Theory of Tariff Taxation is associated with the Republican Party.

The other theory as to the Tariff is that it should be levied for the sole purpose of raising revenue for the Federal Government. This doctrine of “tariff for revenue only” is associated with the Democratic Party.

The difference between these TWO SYSTEMS OF TARIFF THOUGHT is, primarily, as to the *purpose* for which a Tariff should be levied. The tariff *rate* is of secondary consideration. The Republican Tariff Theory declares that the purpose in levying a Tariff is not only to raise revenue for the public treasury, but also to raise revenue *for private individuals*. The Democratic Party denies the justice of this use of the Tariff, declaring that the *right to tax* begins and ends *in the needs of the govern-*

ment; and that no party, no government, has the right to tax the general public FOR THE BENEFIT OF PRIVATE INDIVIDUALS—no matter who or what those private individuals may be.

Both political parties, then, are agreed on two things: First, that there should be a Tariff. Second, that it should raise revenue for the Federal Government. But the Republican Party declares that *in addition* to raising revenue, the Tariff should also be levied for Protection.

And by “protection” Republicans mean three things: *First*, that the Tariff should be levied for the purpose of giving to American manufacturers a *higher price* for their products than they can obtain in the open market. *Second*, that they *can* be enabled to obtain a higher price from the people than the regular market price if *shielded from foreign competition* in the home market. *Third*, that they can be shielded from foreign competition by *levying a Tariff on their foreign competitor's goods*. That is why it is called a “Protective” Tariff. It “protects” from Foreign Competition.

Protectionists tell us that the incomes, or revenue, of American manufacturers *ought* to be thus increased by means of Tariff Laws in order that they can pay higher wages to their employees than the regular market price of labor. Their proposition is that if manufacturers get more than the market price for *their* products, then they will pay more than the market price for *labor*. They say that while this is taxing all the people (on their necessities) in order to put money into private pockets of manufacturers; yet that they, in turn, will *pay it all out again* to labor, and so it will finally go into the pockets of their employees.

The Democratic Party admits that a tariff can be so levied as to pour money into private pockets—*of manufacturers*, thus benefiting and enriching *them*, but denies that it *ought* to be done, declaring that “such a tax is unjust and unconstitutional,” that it is *not* paid out to laborers, and that the Tariff should be levied “FOR REVENUE ONLY.”

Both parties, then, are agreed that the tariff should raise revenue for the government. They differ on the point as to whether it should *also* raise revenue, or incomes, for private pockets. The Democratic Party would levy a tax for the maintenance of *public* enterprises only. The Republican Party would levy a tax, in addition to this, for the maintenance of *private* enterprises. One would tax the people—by means of the Tariff—for the filling of the public treasury. The other would also tax them for the filling of private pockets.

This is the issue. It is logical, distinct, and clear-cut. There is no middle ground—at least as to the *purpose* for which the Tariff is to be levied. And from this opposition as to purpose there arises a most important conclusion. And that conclusion is this: We are not here dealing with two different *methods* for obtaining the same thing, but with the justice and wisdom of promoting *two separate and distinct lines of enterprises*—public enterprises and private enterprises.

Every Tariff that has ever been framed in this country has yielded *two streams of revenue*—one for the Public Treasury and the other for Private Pockets. Furthermore, the Tariff can be so constructed that it will yield revenue for the public treasury, exclusively, and not for private pockets; or it can be made to yield revenue for

private pockets but not for the public treasury. And so these two streams, tho flowing from *the same source*, are each independent of the other.

Therefore, we have most grossly erred by assuming that if a man opposed a *Revenue* Tariff he must of necessity favor a *Protective* Tariff. *The whole truth is that he might oppose both.* I do not here say that he *must* oppose both. What I say is that he *might*, and for most excellent reasons.

But if he did reach the conclusion that both systems of Tariff Taxation should be abolished, it would be *upon wholly different grounds.* The reasoning which would apply in the one case would not apply in the other. If we condemn a *Protective* Tariff, it will be because it is a system of *Private Taxation.* Being such, that it is unjust and un-American. If we condemn a *Revenue* Tariff it will be upon the ground that while just as to its *purpose*, it is unjust and unfair as to its *methods.*

The truth is that you can no more exonerate a *Protective* Tariff from the charge of being a system of private taxation and plunder by condemning the unfairness of a *Revenue* Tariff, than you could clear John Smith of the charge of forgery by proving that Bill Jones committed murder.

And so we have not simply one case on the docket to be tried before the high Bar of Public Justice, viz. that of *Revenue* vs. *Protection*; but two separate and distinct cases. Case No. 1 is that of *Free Trade* vs. *Protection.* Case No. 2 is that of *Direct Taxation* vs. *Indirect Taxation*, or *Revenue* Tariff. And the evidence admissible in the one case is, as the lawyers would say, "irrelevant, incompetent, and immaterial" as to the other.

Therefore, the alternative of a Protective Tariff is not a Revenue Tariff, and the alternative of a Revenue Tariff is not a Protective Tariff. On the contrary, the opposite of a Protective Tariff is Free Trade. And the opposite of a Revenue Tariff is not Protection but the Income Tax, or some other system of *Direct Taxation*.

The case against a Revenue Tariff is not now being tried. IT HAS NEVER BEEN AN ISSUE IN THIS COUNTRY. Thus far the Tariff has been accepted without question as being the only practical method for the raising of revenue for the government at Washington. And so the trial of the case for and against a Revenue Tariff occupies but a small portion of this book, and is confined to Part III.

But the case is wholly different in reference to a Protective Tariff. Its right to exist—being a system of Private Taxation—has been questioned *from the very foundation of the Republic*. And so the case of "*Free Trade vs. Protection*" occupies the larger portion of this book. In fact, it has occupied a large portion of all the political speeches that have been made in this country for the past hundred and twenty-five years, has inspired the printing of tons and tons of matter in the Congressional Record, and in newspapers and magazines.

It ought to be added, in passing, that the Democratic Party is not a Free Trade party. While opposing the *principle* of Protection it has favored—or ignored—the existence of such "incidental protection" as may arise by levying a Tariff whose sole *purpose* is "revenue only."

The Underwood Tariff now in issue—and in some respects at least *the best Tariff the country ever had*—is not a "free trade" measure. Far from it. The Under-

wood Tariff is a Protective Tariff. While its rates were levied for the sole purpose of raising revenue for the government, and *no* rate was laid for the purpose of raising revenue for private pockets, and while it represents a general reduction of about 40% of the old tariff rates, yet—incidentally—the Underwood Tariff yields a moderate “protection.” Therefore, it is a “protective” measure, not High Protection but Moderate Protection.

There are only two classes of individuals who can *logically* oppose the Underwood Tariff. They are High Protectionists and Free Traders. High Protection is represented by the Payne-Aldrich Tariff which the people so overwhelmingly rejected at the polls. Free Trade would be represented by the complete repeal of the Tariff and the adoption of some form of Direct Taxation. Moderate Protection, or Low Protection, is represented by the Underwood Tariff.

And so Democrats occupy a compromise position between Protectionists and Free Traders. They favor only such a modification and restraint of Trade as *necessarily* arises from levying a tax on foreign imports—in order to raise revenue for the Federal Government. Beyond this point they are Free Traders. On the other hand, Revenue Tariff men are willing to allow such “incidental” protection as necessarily arises from this same Tariff Tax on foreign imports. And to that extent, they are Protectionists.

But it is important to note that the Democratic Party denies either the wisdom or the *right* to levy a Tariff Tax for the *purpose* of Protection. And it is also important to note that in opposing the Protective *principle*, Democrats must employ the arguments and the reasoning of the Free Trader.

Furthermore, to make a scientific and philosophic presentation of the Tariff, we must make a logical and abstract discussion of the theories themselves, independent of party considerations. That is, "The Case against Protection" must be given wholly from the standpoint of Free Trade. This alone constitutes a scientific discussion. Then the extent to which the Democratic Party assumes this position can be clearly pointed out.

With these preliminary explanations, let us pass on to a complete analysis of the whole Tariff Problem. We must get down to the elemental principles involved in a Tariff. We shall begin with fundamental Definitions. Then we shall advance step by step with definitions, classifications, and practical illustrations which the author believes are as unanswerable as the Multiplication Table. Having now clearly stated the issue in broad outline, it now remains to fill in the details.

The reader must see for himself why and how these distinctions are made. That which an individual does not know for himself, and in terms of his own vocabulary and experience, he does not know at all.

CHAPTER II.

CLEARING THE GROUND.

BEFORE beginning the argument, we need first to understand the general facts and principles which are involved in the discussion. My observation is that we always begin arguing a subject long before we know what it really is that we are arguing. We deal too much

with words—too little with *facts, conditions, and principles*. What is always most needed in every discussion is not argument but Exposition—ANALYSIS.

SCIENCE consists in just two things: FACTS and their EXPLANATION. And so the first step in the investigation of any subject is to find the facts. What are the facts? The next question should be: What do these facts mean? What do they teach? What is the *law* which governs them?

The definition of Science is also the definition of Theory. A Theory is simply *an attempt to explain* a given set of facts, or to account for a certain condition of things. And so the larger part of Science consists of Theory. We *know* facts. We do not know *causes*: We *infer* them. Facts are revealed by the *senses*. They represent *impressions* made upon the brain and nervous system of man. But the *causes* of these facts, of these impressions, are always a matter of conjecture, of Reason. *Law* and *Cause* are the product not of the senses but of the *Imagination—the picturing power of the mind*.

The problem is simply to find *that particular explanation* which most harmonizes with the facts—and *all* the facts. That is the test, and the only test, of any Theory. That is the test, and the only test, of the *truth* of Science. In an enlightened brain, *facts* are the supreme thing. ALL THEORIES MUST CONFORM TO FACTS.

Furthermore, a Theory never becomes a Fact. It may become an *established* theory, but it still remains a *theory*. So universal a truth, or law, as gravitation is not a fact. It is a theory. The facts are that all bodies, unsupported, *fall to the ground*. That which we call

the "law of gravitation" is simply an attempt of the human mind to *explain* these facts—to find the cause.

The doctrine of Protection is not a fact. It can never become a fact. It may be a *true* theory, but it is a theory none the less. It is simply an attempt of the human mind to *account* for the *cause* of certain facts and conditions. Therefore, we have as the only question: Is Protection a *true theory*? Do the results *actually* follow which its advocates maintain *do* follow? That is the issue in this discussion—AND IT IS THE ONLY ISSUE.

As has already been pointed out, the *logical* opposite of the doctrine of Tariff for Protection is *not* the Democratic doctrine of Tariff "for revenue only," but absolute Free Trade.

This being true, how shall we decide the case between these two conflicting theories, the theory of Free Trade and the theory of Protection? What are the arguments for and against each side? How shall we get at the matter? *We can decide it by finding the answer to one single question.* And that question is this: IS TRADE BENEFICIAL OR INJURIOUS? It is one or the other. Which is it? It cannot be both. And the answer to this question decides as to whether you and I are to be Protectionists or Free Traders.

Here, then, stands the whole case in the issue now pending between Free Trade and a Protective Tariff, and from these conclusions there is no escape: If Trade be a bad thing, a detrimental thing, an *injurious* thing, then it ought to be *abolished*; and Protection is a good thing because its only purpose is to obstruct and abolish Trade. On the other hand, if *Trade* really be a good

thing, a *beneficial* thing, then is *Protection* an injurious thing, and it ought to be abolished. No man with a brain capable of logical reasoning can escape these conclusions.

And so the heart of the issue in reference to the merits of a Protective Tariff can be determined only, and wholly, by deciding as to the merits of this thing called Trade. Is Trade injurious or is it *beneficial*? Every mind capable of logical processes must decide whether Protection be a good thing or a bad thing by the answer to that question; because Trade and Protection are opposite terms. They are deadly foes. Each seeks to exterminate the other.

Therefore, in order for Protection to be a *good* thing, Trade must be a *bad* thing. From that conclusion there is no escape. Why not? Because the only purpose of a Protective Tariff is *to prevent Trade*. On the other hand, if Trade be a good thing, a beneficial thing, then is *Protection* a bad thing. And so in order to decide as to Protection we must first decide as to Trade. Is it a good thing or is it a bad thing? Is it beneficial or is it injurious? Every argument in the Tariff discussion involves an implication for or against *Trade*.

It is illogical to speak of *Free Trade* as being a different thing from Trade itself. It is evidence of an undeveloped brain for a man to say that he is in favor of Trade, but is utterly opposed to *Free Trade*. Free Trade means nothing more than "freedom to Trade." It is simply the question of granting a permission, a privilege, a *right*.

Hence, before we can grant this privilege, or right, to a fellow citizen we must decide whether Trade be a good

thing or a bad thing. If the man would be injured—impoverished—by permitting him to trade products with some man in a foreign country, then he ought *not* to be permitted this exchange of goods. On the other hand, if he would be benefited—enriched—by trading his products for foreign products; if, as is claimed, *both* parties to every normal exchange are benefited, otherwise they would not trade; then he *ought* to be given the “freedom to trade.” Aye, he even has a right to *demand* it. He can maintain that one of the most inalienable of the rights of man is THE RIGHT TO BUY WHERE HE CAN BUY THE CHEAPEST, AND TO SELL WHERE HE CAN SELL THE DEAREST.

That is the theory of Free Trade. It is based on natural rights and self-evident truths. The Free Trader says that Trade ought to be *free* because it is *beneficial*, because it prospers and enriches *both* parties to every normal exchange—OTHERWISE THEY WOULD NOT TRADE. Therefore, the Free Trader contends that to prevent a man from buying where he can buy the *cheapest*, is to violate his natural and inalienable rights; and that the government which does this instead of protecting and defending his natural rights, *destroys* them.

But the Protectionist might still attempt to escape from his illogical and contradictory conclusion by saying that he is not opposed to *all* foreign goods coming into this country, but to only such foreign goods as can *undersell* us in the home market, thus driving out our own goods; that it is only “cheap” foreign goods that he favors keeping out by means of a Tariff Wall. All other goods he is perfectly willing shall come in.

To which I answer that only such foreign goods *can* come in as are able to *undersell* us in the home market. "Dear" foreign goods, selling at a higher price than our own, could not enter our markets. Furthermore, these "cheap" foreign goods are the only kind that we *want* to come in, because the only kind that it would *benefit* us to buy. It would be a loss instead of a gain to pay *more* for foreign goods than we would have to pay for similar home goods. And so the only kind of foreign goods that could benefit us, or that can be brought to this country, are those which we as consumers can get for *less* money than we would have to pay for similar home products. Therefore, to keep out such foreign goods as can *undersell* us in our own market, is to keep out *all* foreign goods whatsoever.

And so there is no distinction between opposing Free Trade and opposing Trade—Free Trade having no other meaning than "freedom to trade." Hence the *contradiction* for the Protectionist to say that he favors Trade but opposes Free Trade. From all this there emerges but one conclusion, viz.—the issue as to whether *Protection* be a good thing or a bad thing is to be determined wholly by the question as to whether *Trade* be a bad thing or a good thing. And the verdict in the case will be determined by the answer to the question, Is Trade *injurious* or *beneficial*?

Tariff "for revenue only" denies the *principle* of Protection. It stands for only such *modification* of Free Trade as is necessary to raise revenue for the government by taxing *foreign imports*.

And so the fundamental and vital issue involved in the Tariff is as to the *wisdom* and the *justice* of the

theory of a *Protective Tariff*, all being agreed that there should be a *Revenue Tariff*.

To conduct a rational and intelligent discussion, there are *three things* in reference to the Tariff that we ought to know. We ought to know, *first*, WHAT THE TARIFF IS. *Second*, HOW THE TARIFF WORKS. *Third*, WHOM THE TARIFF BENEFITS. If we can get a clear idea of these three things, we can soon reach a valid conclusion as to whether Protection be a bane or a blessing, a method for the general enrichment of all or only a *scheme for private plunder*. It is one or the other. Which is it?

CHAPTER III.

TARIFF DEFINED.

A TARIFF IS A TAX LEVIED BY OUR GOVERNMENT UPON FOREIGN GOODS AND PRODUCTS BROUGHT INTO THIS COUNTRY. Whenever goods are shipped here from Europe, Asia, Africa, Canada, South America, Mexico, etc., they must pass through the custom house, be inspected by custom house officials, and a tax levied on them—unless specially exempted by being placed on what is called the “Free List.”

At all ports on the Atlantic coast, on the Pacific coast, and on the Gulf of Mexico, there are custom houses and custom house officers. Nothing can be brought into this country in the way of wealth—unless smuggled thru—without bearing a Tariff Tax. We are perfectly willing

to let PEOPLE come thru without charge. They are on the Free List. But we are not willing to let them bring any *wealth* with them, particularly anything that some American might want to *buy*. You can see yourself that would be a very bad thing—for the American. He might get it *too cheap* and so be swindled in the transaction!

Thus the hundreds of ships that cross the ocean, and the railroads that bring in the goods from adjoining nations—the goods that we *ourselves* demand and need—must be inspected *and taxed*.

No one realizes the scope and the detail of this Tariff Tax. There is no form of wealth that the genius of man has created that does not fall within the bounds of some tariff schedule. A mere enumeration of the contents of these schedules may help to give an idea of their scope and detail. There are fourteen of them, running from A to N. Their contents are as follows: Schedule A—Chemicals, oils and paints. B—Earth, earthenware and glassware. C—Metals and manufactures of. D—Wood and its manufactures. E—Sugar and molasses. F—Tobacco and its manufactures. G—Agricultural products and provisions. H—Spirits, wines and other beverages. I—Cotton manufactures. J—Flax, hemp, jute, and their manufactures. K—Wool and manufactures of. L—Silks and silk goods. M—Papers and books. N—Sundries. There are in all something like FOUR THOUSAND NINE HUNDRED ARTICLES enumerated in those fourteen schedules.

Some rhymester, with a keen sense of humor, has stated the case quite fully in poetic form.

We are taxed on our clothing, our meat, and our bread,
On our carpets and cupboard, our table and bed;
On our knives and our spoons, on our fuel and lights,
And we're taxed so severely we can't sleep o' nights.

We are taxed on our hats, our shoes, and our shops,
On our blankets and stoves, our brooms and our mops,
On our rice and our sugar; and, when we must die,
We'll be taxed on our coffin in which we shall lie.

We are taxed on all wants, by Providence given;
We are taxed on the Bible which points us to heaven;
And when we ascend to that heavenly goal,
They will, if they can, put a tax on our soul.

CHAPTER IV.

HOW MUCH IS THE TARIFF?

YOUR state and county tax runs only so many *mills* on the dollar for each different item. When it gets to *three* cents on the dollar you begin to protest. You know there is extravagance somewhere. Three cents on the dollar is only 3%. That is all. The tariff tax is seldom less than 25%. That is at least *eight times* as much as your state and county taxes. In many cases it is *twenty-five times* as much. Think of it. And yet you grumble at the one, but are *in favor* of the other. You know that the one is a burden, but somehow you have the idea that *A TAX TWENTY-FIVE TIMES GREATER* is a *blessing!*

While the tariff usually *begins* at 25% it does not *end* there. It goes to 35% and 40%. It has an average of over 50%. It goes on up to 60%, 75%, 80%, and 100%. It goes to 150% and 200%.

Tariff duties are of two classes: specific and ad valorem. The latter means, "according to value." For instance, the McKinley tariff levied a tax of 112% on cheap woolen yarns, 106% on cheap blankets, 100% on women's and children's dress goods, 130% on worsted goods, 138% on cheap knit goods, and on the lowest grade of pearl buttons, 280%. That is what we mean by an Ad Valorem Duty.

A *specific* duty is levied, not according to value, but according to *quantity*. For instance, the Tariff of 1872 laid a tax of \$28 a ton on steel rails! The Payne law levied 22 cents a yard on ingrain carpets, and 33 cents a yard on Brussels carpet. That is what we mean by a Specific Duty.

On many articles *both* duties are levied. These are called Compound Duties. On the carpets mentioned above, there is an *ad valorem* duty of 40%, *in addition* to the specific duty. In the McKinley Tariff, woolen cloth worth from 30 to 40 cents a pound had a specific duty of 38½ cents a pound, and *in addition* thereto an ad valorem duty of 40%. That is what we mean by a Compound Duty.

And so the Tariff is a tax ranging somewhere between 25% and 300% upon all foreign goods brought into this country—unless specifically exempted by being placed on the Free List. This tax has an average of something over 50% in every tariff measure that has been enacted, beginning with the McKinley Tariff of 1890—excepting possibly the Cleveland Tariff. It runs about 65% on cotton goods, 92% on woolen goods, over 100% on women's and children's dress goods. It is levied not upon some goods, but upon practically *everything the genius of man has created*.

Thus do we hope to enrich ourselves by the most elaborate, detailed, and burdensome system of taxation the world has ever known. How such a hope should have gotten possession of the brain of an enlightened people is beyond human comprehension. Other peoples have fought and died to *prevent* taxation. We fight to obtain it. Other peoples have declared it life's greatest burden. We regard it as the richest of blessings. Other peoples have risen in insurrection to prevent the tax rate from being *raised*. We express *fear and alarm* at the mere prospect of its being *lowered*.

CHAPTER V.

HOW DOES THE TARIFF WORK?

AND now comes the question, How does the Government collect this tariff tax, and *by whom* is it paid? In other words, What is the Mechanism of the Tariff? No one can possibly understand its workings unless he understands its Mechanism.

To all of which the answer is, THE TAX LEVIED BY THE GOVERNMENT ON FOREIGN GOODS IS PAID BY THE MERCHANT WHO BRINGS THEM OVER, and by him it is collected from the people WHEN THEY BUY THE GOODS.

But it is not paid *as a separate item*. If it were, the Tariff would have disappeared long ago. It is a secret, hidden, and invisible mode of taxation. THE MERCHANT ADDS THE COST OF THE TARIFF TO

THE COST OF THE GOODS, fixing such a *price* as will include *both*.

This increase of price is wholly unknown to the consumer. He pays for the Tariff when he pays for the goods. The tariff works BY INCREASING THE PRICE OF THE GOODS. It is paid BY THE PURCHASER OF THE GOODS.

The wife comes home from her shopping and says, "The clothing, blankets, dress goods and pearl buttons which I bought this morning cost just \$25." That is not the cost of the *goods*. It is far more. In fact, it represents the *combined* cost of both goods and *tariff*. And in this case *THE TARIFF IS PROBABLY MORE THAN THE GOODS*.

Suppose that Mr. John Wanamaker of Philadelphia goes abroad and buys a cargo of foreign goods and wares, costing him in the open market \$100,000. When he reaches our shores the government will levy upon this cargo of goods a Tariff Tax, say, of \$100,000. Mr. Wanamaker draws his check to the custom house officials for this sum. *He pays the Tariff himself*. There is no question about that. He must pay it in order to unload his goods. And it is paid directly *out of his own pocket*. No dispute on that point.

After Mr. Wanamaker gets into his store, what will he do? He will sit down and figure up *the total cost*. He will say, "I paid \$100,000 for the goods, I paid \$100,000 more for Tariff. That makes \$200,000." Then he will add to this his profit and the cost of transportation. All being put together, he will distribute it among the separate articles at so much *per yard*.

Then we come along in front of his counters and buy

the goods. We pay the price he asks. In doing so, we are paying not only for the goods, but also for the Tariff on the goods. As a matter of fact, in this particular case, only *half* of what we pay goes for *goods*. The remainder goes for *Tariff*. And so Mr. Wanamaker gets back from *us*, in the increased price of the goods, what the government took from *him*—and the account is balanced. Thus is the tariff tax paid by the millions and tens of millions of the great common people thruout the land. No cabin so humble, no tenement so poor, but it feels the heavy hand of the Tariff Tax. And in this way is the burden, or the plunder, extended to all. It is found in the dresses of the new born babe, and in every item of the shroud in which the dead are laid to rest.

Furthermore, we not only pay for the Tariff on the goods, in paying for the goods themselves, but we also pay a *profit* on the Tariff. For instance, suppose Mr. Wanamaker must have a gross profit of 50%. That will make \$50,000 for the \$100,000 which he paid for the goods, and \$50,000 more for the \$100,000 which he paid for the Tariff. He now has a bill of \$300,000 which he will collect from all the people who buy goods. There is no one else from whom he could collect it. It must come from us. We, "the ultimate consumers," must pay all previous bills. "*Jones pays the freight.*"

And so the government does not collect its taxes *directly* from us. In fact, it does not deal with *us* at all. It collects the Tariff directly from the merchants who bring the goods over, leaving them to collect it from us. And we can safely "leave it to them."

From the merchants and other importers of foreign

goods our government collects every year something over \$300,000,000. These merchants *add* this \$300,000,000 *to the cost of the goods*. No question about that. On this they add their *profit*. *THEN THEY PASS THE WHOLE BILL ALONG TO US*. We not only pay their \$300,000,000 Tariff Tax, *in addition* to paying for the necessities of life on which it is levied; but we do more: we pay *a profit* on that colossal sum.

Think of the hundreds of millions of *additional capital* which the Tariff necessitates—in order to do business in this country—AND ON WHICH THE PEOPLE MUST PAY INTEREST AND DIVIDENDS.

But when “we, the people,” come to purchase these goods and products, we do not get *an itemized account*—so much for goods, so much for Tariff, and so much for profit on the Tariff. Not at all. We simply pay the price demanded. IT NEVER OCCURS TO US THAT THIS INCLUDES BOTH THE COST OF THE GOODS AND THE COST OF THE TARIFF.

We often complain about the price of the *goods* being so high. And yet it may not be the goods but *the Tariff* that costs so much.

Whatever may be the argument as to the extent to which the Tariff on foreign goods increases the price of *home* goods, there can be no rational dispute as to the extent to which it increases the price of *foreign* goods,—IT INCREASES IT TO THE FULL EXTENT OF THE TARIFF. A tariff of 25% will increase its cost 25%, plus the profit on the tariff. A tariff of 100% on foreign goods will increase the price of the consumer, under normal conditions, just 100%,—plus the profit on the Tariff.

And so the Tariff Tax is *originally* paid by the shipper and by him is collected *from us* in the increased price of the goods. That is its mechanism, that is how the Tariff works.

CHAPTER VI.

WHERE THE TARIFF COSTS MORE THAN THE GOODS.

THE reader was probably astounded even at the suggestion that the Tariff on scores and hundreds of articles costs more than the goods themselves; at the suggestion that more than half of the consumer's money for certain articles went "not for the goods, but for the Tariff on the goods."

And yet this is not a theory but a fact. The reports of the custom house prove it. The custom house records of the past 50 years are strewn with such illustrations. I shall select only a few illustrations from a volume entitled "Imports and Duties, 1894-1907." I shall also give the number of the table in which the reader will find the facts and figures here quoted.

The first column gives the foreign value of the goods—the next column the amount of the Tariff on the goods. And let us not forget that the ultimate consumer pays *both* bills.

YARNS, WOOLEN AND WORSTED.

Table No. 3560.—Value more than 30 and not more than 40 cents per pound.

YEAR.	COST OF GOODS.	COST OF TARIFF.	RATE PER CENT.
1894	\$755.20	\$975.06	129.15
1895	169.00	208.08	132.12

After the Wilson Tariff got under full operation it applied a duty of only 30% to this class of goods. In 1896 the value of foreign goods imported was \$234,395. Upon this the Democratic Tariff collected \$70,318.50. Had the McKinley Bill been enforced, instead of paying this amount, the poor people of this country—who are the consumers of such quality of blankets—would have paid \$309,682.67. We leave the reader to decide for himself whether they were injured or benefited by the reduction which the Democratic Tariff made. It saved them on that one article \$239,364.17.

YARNS, MADE WHOLLY OR IN PART OF WOOL.

(Act of 1897.)

No. 3562.—Value not more than 30 cents per pound.

YEAR.	COST OF GOODS.	COST OF TARIFF.	RATE PER CENT.
1898	\$ 1,962.30	\$ 2,803.10	142.86
1899	997.30	1,770.87	177.58
1900	206.78	352.07	170.23
1901	245.50	352.77	138.61
1902	40,271.45	54,924.59	136.39
1903	38,661.95	52,217.69	135.06
1904	444.85	608.34	136.75
1905	1,181.00	1,642.26	138.06
1906	97.24	132.33	136.09
1907	21.80	31.18	143.02

No. 3563.—Value more than 30 cents per pound.

YEAR.	COST OF GOODS.	COST OF TARIFF.	RATE PER CENT.
1898	\$ 89,004.10	\$ 93,040.84	104.54
1899	128,296.06	131,292.96	102.34
1901	171,180.06	171,357.65	100.10

BLANKETS.

No. 3567.—Value more than 40 and not more than 50 cents per pound.

YEAR.	COST OF GOODS.	COST OF TARIFF.	RATE PER CENT.
1894	\$ 371.75	\$ 387.07	104.12

YEAR.	COST OF GOODS.	COST OF TARIFF.	RATE PER CENT.
1895	\$ 699.25	\$ 736.38	105.31
1898	1,870.78	1,924.13	102.86
1899	1,450.83	1,527.02	105.25
1900	1,215.50	1,303.33	107.24
1901	459.00	470.92	102.40
1902	687.00	721.43	106.34
1903	1,059.55	1,135.17	107.24
1904	550.71	576.61	104.70
1905	751.50	807.44	107.44
1906	360.25	377.30	104.72
1907	219.00	232.41	106.12

CLOTHS, WOOLEN OR WORSTED.

No. 3588.—Value not more than 30 cents per pound.

YEAR.	COST OF GOODS.	COST OF TARIFF.	RATE PER CENT.
1894	\$ 3,323.00	\$ 5,345.63	160.87
1895	3,870.00	6,384.81	164.98

No. 3589.—Value more than 30 and not more than 40 cents per pound.

YEAR.	COST OF GOODS.	COST OF TARIFF.	RATE PER CENT.
1894	\$ 66,775.00	\$ 97,312.01	145.73
1895	23,530.00	35,794.51	152.12

No. 3594.—Value more than 40 and not more than 70 cents per pound.

YEAR.	COST OF GOODS.	COST OF TARIFF.	RATE PER CENT.
1898	\$233,602.62	\$315,196.53	124.29
1899	551,094.86	681,876.08	123.73
1900	445,395.62	547,710.03	122.97
1901	287,706.93	352,870.00	122.65
1902	337,985.40	421,317.90	124.66
1903	319,056.43	387,180.33	121.35
1904	269,925.02	327,806.79	121.44
1905	152,694.30	184,176.51	120.62
1906	190,195.70	232,591.08	122.29
1907	188,917.50	224,596.07	118.89

DRESS GOODS, WOMEN'S AND CHILDREN'S COAT
LININGS, ITALIAN CLOTHS, AND GOODS OF
SIMILAR DESCRIPTION.

No. 3612.—Value not more than 40 cents per pound.

YEAR.	COST OF GOODS.	COST OF TARIFF.	RATE PER CENT.
1898	\$ 1,420.00	\$ 2,268.59	159.76
1899	551.00	800.53	145.29
1900	179.00	246.91	137.94
1901	20.00	26.83	134.15
1902	1,094.00	1,640.62	149.91
1903	1,364.00	1,906.80	139.79
1904	411.00	591.27	143.86
1905	368.00	579.67	157.52
1906	265.00	444.35	167.68

FLANNELS FOR UNDERWEAR.

No. 3630.—Value more than 50 and not more than 70 cents
per pound.

YEAR.	COST OF GOODS.	COST OF TARIFF.	RATE PER CENT.
1898	\$ 555.00	\$ 721.46	129.99
1899	8,344.00	10,651.44	127.65
1900	6,915.00	8,133.38	117.62
1901	5,451.00	6,444.82	118.23
1902	1,132.00	1,367.68	120.76
1903	2,147.00	2,685.66	125.09
1904	405.00	531.18	131.15
1905	750.00	980.22	130.70
1906	5,973.76	7,368.18	123.34
1907	4,356.00	5,480.64	125.80

KNIT FABRICS (NOT WEARING APPAREL).

(Act of 1897.)

No. 3635.—Value not more than 40 cents per pound.

YEAR.	COST OF GOODS.	COST OF TARIFF.	RATE PER CENT.
1899	\$ 185.00	\$ 249.61	134.92
1900	275.00	372.79	135.56
1901	22.00	30.80	149.09
1902	26.00	38.91	146.15
1903	6.25	9.73	155.68
1904	273.00	460.23	168.58

YEAR.	COST OF GOODS.	COST OF TARIFF.	RATE PER CENT.
1906	\$ 1.00	\$ 1.33	133.00
1907	1.00	1.41	141.00

PLUSHES AND OTHER PILE FABRICS.

No. 3641.—Value not more than 40 cents per pound.

YEAR.	COST OF GOODS.	COST OF TARIFF.	RATE PER CENT.
1898	\$ 89.00	\$ 162.64	182.74
1901	2.00	2.32	116.00
1902	173.00	255.46	147.40
1904	132.00	183.81	139.25
1905	29.00	40.90	141.02
1906	6.00	7.95	132.50
1907	32.00	45.37	141.78

SHAWLS.

No. 3652.—Value more than 30 and not more than 40 cents per pound.

YEAR.	COST OF GOODS.	COST OF TARIFF.	RATE PER CENT.
1894	\$ 470.00	\$ 737.79	156.98
1895	461.00	489.80	106.25

ALL OTHER MANUFACTURES OF WOOL, n. s. p. f.

(Act of 1890.)

No. 3660.—Value not more than 30 cents per pound.

YEAR.	COST OF GOODS.	COST OF TARIFF.	RATE PER CENT.
1894	\$ 4,737.00	\$ 7,929.18	167.39
1895	837.16	1,396.87	166.86

ALL OTHER MANUFACTURES, WHOLLY OR IN PART OF WOOL, n.s.p.f.

No. 3665.—Value not more than 40 cents per pound.

YEAR.	COST OF GOODS.	COST OF TARIFF.	RATE PER CENT.
1898	\$ 7,472.00	\$ 10,828.03	144.91
1899	11,874.00	17,477.07	147.18
1900	29,272.00	42,316.32	144.56
1901	24,175.00	36,160.03	149.57
1902	22,321.00	31,833.20	142.61
1903	18,505.49	26,507.97	143.24
1904	12,494.00	17,901.28	143.28

YEAR.	COST OF GOODS.	COST OF TARIFF.	RATE PER CENT.
1905	\$ 12,749.75	\$ 18,323.13	143.72
1906	7,641.00	11,149.03	145.91
1907	11,345.00	15,946.39	140.55

BLANKETS.

No. 3571.—Value not more than 40 cents per pound.

YEAR.	COST OF GOODS.	COST OF TARIFF.	RATE PER CENT.
1898	\$ 257.00	\$ 395.31	153.82
1899	54.00	87.06	161.22
1900	899.50	1,454.27	161.67
1901	1,999.00	2,928.49	146.50
1902	492.00	675.99	137.20
1903	371.00	677.86	182.71
1904	1,016.00	1,447.51	142.47
1905	507.00	807.74	159.32
1906	561.50	1,013.68	180.53
1907	40.60	67.16	165.42

Comment is unnecessary. The figures speak for themselves. It has certainly been amply demonstrated that on scores of articles THE TARIFF COSTS MORE THAN THE GOODS.

CHAPTER VII.

THE PROTECTIVE BRANCH OF THE TARIFF.

BUT some one will say, "Even admitting that a Tariff does increase the price of *foreign* goods—and to the full extent of the tariff rate, and that it is paid by the purchaser of the goods; yet if I do not *buy* foreign goods then I will not have to pay the increased price which the Tariff produces—since there is no tariff

on home goods. Being a protectionist, I do not believe in using foreign goods. Home products are good enough for me. And so by using only the products of American factories and mines, I ESCAPE THAT INCREASE OF PRICE DUE TO THE TARIFF. While the Tariff may increase the price on the goods on which it is levied, it surely cannot increase the price of the goods on which it is *not* levied."

And that brings us directly to the question, What is a *Protective* Tariff and how does it operate? What is *its* mechanism?

To which the answer is, A Protective Tariff *operates* in the same way that a Revenue Tariff operates—BY INCREASING THE PRICE OF THE GOODS. And it is *paid* in the same way that a Revenue Tariff is paid—BY THE CONSUMER OF THE GOODS.

To be more exact, BY INCREASING THE PRICE OF THE FOREIGN GOODS TO THE PEOPLE, THE TARIFF ENABLES THE AMERICAN MANUFACTURER TO INCREASE HIS PRICE TO THE PEOPLE. And he can increase *his* price to the same extent that *the Tariff* has increased to us the price of *foreign* goods—AND STILL HOLD THE SAME SHARE OF THE MARKET WHICH HE HAD BEFORE.

There are always two classes of goods involved in the Tariff. Home goods and foreign goods—goods which we produce *directly* for ourselves, and goods which we buy abroad. That is, goods which we can produce *economically* for ourselves, and goods which we can *not* produce economically—BECAUSE WE CAN BUY THEM CHEAPER.

There are not two tariffs—a *Protective* Tariff and a *Revenue* Tariff. There are simply two *purposes* for which it is levied; and two *results*.

The direct effect of a Tariff is to increase the price of *foreign* goods. The *indirect* effect is to increase the price of *home* goods. The one it *causes*, the other it *makes possible*. That is, it *compels* the seller of foreign goods to increase his price. It *enables* the producer of home goods to increase his.

The *fact* that TWO STREAMS OF REVENUE—one public and the other private—flow from a tax on foreign goods, is centuries old; as old as the system of Tariff Taxation. But the *realization* of this fact came centuries later—and to the people of many nations *has not come yet*. And the cunning idea of calling the stream which flows into private pockets "*Protection*" came still later. It came only after the realization of the fact that one stream flowing into private pockets *had so aroused the indignation and protest* of mankind, that the whole thieving system was called upon to defend itself.

Then it was, and not till then, that the stream which flows into private pockets was called a "protective" Tariff. And so it is not the *system*, the scheme, but the *word* that is modern. This particular *method* of plundering all who toil *is centuries old*. It had its origin in *Cunning*, the cunning of Greed in finding a word that would *conceal* the real purpose of the system.

Many tariff writers have blundered on this point. They assumed that because the *word* "protection" was but recently applied to this system, that *the system itself* is of recent origin. Because it was not always *called*

a "protective" Tariff, but only a Tariff, they assume that the "protective" branch did not always exist. They also assume that when in different countries it is not called a Protective Tariff, it is *not* a Protective Tariff in those countries.

Henry Clay called it the "American System," as if it were some new scheme of taxation that *we* had discovered. He seems not to have known that the system itself is centuries old; and that the word "protection" came into this application centuries after Tariff Taxes originated, and centuries after it had been plundering the human race, and then only when this system of private taxation had to fight for its life. Furthermore, even the *naming* of the plundering tariff system did *not* originate on American soil.

Daniel Webster, a Free Trader, saw Clay's blunder. He said, "I am a little curious to know with what propriety of speech this *imitation of other nations* is denominated as an 'American' policy."

CHAPTER VIII.

WHOM DOES THE TARIFF PROTECT?

IN ORDER to make our analysis of the question more direct and specific, there are three questions which we ought briefly to ask and answer.

First, *whom* does the Tariff protect?

Second, from *what* does the Tariff protect?

Third, *how* does the Tariff protect?

The question is often raised, Does the Tariff really

"protect?" There is no question about it in my mind. The Tariff does protect. But there is another question to which we have not given sufficient attention, and that question is: *Whom* does it protect?

The word "protection" naturally appeals to the human mind. We are constantly in need of *protection* from dangers which threaten us on every side. All about us are enemies seeking to prey upon our person and our property. All about us are thieves and robbers. All about us are the dishonest and the tricky. All about us are those who would practice fraud and extortion, in order to get our money without having to give anything *in return*. And so we are constantly in need of protection, of protection from plunder, theft, fraud, and extortion.

But the word "protection," when used in connection with the Tariff, does not have its regular meaning. *It has just the opposite meaning*. "Plunder" would have been a vastly better word.

An encyclopedia says, "The word has a curious origin, being derived from *El Tarifa*, the Rock of Gibraltar. The Spaniards levied duties on all vessels passing the straights, and a list of these duties was called *tariff dues*: hence the modern use of the word."

A still deeper search into the origin of the word "tariff" would probably show a suspicious connection with *piracy on the high seas*; being a ransom or bonus paid for the privilege of being exempted from the plunderings and extortions of the buccaneers of the Mediterranean Sea.

And so the best inference as to the origin of the word is that it came from Tarifa, a town on the straits of

Gibraltar. This point was held by the Moors centuries ago. Those ancient pirates and buccaneers, the freebooters of the sea, took advantage of this strategic point and *levied a tribute* on incoming and outgoing vessels. It was a sort of *PERMISSION TO SAIL UPON THE SEA*. It was also an insurance from molestation by *other pirates*. And this *tribute-money* in time came to be called a "tariff," because levied at Tarifa.

The same custom existed in ancient Scotland where highwaymen banded themselves together to protect merchants from the theft and extortions of other highway robbers who infested the mountains.

But the word as used in the Tariff has the very *opposite* meaning. It does not protect *the people* from extortion. *It subjects them to extortion*, by leaving them to the tender mercies of only *one* set of sellers. It does not protect the people from *high prices*. It exposes them to such conditions as *make* prices high. That is its purpose. The only way a Protective Tariff can possibly *operate* is to *increase the price* of the things on which it is levied.

The Tariff does not secure and protect for us *an open market*. On the contrary, it *destroys* the open market. It compels us to buy in a *closed* market. That is its only purpose. It has no other. It does not protect us in our prosperity. On the contrary, it diminishes our prosperity *by diminishing the purchasing power of our money*. *THE HIGHER THE PRICE OF THE NECESSITIES OF LIFE THE LESS YOU CAN BUY WITH YOUR WAGES*.

But if the Tariff does not protect the *consumer* of the goods, whom, then, does it protect? It protects the

Producer. And so it is not the Consumer but the Producer that is benefited by a Protective Tariff. The only place the Consumer comes in is to pay the increased price—AND VOTE FOR THE SUPPORT OF THE SYSTEM.

There are just two classes of people whose welfare is involved in a Tariff. These two classes are not—as is usually supposed—home producers and foreign producers. Our government has no concern for foreign producers. The two classes are the home *producers* of any given articles and their home *consumers*.

Protectionists tell us that all people are both producers and consumers. Therefore, that this distinction is not involved in the argument. And it is true that they are. But in reference to any *particular* product, mankind can be divided into producers and consumers—those who *produce* it, and those who *consume* it.

And so when we talk about “protecting” any given product, we mean “protecting” the *producers* of that product—not the consumers.

To protect iron means to protect the producers of iron. And even this does not include the *laborers* in the mills. Not at all. It means simply the mill *owners*. To protect sugar means to protect the producers of sugar—not the consumers. To protect coal means, not to protect the consumers of coal, or even those who dig it from the earth; but *the owners of the mine*. And so when we “protect” a product we mean protect the *Producers* of the product, not the Consumers.

CHAPTER IX.

FROM WHAT DOES A TARIFF PROTECT?

IF, THEN, the Tariff "protect" the producer—and at the *expense* of the consumer; the next question is, from *what* does it protect him? To which comes the answer: *IT PROTECTS HOME PRODUCERS FROM THE NECESSITY OF HAVING TO COMPETE WITH FOREIGN PRODUCERS.*

When foreign producers enter our market, the home producer must bid his price down to theirs. He *must* sell as cheaply as they sell. Otherwise, we would buy from *them*; because the people always buy where they can buy the cheapest. They not only have a *right* to do this, but they *ought* to do it.

And so the purpose of the Tariff, according to the Protectionist Theory, is to shield the *home* producer from the necessity of having to *compete* with foreign producers—in the *home market*. It either shuts them out of the home market entirely, by raising their price so high they cannot enter; or else it enables the home producer to get a big *increase of profit*—and still hold his share of the market. It operates always BY INCREASING THE PRICE OF THE GOODS ON WHICH IT IS LEVIED.

The *Tariff* shields the owner of American mines and factories from *foreign* competition. The *Trust* shields them from *home* competition—and the Monopoly is complete. That leaves us WHOLLY AT THEIR MERCY. We, individually, now have no competitors

for our money. There is no one else from whom we can purchase. We must pay their price—or go without. And so they can extort from us the last penny we can possibly pay. That is what we mean by Protection. It protects the *producers* of any given product *from foreign competition*. And protects them at the expense of the *consumer* of the “protected” goods.

There are scores and hundreds of articles, goods, and products that we can buy cheaper from *foreign producers*—by selling them our own goods *in return*; owing to their soil, climate, rate of wages, ancestral training, etc. If some home manufacturer, *in spite of the disadvantages of soil and climate*, desires to produce these products; then he will have to reduce *his* price to us to the level of the *foreign* price. If he did not do this, we would buy the foreign product. And we not only would have a *right* to do this, but we *ought* to do it. Why? Because we ought to buy where we can buy the cheapest. It is no less a privilege than a duty.

Here is where the Tariff comes in and plays its part in the Drama of Greed. It *shields* him from this competition by increasing *to us* the price of these foreign products. And so it “protects” a *producer* by increasing the price of his *competitor's* goods. It “protects” the *consumer* by increasing the *cost* of the things he has to buy—the protection which wolves give to sheep!

And if the tariff rate be *high* enough, it can so increase to us the cost of his competitor's goods that we can now buy cheaper from *him*—THO PAYING POSSIBLY DOUBLE WHAT WE WOULD PAY WERE IT NOT FOR THE TARIFF. Thus does the tariff “protect” and prosper *him* by subjecting *us* to his plun-

der and extortion. And so Protection and Plunder go hand in hand. Again do we see the conflict of interests. It "protects" him by increasing the price of the things he has *to sell*. It "protects" us by increasing the price of the things we have *to buy*. And if that is not the old game, and the old relation, of the Wolf and the Sheep, what would be?

CHAPTER X.

HOW DOES THE TARIFF PROTECT?

HOW does the Tariff protect? Well, if it were really an honest and right thing to do, Congress would protect American producers by passing a law *prohibiting* anyone from bringing foreign goods into this country. At least from bringing in goods that can be sold *cheaper* than our goods can be sold. And those are the only kinds of goods anyone would want to bring in. I say if it were an *honest* system of things, that is the way Congress would do it.

You protect a man from murder by *prohibiting* anyone from murdering him. You protect a man from theft by forbidding anyone to steal from him. You protect a man from larceny by making larceny illegal, unlawful—criminal.

And so to protect a man from having to compete with foreign products, *if it were really a just and fair thing to do*, the law should positively *prohibit* anyone from bringing foreign goods here to compete with him—particularly if able to *undersell* him in the home

market. If it be a just procedure, a thing that really ought to be done and would be to the benefit of *all*—buyers as well as sellers—then it ought to be made *unlawful*. Aye, it ought to be made not only an illegal, but a *criminal* act, PUNISHABLE BY FINE AND IMPRISONMENT. That alone would be an *honest* way to protect from foreign competition.

But the Tariff does not protect the producer in this way. Far from it. How, then, does it protect him? IT PROTECTS HIM FROM COMPETING WITH FOREIGN PRODUCTS BY INCREASING THE PRICE OF HIS COMPETITOR'S GOODS. By this means he can often shut his foreign competitor entirely out of the market—OR ELSE INCREASE HIS OWN PRODUCTS TO THE FULL EXTENT OF THE TARIFF. And so both a Revenue Tariff and a Protective Tariff operate by increasing the *price* of the goods—by increasing the *cost of living* to all who must consume these goods.

We protect manufacturers of sugar, by enabling them to increase the *price* of sugar. We protect manufacturers of lumber, by enabling them to increase to us the price of lumber. We protect the owners of copper mines, lead mines, and coal mines, by enabling them to increase to us *the cost of coal*, and of all other mineral products. We protect the *manufacturers* of clothing by enabling them to increase the *price* of clothing to the consumer.

It is not contended here that the Tariff raises the prices of home goods, in *all* instances, to the *same extent* that it raises the prices of foreign goods. What I contend is that, under normal conditions, the price of *foreign* goods is increased to the people *the full extent*

of the Tariff. Now, whether this results in the increase in the price of similar home goods to the same extent, or only *half* so much—or *none at all*; depends upon many circumstances and conditions.

And a careful inspection of the circumstances and conditions which make it possible to *take advantage* of the Tariff will show that practically the only men who *can* take advantage of it are the *owners of factories and mines*. The myriad multitudes of common humanity—farmers, wage workers, clerks, mechanics, teachers, preachers, lawyers, doctors and professional classes generally—PAY THE BILL.

But the important thing to be noted here is that a Tariff “protects” only *by increasing the price*. It benefits the Producer *only to the extent* that it *does* enable him to increase his price—to the Consumer. There is no one else to whom he could increase it. Even if there were it would still be robbery. What the one gets the other must give.

CHAPTER XI.

PROTECTION AND PRICES.

WHEN the people complain about high prices, and the blame is laid on the Tariff, then our protectionist friends come forth and say, “the Tariff has nothing to do with high prices. They are caused by something else. Don’t blame the Tariff. If it had not been for it we would all have starved to death long ago.”

And so that loud denial raises an important question, Does the Tariff really raise prices?

This much is certain: The Tariff either *does* raise the prices of commodities, or it does *not*. If it does *not* **THEN IT IS NO ACCOUNT WHATEVER**. If the Tariff does not increase prices, then it does not benefit the manufacturer, the miner, or *anybody else*. And so all this talk about the *need* for a Tariff, and about enriching the country *by means* of a Tariff, is utter folly. Therefore NO HARM CAN POSSIBLY COME FROM ITS COMPLETE ABOLITION.

The only way the Tariff can possibly "protect," the only way it can possibly *shield from foreign competition*, is to *increase the price* of the competitor's goods. By this means only can it enable the home manufacturer to increase *his* price.

And so if the Tariff does *not* increase prices then we have been following a delusion. On the other hand, if it *does* increase prices—and unless it does the whole American people must be taken for imbeciles—then the *consumer* must pay it. And so the only purpose of a Protective Tariff is *to increase prices*, is to make them *higher*.

Let us follow a little deeper into the Philosophy of Prices. The Tariff cannot possibly increase the price of *all* products. That is to say, it cannot *raise the whole schedule*, including all forms of wealth and property. Even if it did, they would still sustain the same relation to each other, and so nobody would be benefited. All it can do is to raise the prices of *some* products *in relation* to other products.

A Protective Tariff cannot possibly raise the prices of all commodities in relation *to money*. It simply

affects the prices of commodities in relation to *each other*. That is, it can increase the prices of the products of mine and factory *in relation to* the products of the farm and the *wages* of labor; so that it takes more of both to secure a given amount of manufactured products. But it cannot increase the prices of *all* products, and of all other forms of wealth and property, AS MEASURED IN MONEY.

A Protective Tariff can so increase the price of a piece of goods that it will take *two* bushels of wheat to get it when before it took but *one*; and yet both wheat and goods may be steadily rising in price in reference to money.

For 20 or 30 years previous to 1896, we were trying to do business in this country "on a falling market," with prices steadily *declining*. And that fall in prices the High Protective Tariff which we had during all those years, could not *prevent*. What effect then did it have? It had the effect of *keeping wider the gulf* in the prices of the products of the farm as compared with the prices of the *factory and mine*—tho the prices of both were steadily falling in relation to money.

But it may be shown that the price of manufactured products fell even faster than farm products. They should have fallen much faster to *preserve equity*, because they were abnormally high *at the start*. The monstrous tariff laws of '64, '67, and '72 had given them an abnormal height over wages and farm products. This abnormal distance between the two, the lofty altitude of the one above the other, was caused by the tariff.

Had there been no Protective Tariff from 1870 to

1896 the prices of the products of both field and factory would still have declined. What would have been the gain, then, even if we had been living under absolute Free Trade? What difference would it have made? It would have made this difference: tho the *products* of labor and the *wages* of labor would have declined just the same; yet during all those decades the products of the farm and the wages of the laborers would have purchased more, vastly more, of the products of factory and mine. And in this way *hundreds of millions of dollars* would have been saved to them.

Prices declined not only in the United States, but thruout the civilized world during that time. They declined in countries with High Tariff, they declined in countries with Low Tariff and they declined in England where they had no Protective Tariff at all. This shows that there is some *other* factor, and a mightier factor, bearing on prices than a Protective Tariff. And that other factor is *Money*. The prices of all commodities go up or down *together* only in relation to *money*. And so the prices of all commodities ARE IN SOME WAY RELATED TO THE VOLUME AND CONTROL OF MONEY.

If you would rightly comprehend this double process, then in imagination put all forms of wealth and property in one pan of a pair of scales, or balances, such as you see in a drug store; and put all the *money* of a nation in the other scale pan.

Now you can see that all these forms of wealth and property *in the one pan* go up or down *together* in relation to the *money* that is in the *opposite* pan. During the years referred to the scale-pan holding property

and products went *down*, while the scale-pan holding money went *up*. Between 1896 and 1900 the *reverse* process set in. Now *products* are going up and *money* is going down, because of a tremendous increase in its quantity—owing to the discovery of gold mines in Alaska and South Africa.

At the same time it can be seen that, tho the products of the mine and factory were declining the same as the products of the farm and the wages of labor—all being in the same pan; yet one could have declined *faster* than the other. And that *local* difference was due to a Protective Tariff. It was due to a *local disturbance*, due to something wholly *inside* the pan—and not outside.

Since the period mentioned the prices of all commodities have been rising—not only in the United States, but all over the earth. That fact in some way is caused by the increase in the volume of primary money.

But as Mr. Underwood showed clearly, they have risen more *rapidly* in this country than they have in other countries, especially in Free Trade England. That *additional* increase is again due to some *local* cause, and that cause is the local system of private taxation, called a *Protective Tariff*.

The third factor is THE LAW OF SUPPLY AND DEMAND. The Tariff—thru the monopolies which it creates—can *suspend* the law of Supply and Demand, but cannot completely *abolish* it. And it is this law that has been operating to cause the most rapid advance in prices to take place in farm products. The *supply* of food products has not kept pace with the *increase* of *population*. Railroad rates and the monopolies estab-

lished by "middle men" are also mighty factors. In fact, at the very foundation of the whole industrial problem lies the problem of the Railroad. Not all of the high prices which the "ultimate consumer" pays, goes to the farmer—or even half of it.

And the fourth factor bearing on prices, is the fact that **THERE IS A LIMIT** beyond which the "protected" manufacturers and monopolists **CANNOT GO**—no matter how high may be the Tariff Wall which shields them from foreign competitors. When they have taken all of the money out of the people's pockets, then of course they can get no more. Even a *highway* robber cannot get more from his victims than they have.

But these considerations do not change *the fact* that the *only* way in which a Tariff can benefit the "protected" interests, is by enabling them to *increase the prices* of their commodities *to the people*.

CHAPTER XII.

THE MOTIVE OF PROTECTION.

YOU never understand an institution, or law, until you understand the motive back of it. A careful inspection of all the facts and circumstances will convince you that the motives back of a Protective Tariff are not patriotic but selfish, that Protection is not for public good but wholly for private gain; and that its chief promoters are not seeking the welfare of *others*, but their *own* welfare—and *at the expense of others*.

While in Washington, during the Tariff Debate in the House, I met a gentleman who was there trying to

prevent a *reduction* upon goods which *he* manufactures. I asked him whether he believed in a Protective Tariff as a *principle*, and whether he thought it for the benefit of the *consumers* of his products that he should have a Tariff on them. To which he answered, "In principle, I am a Free Trader. Everybody is. But don't you think we are all selfish and desire to get all we can for our products?"

To which I answered, "No doubt of that. We are selfish. But we have no right to use the *government* to promote our selfishness. Surely it has a holier and higher mission than that. Instead of the government being used for the purpose of enabling us to steal from others *by charging extortionate prices*, its true function is to *prevent* aggression. The government should not aid but *abolish* extortion. But you are using it—thru a Protective Tariff—for the sole purpose of robbing and plundering the people."

It is natural that every man should desire to get all that he can for his products. And he has a *right* to get all that he can get *in the open market*. But he has no right to secure such a law as will *close the market to his competitors*—thus compelling the *consumer* to pay to *him*—the promoter of the Tariff—more than he otherwise would have to pay. And yet that is exactly what a Protective Tariff does—and is *designed* to do. What shall we say of the motive back of such a law? Is it for Patriotism or Plunder? Does it spring from Generosity or from Greed?

Protection is not persuasion but coercion. It is not opportunity but monopoly. It is not an open market but a closed market. It is not equity but extortion. It

is not patriotism but selfishness. It is not for public good but for private gain.

When one hears the Tariff Barons, the representatives of our "Swollen Fortunes," talking about the purity and *patriotism* of their motives, he is reminded of Johnson's definition of Patriotism: "The last resort of a scoundrel."

If men will thus distort and abuse the purpose of government, I insist that they shall do it *openly*. I insist that they shall not deceive and lie; claiming it to be for the benefit of *others* when they know IT IS FOR THEIR OWN BENEFIT—and at the expense of others.

To talk about "Protection and Patriotism" is to put together words of opposite meaning, backed by opposite *motives*. No language could be strong enough to denounce the baseness of the attempt to associate the selfishness, greed, and brute instincts back of a Protective Tariff with the noble impulse of patriotism! It makes my blood boil with indignation and righteous wrath when I think of the degradation to which the greed for office, and the thirst for gold and gain, will lead men in public life—men to whom the people look for a moral and noble leadership, but look in vain. The man who attempts to deceive the general public by swearing falsely is not half so base and so degenerate as he who attempts to deceive the general public by the association of Protection with Patriotism, words which he knows are as *opposite* in their meaning as Heaven and Hell.

Men who *knowingly* do these things are traitors to the country that gave them birth. They dishonor the

flag whose stars and stripes give luster and glory even to the heaven in which it floats.

CHAPTER XIII.

THE TARIFF A LOCAL ISSUE.

ONE of the greatest truths ever uttered on the subject was by General Hancock when he said, "The tariff. Why the tariff is a *local* issue."

The people of each section of the country, of each state, of each district, of each locality, want Congress to pass such a law as will increase the market price of the things which *they* produce. But the things which they consume—well, they want these on the Free List. In other words, they want *Protection* in the things they have to *sell*, but *Free Trade* in the things they have to *buy*.

Manufacturing sections want a Tariff on their manufactures. Mining localities want a Tariff on the products of the mine. Agricultural communities want "protection" on the products of the farm. Fishing communities want a Tariff on fish. Sheep-growing states and sections want a Tariff on wool. Localities engaged in growing beets or cane want a Tariff on sugar. Thus runs the story of selfishness and greed in their search for Special Privilege.

Each section of the country is seeking advantage at the expense of the *rest* of the country. Protection is not a *general policy*, for the benefit of all the people. It is a *local* and *individual* policy. Its blessings are for the favored few—at the expense of the rest. It is not

for the enrichment of all the people. It is simply for the benefit of such *localities* as happened to get a good "pull" at Washington. And the political party that does this is a "good" party—to *them*.

And when we come to *reducing* the Tariff the same local and sectional elements appear again. Each locality clamors for a reduction of the Tariff on the products of *other* sections of the country. No question about their being too high—in fact, *extortionate*! But their own products—well, they are already "inadequately protected."

A Washington paper, at the opening of the special session to frame a new tariff law, hit the matter exactly: "The Tariff will now be reduced on *all* products—*except* (here insert products from each Congressman's district)." And in the pretended effort to "protect" all, there is the constant claim that each interest is not getting its full share. Each locality feels that it is being discriminated against. And that is true, always has been, always will be so long as this thieving system is continued.

Let us realize, once and for all, that it is a narrow and selfish game that we are playing—a game of grab and greed, of "you help me get my rate and I will help you." And the only law as to the amount has been: "GET ALL YOU CAN WHILE THE GETTING IS GOOD."

But let us not for a moment delude ourselves with the idea that our motives are patriotic, that we are really philanthropists working solely "for the general good." Let us have the manliness and the honesty to admit the fact that THE WHOLE PROTECTIVE

SYSTEM IS BORN OF GREED AND SELFISHNESS—born of the basest and grossest passions that smoulder in the sinful soul of man. It belongs to the savage greed and brutality of the Dark Ages, and should have no place in civilized society. Let us at least be too honest to compare the brute instincts back of a Protective Tariff with the noble, God-like impulse which leads a man to give even his life that his country might live.

And while each locality has the same right to play the game that the others have, and to increase the market price of its products *by law*, if it can; yet all should be too noble *to try* to play it.

IT IS A MEAN AND COWARDLY GAME. It is a dastardly and thieving game. It is the old game of the pirate and the buccaneer. But it has abolished the "black flag of piracy" and sails now under the guise of Patriotism. Instead of plundering contrary to law, it now makes its raids *by means* of laws and Special Legislation.

The right moral attitude towards Theft is not to steal *in return*, but to *abolish the stealing system*. Each individual and each section of the country should demand *an open market*. "A fair field and no favors." THAT IS THE ONLY MORAL LAW FOR THE GOVERNMENT OF NATIONS.

And there is much of tragedy fraught with the fact that the Tariff is a local issue. Let us remember that the first act of secession on the part of the South was due to the Tariff; that the South realized that a Protective Tariff would plunder it for the enrichment of the North. It was this sectional nature of the Tariff which caused the first break between the North and the South.

The local and sectional character of a Protective Tariff has also had a bearing on our international relations. It tended to alienate both England and Canada, and at times when their friendship was most needed.

Nor is that all. The Tariff is one of the greatest obstacles all over the earth today to international peace. From its very nature it tends to emphasize political boundaries and to perpetuate national and race hatreds. The arguments in its behalf must constantly make a wide distinction between *home* goods and *foreign* goods. This of necessity tends to perpetuate and intensify the association of "foreigner" with "foe."

The Science of Human Society shows that Industrial Government must extend beyond the bounds of Political Government, making no recognition whatsoever of political boundaries. In other words, the currents of Trade are directed only by that law of nature which declares that motion shall always be "along the lines of the greatest *attraction* or of the least resistance." And this extension of the Industrial Government is the one force which will in time cement the multitudes of the earth's inhabitants in one common Brotherhood.

Thus will Universal Free Trade bring on that golden age which Tennyson saw in his enraptured vision, when
"The war-drum throb'd no longer, and the battle-flags
were furl'd

In the Parliament of man, the Federation of the world."

CHAPTER XIV.

ILLUSTRATIONS OF WHAT "PROTECTION"
MEANS.

SUPPOSE you have two merchants in your town. One of them is not satisfied with the profits he is making. And he could get more *if he could charge higher prices*. Why can he not charge higher prices? Because if he does his competitor will undersell him, and you will all buy from his competitor. It is always *competition* that keeps down prices—and prevents extortion. The only purpose of Monopoly is to raise prices.

Now if he could get such a law passed as would increase the price of his *competitor's* goods, say 100%; then his competitor would be practically eliminated. That increase in price of 100% of his *competitor's* goods is what we call "protection." He could then increase *his own price* on the goods which you buy from him nearly 100%. And you would have to pay it—or go without. If you went to his competitor, they would cost *still more*. Or he could increase his price fully 100% and still hold the same *share* of the trade he had before—and his profits would be multiplied many times.

That is what we mean by a Protective Tariff. It protects from *competition*. And it does this by *increasing the price* of the competitor's goods.

Here is a blacksmith. He cannot get the prices he wants to get, and really ought to have. Why? Because if he raises his price above the market price you will

take your horses and repairs to his *competitor*—assuming skill and workmanship to be the same. Now if he could have a law passed that would enable him to increase his *competitor's* price, then he could increase his *own* price—and still get the trade. That is Protection. It operates directly by increasing the price of the competitor's goods. I can see why *he* should favor such a law. But I do *not* see why you should favor it.

Suppose all the merchants of your town should go to your City Council and say: "Now we are not making as much money in our business as we would like to make. We really ought not to have to sell our goods at prices at which we must sell them. They are too low. But we must do this in order to compete with merchants *outside*. Now if you will give us a Tariff of 100% on all articles, goods, and wares shipped in to any one but us; we can then raise our own prices, at least 90%, and still have absolute control of the home market. They could not compete with us because of the tariff handicap."

Would you be in favor of such a law? And yet that is what we mean by a Protective Tariff. It protects *by destroying outside competition*. And it does destroy it by increasing the price of the things the people must *buy*. Tho the home products would now be cheaper than the foreign product, yet you would be paying 90% *more* for it than you would have paid *without the Tariff*.

Suppose a man in your city discovers a salt mine on his premises. You are delighted, because you assume as a matter of course that you can now get your salt cheaper. But to your surprise the man goes to the

City Council and says: "It is true, gentlemen, that I have discovered a salt mine, and it is a good one. But in order to properly develop the industry I must be 'protected' from 'foreign' competition. Give me a Tariff of *three cents a pound* on all salt shipped into our city. That will increase the price of my *competitor's* salt three cents. Any one outside of our city is a *foreigner* as to us. If you will examine the word 'foreign,' gentlemen, you will see that it means simply, outside, extraneous, external to, etc. And we all believe in 'protection' from 'foreign' competition. Give me this Tariff on my salt and I will build up a new industry."

I can see why he should be in favor of such a law; because he is the producer. But I do not see why *you* should be in favor of it, do you? Your salt now costs you *three cents more on the pound* because of this Tariff. And while at the end of ten years the manufacturer of salt MAY HAVE ACCUMULATED A GREAT FORTUNE, yet the *consumers* of salt are not richer but *poorer*.

Here is a man who desires to devote his vacant lot to the growing of potatoes. But the land is so poor that it will yield but a small crop. At the average market price of potatoes he could make but little money in the enterprise—perhaps none at all. There is no question about that.

So he goes to the City Council and asks for a tariff of 50 cents a bushel on all potatoes shipped in from the outside. That will give him a "protection" of 50 cents *over and above the market price*. When farmers from the outside reach the corporation limits they will have

to pay *50 cents a bushel* if they want to bring their potatoes in. So he can increase his price to the extent of the Tariff, and still sell all the potatoes he can supply. That is "protection," that is the way, and the only way, a Protective Tariff works.

Again I can see why he should be in favor of such a law. But I do not see why you should favor it, do you? You would give 50 cents more per bushel for potatoes. How would that make you any richer? And what would you get *in return* for what you give? All that the law gives to *him* it takes from *you*. It is impossible to increase the *selling price* of potatoes for him without increasing their *cost price* to you. And so it would make *him* richer only by making *you* poorer.

And yet that is what we mean by a Protective Tariff. It works in no other way. It "protects" simply and solely by increasing the price of all the things the people have to buy. What it gives to the Producer it takes from the Consumer. It enriches the one by *impoverishing* the other.

One more illustration from the standpoint of the city. Suppose a manufacturer should come to you and say: "I find that all the dishes and crockery ware which we use in this city are bought on the outside. They are *imported*. We are consuming only foreign products—that is, foreign to ourselves. We send out of town hundreds and even thousands of dollars every year for dishes and crockery. *Why not keep this money at home?* Money sent out for goods which could be manufactured here at home is a positive *loss*. What comes back in return for our money? We are just that much poorer. All protectionists believe that. Have not all our great

leaders taught us that our money should be kept at home?

"Now, give me a Tariff of 200% and I will manufacture all these things for us. Not a dollar will go out for them. Instead of giving employment to *foreign* labor, foreign to our city, we will give employment to our own labor. Of course all these things will cost you several times what they do now. But just think of the benefit of having our own industries, thus producing things *for ourselves* instead of having *others* produce them for us."

Again I see why *he* should be in favor of such a law, because he is the manufacturer. Being the producer, it would be of immense advantage to him. But I do not see why *you* should be in favor of it—you, the consumer! The extra price which *he* gets you *give*. All that the Tariff Law gives to him it takes from you. **IT HAS REDUCED THE PURCHASING POWER OF YOUR MONEY**, and reduced it to *a third*. You do not have more dishes and crockery, *but less*. And so you do not have more wealth, but less wealth. It has prospered him **BY IMPOVERISHING YOU**.

At the end of ten years he could probably "point with pride" to a new industry, and one that had been established thru the agency of a Protective Tariff. But all who have dishes and crockery *to buy* are not richer but poorer because of the Tariff. The total wealth of the city is not greater but less. Why? Because whatever diminishes the *purchasing* power of the people's money, diminishes the *amount of wealth* they will get in exchange for their money.

And what about the wages of labor? They are no

higher than they were before. Why? Because he simply pays *the prevailing rate of wages*—not a cent more. In other words, he pays only what he *must* pay in order to keep men away from other lines of employment.

And, finally, suppose some manufacturer should come to the farmers of the state and say: "Most of the machinery you buy comes from outside of the state. You believe in 'a home market,' 'home industries,' etc. Now give me a Tariff on all machinery you need, and you can buy from me. Why *buy* a thing when we can make it for ourselves? Is not that good *protectionist reasoning*? Why not keep that money in the state? Of course all your machinery will cost you more, much more, than it does now. But it will be 'establishing a new industry.' We can pay better wages and it will open better markets for your products at home."

Would you farmers favor such a law? You certainly would not. You would answer: "How does it make us richer to *increase the price* of all the things we have to *buy*? It would be a good thing for you, but your profit would be our loss. Even if you did pay men higher wages than they get now, *which is very doubtful*; yet the extra which you pay them you would take from us. Why should we pay the wages of men *who are not working for us*? Why should we be called upon to donate so much *each day* to all who work in factories? Are our factory workers *paupers*? Are they unable to make a living at *legitimate* industries, and so must have *donations* from us? And if they are paupers, are incapable of self-support; then how are they any better off than the paupers of Europe? Where is our boasted freedom and prosperity?"

And so I might go on with illustrations. I have simply applied the principles of "protection" to familiar objects and conditions, in order to "bring it home" to you. It is too absurd to admit of discussion. You would not apply it to your city. You would not apply it to your county. You would not apply it to your state. Why? Because you can *see* its workings *on a small scale*, and know that it means not protection but plunder. And yet the same principle is at stake when applied to the nation.

The reason we have looked upon it as protecting us instead of *plundering* us IS BECAUSE WE COULD NOT SEE IT ON A LARGE SCALE. We took the word as it stands. We never asked, Whom does the tariff protect? How does it protect? From what does it protect? If we had asked these questions, the delusion would have gone from our brain long ago. It is always and everywhere the Consumer who must pay the *additional price* which the Tariff gives to the Producer.

CHAPTER XV.

THE PRINCIPLE OF PROTECTION.

THE demand for a Protective Tariff *by the people* is simply A DEMAND FOR SUCH A LAW AS WILL INCREASE THE PRICE OF THE THINGS THEY HAVE TO BUY. It always and everywhere means "increase of price." That is its essential nature. That is the one and only way a tariff can "protect."

It is easy to see why the owners of factories and mines should ask for such a law, but it is hard to see

why *the people* should demand it. Imagine a man who has machinery and other manufactured articles *to buy*, demanding a law that will increase their price *to him*. Imagine a man who has cotton goods to buy, demanding a Tariff on cotton goods. Imagine a man who has clothing to buy, demanding a law that will increase the *cost* of clothing. It is all right for the man who *makes* clothing, but what about the man who must *buy* clothing?

An Internal Revenue Tax increases prices. But no one ever claims that it *benefited* the people. No one ever referred to it as a blessing instead of a burden. How, then, can a *Tariff* benefit them *by increasing the price*?

And so when the laboring man says he favors Protection and votes for it, he votes for a law that will increase the price of the things he himself must buy. He votes for such a law as tends to *increase* "the cost of living." He complains about the "high cost of living," and then votes for the very system that helps to make the cost of living high.

To ask for "protection" for American labor is simply to ask for such a law as will increase *to labor* the cost of everything labor consumes. How could it be otherwise? The only way a Tariff "protects" is to increase the cost of the "protected" goods *to their consumers*. I can see why the people who have the goods *to sell* should favor such a law, I do not see why the laborers who have goods *to buy* should favor it.

But you say, "When he demands Protection to American Labor, he means protection from competition with the pauper laborers *themselves*." I do not so under-

stand it. I have never heard any protectionist speaker favor shutting out European *laborers*. Did you? He simply favors shutting out European *goods*. Laborers come over by the hundreds of thousands every year. Is there any tariff on them? If so, what is the rate? I know what the tariff rate is on the *goods* which those "pauper" laborers produce, in order to prevent these *goods* from competing with our goods. But I have never seen the tariff rate on the pauper laborers themselves to prevent *them* from competing with our laborers. Have you?

There are 14 schedules in our Tariff Law, but in not one of them is "labor" even mentioned. And so when a laboring man says he demands "Protection to American Labor," he is simply demanding such a law as will tend to increase the *price* of everything American labor must buy. He is demanding a law for what? TO INCREASE THE COST OF LIVING. Think of the utter idiocy of such a procedure!

And think of the utter idiocy of hoping to make conditions *better* by voting to make prices *higher*! Think of hoping to produce *prosperity* by increasing the cost of living! Think of fearing that a *reduction* of taxation might impoverish a people, while to *increase* the tax burden would cause them to prosper!

EVERY REVOLUTION IN HUMAN HISTORY WAS PRODUCED BY EXCESSIVE TAXATION. Every people who were *impoverished* in the past were impoverished *by tariffs and taxes*. It was taxation that impoverished the French people and produced the French Revolution. But the French people knew the *cause* of their oppression and poverty and sought to

abolish it. *WE HAVE LOOKED UPON TAXATION AS A SOURCE OF PROSPERITY.* We have actually believed that the more we tax ourselves the richer we will become. Is that the product of reason? No. It is the product of passion and prejudice. As a matter of fact, *we have not reasoned on the subject at all.* This belief in the superstition of "protection"—in the superstition that a people can be enriched by their own taxation—does not represent the intelligence of the American people. *WE HAVE NEVER APPLIED OUR INTELLIGENCE TO IT.* About all we have applied to it is partisan bias and sectional prejudice and hate.

Had there been no Civil War there never again would have been a Protective Tariff in this country. Protection died with the tariff of 1828—"the tariff of abominations." But the hatreds and passions of civil strife made it possible for the Organized Greed of the country to fasten this thieving system upon us again, and to do it under the guise of Patriotism.

CHAPTER XVI.

WHO PAYS THE TARIFF?

THIS question has been answered many times thus far, but a more formal answer should be given. For decades the belief has been inculcated that "THE FOREIGNER PAYS THE TARIFF." This tended to silence all objections to a high Protective Tariff. When the people protested against exorbitant tariff rates, the answer was, "What does it matter *to you*? The foreigner pays the tax." Nor did this baseless subterfuge

originate in this country. It was used in England long before the "Repeal of the Corn Laws" in 1846, and is still employed by protectionists in Europe.

As has already been stated, the Tariff Tax imposed by the government on foreign goods is paid by the shipper, or importer, directly to the government. Of that fact there can be no dispute. As explained in the illustration, Mr. Wanamaker must pay the \$100,000 Tariff Tax levied by the government before he can land his goods. But in this case, at least, it is not paid by "the foreigner," because John Wanamaker is not a foreigner. And the same holds of hundreds of American merchants and business men who are engaged in importing foreign goods. And so, at most, it is paid by "a foreigner" only when it is a foreigner who brings the goods into this country.

But that is not the real issue. The real issue is this: Does the shipper who imports the goods add the price of the tariff to the price of the goods? We know he pays the Tariff Tax just the same as he pays for the goods on which the Tariff is levied—that is, he pays it *first*. But does not the consumer pay it back to him? If so, who pays it in the end?

For instance, in the illustration used, Mr. Wanamaker pays \$100,000 for goods. Will he not get that hundred thousand back from the consumer? It is almost absurd to ask such a question. He pays \$100,000 more for Tariff on the goods. Does he not also collect this from the consumer? How could he continue to do business if he did not?

Nor would the case be in any way changed if he were an English or French merchant. The importer pays for

both goods *and* Tariff, and then collects *both* from the ultimate consumer—plus his profits added to both. And so there is no question that the importer—whether American or foreign—pays for the Tariff the same as he pays for the goods. The question is, Does he add it to the price of the goods when he comes to sell it? And to that question there can be but one answer. He does—otherwise he could not long continue in the business.

But the suggestion that “The foreigner pays the tax” has a deeper significance than this. It is a vague suggestion that the people of one country can, by means of the Tariff, tax the people of another country; and thus compel them to pay the expenses of the government of the people levying the Tariff Tax. The idea dates back to foreign wars and conquests. It is the old thirst to tax and plunder “foreign” nations. And so the mere suggestion that this could be done without the danger and struggle of *conquering* them was grabbed at most readily by the innate greed of the race. But has any scheme of things ever been devised by which one nation can tax the people of all other nations without the necessity of *conquering* them first?

When a college student at Akron, Ohio, I heard William McKinley give expression to this remarkable proposition—and yet one that has been repeated in various forms for decades. In an impassioned climax he said: “I am opposed to taxing our own people to meet the expenses of our government so long as there are foreign peoples to be taxed.” The suggestion was greeted with tremendous applause. It was evidently regarded as a sublime sentiment and the expression of real statesmanship! And yet, just as a matter of fact, he *would* not

have done this if he could, because of the low morals involved in it; and *could* not if he would.

This much is certain: the Tariff is *not* paid by the foreign *producer* of the goods—unless he is also the shipper. He sells his products in the open market. He gets the market price, and knows not—nor cares—where they go. They may be consumed in the town in which he markets them. Or they may be hauled to opposite side of the earth. It is all the same to him. And so foreign producers do not pay the Tariff. Therefore, we cannot tax them. We should be ashamed to admit that we even *desire* to tax them.

The Tariff is paid by the importer, whether native or foreigner. No question about that. But does he pay it “out of his own pocket,” and not add it to the price of the goods? For instance, An importer pays \$15 for a suit of clothes in a foreign market. When he reaches our ports the government levies a Tariff Tax of \$15 more. He pays it also. For what price will he sell that suit to the American consumer—for \$15 or for \$30? In addition to which of course, he will add his profits.

This much is certain: Unless he adds the cost of the Tariff to the cost of the goods, IT WILL YIELD NO “PROTECTION.” The only way the Tariff can protect the American manufacturer is to compel that shipper to raise the price of that foreign suit to \$30. That is the only way it can keep him from underselling the home manufacturers.

Here, then, was a gigantic *contradiction*. Protectionists declare that the “foreigner pays the tax.” Which of course he does, provided the importer be a foreigner. But he means to say that he does *not* add

it to the price of the goods, and so collect it from the *consumer* of the goods. Therefore, that the Tariff does not increase the *price* of the goods. And yet the only way a Tariff can "protect" is to increase the price of the foreign goods.

And so if it were true that the foreigner *permanently* pays the Tariff, making no addition to the price of his goods because of it; the Tariff would *not* benefit the American manufacturer. In order for it to benefit him the foreigner must *not* pay it. Should he refuse to take it into account IT WOULD OVERTURN THE WHOLE PROTECTIONIST SYSTEM. And yet a contradiction like that does not disturb a protectionist brain. If it did, of course, he would not be a protectionist.

And so the real question is not as to who pays the Tariff Tax to the government. That is settled. It is paid by the importer. The real question is, Does it *stop* with him or does he *pass it on* to the "ultimate consumer?" He either does or does not. If he *does*, then of course it is the consumer who pays the Tariff *in the end*. If he does *not*, then it does not benefit the competing American producer to have a Tariff. From this alternative there is no escape.

In other words, the real question is, Does the Tariff increase the *price* of the goods on which it is levied? That is the question that goes to the very core of the Tariff Problem. To which the answer is that if it does not, then it produces *no effect whatever*. All this discussion of the Tariff for a century and a quarter has been for nothing—because there was nothing to discuss. If it does *not* increase prices then it does not

“protect” anybody. And so all the claims made for it are vain. It has done nothing, produced no effect, and so nothing whatever would result from its repeal.

On the other hand, if he does increase his prices, because of the Tariff, then the people pay it. That it does increase the price of the goods on which it is levied there need be no question. And this increased price the people pay. The ultimate consumer pays all previous bills. “Jones pays the freight.” And “Jones” is always the ultimate consumer.

It is important to note as an historical fact that during the last three Tariff Debates—viz. that on the Dingley Tariff, the Payne Tariff, and the Underwood Tariff—no protectionist had the temerity—or courage, as the case may be—to assert in defence of high tariff rates, that the “foreigner” pays them. Has “the foreigner” ceased to pay the tax? If so, when did he stop paying? Or can it be that it never was true that “the foreigner pays the tax?”

There being no question, no rational dispute as to who pays the Tariff, the next question is, Who gets it? And it is really at this point that all dispute arises. Thus far we have asked and answered four questions: 1. What is the Tariff? 2. How much is it? 3. How does it work? 4. Who pays it? And the next question is, Who gets it?

CHAPTER XVII.

WHO GETS IT?

BOTH these Systems of Tariff, then, operate by increasing *the cost of living*; and it matters not whether the individual buys home products or foreign products.

And now comes the question, Who *gets* this increase of price which the Tariff produces? To which the answer is, it goes to two distinct and separate parties. In other words, the "fund" created by the increase of price—due to the Tariff—flows in two separate streams—and in *opposite* directions. One stream flows into the public treasury. **THE OTHER FLOWS INTO THE PRIVATE POCKETS OF THE PROTECTED INTERESTS.**

Both systems of Tariff raise *revenue*. But they raise it for two opposite *purposes*, and for two different *parties*. The whole of the increased price of *foreign* goods due to the Tariff goes to the *government*. The whole of the increased price of *home* goods due to the Tariff goes into the pockets of *private individuals*. And so while a *Revenue Tariff* raises revenue for the *government*, a *Protective Tariff* raises revenue for *private pockets*.

As a matter of fact, there are not two tariffs—a Protective Tariff and a Revenue Tariff. There are simply two *results* which follow from the effect of the levying of a Tariff on foreign goods. In other words, a tariff is a tariff. It is not a Protective Tariff. It is not a Revenue Tariff. It is simply a tariff.

But it yields two results. Or, rather, it yields two streams of revenue. One stream of revenue—resulting from a tariff on foreign goods—flows into the public treasury. The other stream of revenue—made possible by this same tariff tax on foreign goods—flows into private pockets.

The stream flowing to the government we call a Revenue Tariff. It would be more accurate if we said the Revenue *branch* of the Tariff is called a Revenue Tariff. The stream of revenue flowing into private pockets we call a Protective Tariff. It would be more accurate if we said the Protective *branch* of the Tariff.

Every tariff that has ever been enacted in this country has yielded both streams of revenue. Therefore, every Tariff that has ever existed has been *both* a Protective Tariff and a Revenue Tariff. No Tariff in our history has been exclusively one or the other. Such a Tariff *could* be framed, but never has been framed—perhaps never will be.

Therefore, to secure the greatest possible accuracy, it is to be understood throughout this book that when we speak of a Protective Tariff we mean the Protective branch, or function, of the Tariff; and when we speak of a Revenue Tariff, we mean the Revenue branch, or function, of the Tariff. These modifiers are always to be implied. The argument in reference to the justification, or condemnation, is in reference to each branch, function, system, result of a tax—called a Tariff—levied on foreign imports.

The one contributes to the *general* welfare. The other contributes to some particular *individual's* welfare. And so Protection taxes *all* the people for the

benefit and enrichment of *some* of the people. I am not here saying that it is not a good thing to do this. I am simply pointing out the fact that it *does* do it. A PROTECTIVE TARIFF is always and everywhere—and under all circumstances—FOR THE ENRICHMENT OF PRIVATE INDIVIDUALS. Again we see that the difference between the two systems of Tariff Thought is not so much as to the tariff *rate* as it is a difference as to the *purpose* for which a Tariff is laid.

The Tariff increases the cost of many home manufactured articles to the people hundreds of thousands of dollars, yet NONE OF IT GOES TO THE GOVERNMENT. It all goes into private pockets. Taking the entire Payne-Aldrich Tariff it would be a safe estimate to say that for every dollar it gives the government it puts *seven* dollars into private pockets.

Of course this is only an approximation. We cannot know to the exact penny. It cannot well be *less* than that amount. It may be much more. Nor does it matter as to the exact amount. What concerns us here most is the *principle*, the principle of using the machinery of public taxation for the enrichment of private individuals. It is no less highway robbery to take five dollars than to take five thousand dollars.

But if that estimate be correct, then every year our government—under our direction—does this infamous thing: in order to raise \$300,000,000 *for itself*, it takes out of our pockets every year something like *eight times* that amount—or \$2,400,000,000! Of this huge sum it takes for itself \$300,000,000. THE REMAINING \$2,100,000,000 GOES INTO PRIVATE POCKETS. I do not here say that it is *wrong* to put such a huge

sum every year into private pockets, by taxing all who toil. I am simply calling attention to a *fact*, the fact that it *does* go into private pockets.

Here, then, are two great streams of wealth flowing from the taxation of all the people—of every man, woman, and child in the nation. One of these huge streams flows into the public treasury. The other stream, *seven times larger*, pours its golden treasures into the massive pockets of those already rich!

Now the part which flows into the government is *justified*. But what is the justification of the part that goes into private pockets? We are willing to be taxed to support the government. *But by what right are we taxed for the support and enrichment of private individuals?* What could justify such a heinous system of things? PUBLIC TAXATION FOR THE SUPPORT AND ENRICHMENT OF PRIVATE INDIVIDUALS IS THE ONE ESSENTIAL CHARACTERISTIC OF A DESPOTISM. And yet we Americans call ourselves free!

CHAPTER XVIII.

REVENUE VS. PROTECTION.

IN THIS we have The Tariff Issue clearly defined. The Democratic Party is for that stream of taxation which goes to the support of the *government*. The Republican Party stakes its claims to the votes of American citizens because it stands for that branch of the stream of public taxation which pours its golden treasures into private pockets—and for the support and enrichment of *private individuals*.

No issue could be more clearly drawn. The Democratic Party is for taxing people "for revenue only." The Republican Party declares *in addition* the right to tax *all* the people for the benefit of *some* of the people. And for each one dollar it gives the government, it gives many dollars to the favored few whom the Tariff "protects"—makes rich.

The justice, or injustice, of Protection must be considered wholly *independent of the revenue it yields the government*. As a matter of fact, a Protective Tariff does not yield a revenue *to the government*. Only a Revenue Tariff does that. A Protective Tariff yields revenue only to private pockets. It is *designed* for that purpose. It has nothing to do with public taxation *for public purposes*. It stands for public taxation *only for private purposes*.

The huge stream which it pours into private pockets does not help *the government*. How could it when it does not go to the government? It goes to the manufacturers and mine monopolists. Where is the proof? The proof is in the *fact* that a tariff can be so high that it yields no revenue at all—to the *government*. The Payne-Aldrich Tariff yielded millions to its favorites to the mere pittance it yielded to the government. Make the rate still higher, and the whole stream of wealth, *all of it*—wrung from the hard toil of the wronged and outraged masses—will pour into private pockets. None of it will go to the government!

And so to consider the merits of Protection we must consider it wholly *independent* of the government's need for revenue. Aye, more than that. If there were no need for revenue; if the government had *no expenses*

whatever to be met; still, if Protection be right, then it would justify levying a tax for the support of private individuals. That would be trying it out on its merits. And if Protection will not stand this test then it will not stand at all.

Would you favor it? If the government had no need of revenue, and yet were to tax all the necessities of life in order to pour hundreds of millions into certain private pockets—*no matter whose*—would you favor it? No! You would not. You would not only *vote* against it, but you would *fight* against it. You would shoulder a musket and swear that you would shed your last drop of blood before such a law should be fastened upon you and your children. You would declare that such an infamous measure would be taxing all the people to support some of the people, and that—save in the case of paupers—**SUCH A LAW IS CONTRARY TO FREE INSTITUTIONS.**

Mr. Sereno E. Payne stood up in the House of Representatives, September 30, 1913—the day the new era was ushered in by the passing of the Underwood Bill—and boasted of the millions of revenue which his law yields *to the government*. But that is not the question. That part is justified. The real question is as to the justification of *the hundreds of millions his Tariff yields to private pockets*? All are agreed as to the justice of the revenue it raises for the government. *But what about the vastly greater sums it raises for private pockets? WHAT IS ITS JUSTIFICATION?*

In short, by what right can you tax *all* the people for the benefit of *some* of the people—especially when the benefited do not claim to be paupers?

CHAPTER XIX.

THE HIGHER THE RATE—THE LESS THE
REVENUE.

AND so the real issue is not as to the rate but as to the *purpose* for which the tariff is laid—one contending that it should be to raise revenue for the government *only*; the other that it should *also* raise revenue for private pockets; and that this is the most important use of the Tariff System of Taxation.

But there is also a conflict in the rate itself. When I call a man's attention to the fact that there has been a tendency to *increase* the rate with each successive Tariff Bill, he says, "Well, the expenses of the government are increasing all the time. And so they would have to raise the tariff rate *in order to raise more revenue.*"

To which I answer: *TO INCREASE THE TARIFF RATE DOES NOT INCREASE THE REVENUE.* On the contrary, it *diminishes* it. The whole truth is that the *higher* the tariff rate—after you get beyond a certain point—the *less* revenue it raises for the government. If the tariff rate is made so high as to become *prohibitive*—as is the case on scores and hundreds of articles—then it yields *no revenue at all*. That is, it will yield no revenue to the *government, THO IT MAY YIELD HUNDREDS OF MILLIONS TO PRIVATE POCKETS.*

And so there is a direct conflict between Protection and Revenue. It is a conflict that exists not simply in

the minds of men. IT IS A FACT OF NATURE. It is grounded deep in the industrial order. Each System of Tariff, to the extent that it is applied, *excludes* the other. The law would seem by this: *to the extent that the Tariff yields Protection, it does not yield Revenue; and to the extent that it yields Revenue, it does not yield Protection.*

In other words, the *proportion* which the Tariff puts into the public treasury, and the *proportion* which goes into private pockets, is determined wholly by the portion of the Demand which is supplied by *foreign* goods, and the portion which is supplied by *home* goods. To yield *revenue* a Tariff must let foreign goods come in. But in order for it to yield *protection* it must keep foreign goods out.

For instance, the most perfect revenue measure would be one which allows the most foreign goods to come in; because the government derives its revenue only from the foreign goods which enter our ports—not from those that are kept out. On the contrary, a perfect Protective Tariff would be one that keeps *all* foreign goods out, monopolizing the market completely for home producers. BUT SUCH A LAW WOULD YIELD NO REVENUE. That is, no revenue for *the government*—tho it might yield hundreds of millions for private pockets.

The whole of the increased price of *foreign* goods, due to the Tariff, goes to the government; but the whole of the increased price of *domestic* goods, because of the Tariff, goes to the *protected interests themselves*. And so by ascertaining the *proportion* of any given product which is supplied by home producers, we can calculate *with reasonable certainty* just the amount which the Tariff gives to each.

Suppose, for example, that the Tariff on a given product increased its cost to the people one hundred million dollars. Let us call this our "Tariff Fund." And now the question is, Who gets this Tariff Fund? How many factors, or parties, will share in its distribution, and what *portion* will go to each?

The answer is this: If the Tariff be levied on a product *not* produced in this country, then the whole of it will go to the government. None of it will go into private pockets. If it be levied upon a product *competing* with a similar home product, then THE DISTRIBUTION WILL DEPEND UPON THE PART OF THE TOTAL DEMAND WHICH IS SUPPLIED BY EACH.

Let me illustrate this Fundamental Law in the distribution of the Tariff Fund. For instance, if *three-fourths* of the demand for the given product be supplied by *foreign producers*, then \$75,000,000 will go to the government, and the remaining \$25,000,000 of the Tariff Fund will go into the pockets of the American Producers of *that product*. If only *half* of the demand is supplied by a foreign product, and the remainder by a home product; then one-half of this Tariff Fund will go to the government. The other half will go as a *bonus* to the American manufacturers.

On the contrary, if the tariff rate should be so high as to largely *prohibit* the foreign product, so that it supplies only *one-fourth* of our demand for the particular goods; then only TWENTY-FIVE MILLIONS out of the ONE HUNDRED MILLIONS of the increased cost to the people—because of the Tariff—would go to the government. The remaining SEVENTY-

FIVE MILLION DOLLARS would go into the pockets of the American producer.

Go on up with the tariff rate. Make it so high that *no* foreign goods of this particular class can come in. Then of the hundred millions increased cost to the people—and taken out of their pockets—because of the Tariff, not a dollar will go to the government. The whole of it will go into private pockets. AND HERE WE SEE ONE OF THE METHODS AT LEAST BY WHICH MILLIONAIRES ARE MADE.

And so a high tariff rate, instead of yielding *more* revenue to the government, yields *less*. In fact, there are *two* conditions under which the Tariff will not yield sufficient revenue to the government. One is to make the rate so *low* that it is not adequate for the quantity of foreign goods coming in. The other is to make it so *high* that it shuts out all foreign goods, thus yielding no revenue at all.

And yet when you propose to *reduce* the Tariff in order to *raise* the revenue, the average man thinks it impossible that such a result should follow. But that is exactly what does follow.

Therefore the question is: Shall we make the tariff rate so *high* that it barely yields enough revenue to support the government, tho increasing enormously the cost of the goods to the people; or shall we make it so *low* that it will just meet the requirements of government? The first method, while giving the *government* no more, *takes hundreds of millions more out of the pockets of the people*. And so for the few millions it gives the government, it gives many millions to the *beneficiaries* of the Tariff—and they represent less than 5% of the total population.

The second method—the “tariff for revenue only” method—takes only enough from the people to meet the expenses of the government. Practically none of it goes into private pockets.

Therefore to increase the tariff rate—after getting beyond a certain point—does not increase the revenues of the government. On the contrary, it *diminishes* them. But it does increase enormously the revenues which go *into private pockets*.

This fact annihilates another delusion heard on every hand. When we call attention to the enormous taxation of the people thru the Tariff, some one answers: “But we are a patriotic people and are willing to be taxed to support our government, and ought to be taxed to support it. We ought to pay Tariff Taxes willingly, gladly, because we are willing to support the government which protects us.”

To which I answer, “Quite true. As patriotic citizens we ought to be willing to be taxed for the support of the government. But this does not all go to the government. The government does not get even half of it, or even a fourth of it. It gets only about one-seventh. All the rest goes into private pockets.”

And so we are being taxed enormously, not for the support of the government; but for the SUPPORT AND ENRICHMENT OF PRIVATE INDIVIDUALS. Is that just? Is that American? And are we citizens or *slaves* when we endure such an outrage?

CHAPTER XX.

CONFLICT OF PRODUCER AND CONSUMER.

IF YOU would understand the Motives and Philosophy of Protection, you must realize that it is simply a conflict between the Producer and Consumer. In other words, it is an effort on the part of the producer to secure *by law* a higher price *from the consumer* than he is able to obtain *in the open market*. The Producer is against an open market and in favor of a closed market. Therefore the Tariff causes an increase of price wholly in the interest of the Producer and *at the expense* of the Consumer. What it gives to one it must take from the other.

It is not possible for a law to increase the *selling-price* for the Producer without also—and to the same extent—increasing the *cost-price* to the Consumer. Why *consumers* should demand such a law as will increase the cost of these products *to them* is beyond comprehension. The truth is, they would not do it if they knew what they were demanding.

In reference to any given product, human society can be divided into two classes—Producers and Consumers. This is true of wheat, corn, cotton, bar-iron, and of all other products of field, factory, or mines.

The objection will be made to this statement that the people are both Producers *and* Consumers. That is true. But in reference to any particular product they are either Producers *or* Consumers. While they may consume a part of their products, and in this re-

spect they are both producers and consumers; yet from the standpoint of commerce they are simple producers. They cannot be *both* in reference to any particular product.

It is also important to note that the consumers of any given product greatly outnumber the producers; and so to legislate in favor of the producers is to legislate for the benefit of the few at the expense of the many.

In order to sell his products to the consumer, each producer must compete with other producers. He must sell at the general market price. He must bid his price down to theirs—they must bid their price down to his. In other words, Producers must *compete*, under a free and open market, for the purchases and the patronage of the Consumers of their particular line of goods. That gives what is called “the market price.”

This market price is determined in general by the relation of Supply and Demand. The more goods—the less the price; the less goods—the higher the price. And so if one producer moves his price beyond the market price, the people will buy from his competitor; because the consumer, under free conditions, will always buy where he can buy the cheapest. The consumer not only has a right to do this but he ought to do it. THE WHOLE COMMERCIAL WORLD IS BASED ON THE SUPPOSITION THAT EACH WILL SELL WHERE HE CAN SELL THE DEAREST, AND WILL BUY WHERE HE CAN BUY THE CHEAPEST.

This analysis enables us to get at the Philosophy of Protection. Home producers must sell in competition

with *foreign* producers—in the home market. Owing to the difference in soil, climate, etc., there are scores and hundreds of products which the foreigner can produce and sell at a lower price than we can sell them; just as there are scores and hundreds of products in which we can undersell him *in his own market*. And that fact holds of all countries and climes. Each can undersell the other *in some things*, and is undersold by it *in other things*. THE WHOLE SYSTEM OF COMMERCE, TRADE AND EXCHANGE RESTS UPON THIS ONE FUNDAMENTAL AND UNIVERSAL FACT.

The further importance of this distinction in the conflict between the interest of the Producer and the interest of the Consumer was impressed on me while in Washington, attending the Congressional Debate, by the fact that protectionist speakers were constantly referring to the *conflict of interest* as being between *all* the people on one hand and the *shippers*—importers, exporters, commission merchants, etc.—on the other. They denounced in the strongest terms men engaged in such a nefarious business as that of bringing foreign goods to this country, and of taking our goods to foreign countries! They were held up as the enemies of the general welfare!

While more amused than amazed that they should resort to such preposterous propositions, because, as the old adage says, "A drowning man will grasp at a straw"; yet I was surprised to find a so-called "history" of the Tariff circulated extensively among protectionists—and presented to the Congressional Library by Senator Smoot of Utah—which took the same position.

It located the conflict in the Tariff Struggle, not between Producers and Consumers, but between *all* the people on the one hand and the *importers* on the other. According to this author, it is for the interest of these importers—and for their interest *alone*—that foreign goods are brought into any country; and what they gain the people lose.

Missing, thus, the whole issue—locating the *conflict of interest* wholly *IN THE WRONG PLACE*—such a work is even more than useless. It is a positive *detriment* to the cause of Truth—and, therefore, to the cause of Justice.

The foreign importer, tho usually an American citizen, performs the same useful function as does the local importer, or merchant, in every town—for every merchant is an *importer*. He is usually, also, an *exporter*; because in order for any town to import it must also export. Otherwise, it would have nothing to import with. And so the merchant renders to society a most useful service—he brings Supply and Demand together.

And that is the function which foreign shippers—importers, commission merchants, etc.—perform for us. It is a public service. They carry our goods into foreign lands and *sell* them for us. Then they bring to this country the foreign goods which we demand *and need*. We ourselves—“we, the people”—are the ones who bring these goods over. It is *our* demand that fetches them. If we did not want these foreign goods, and *need* them, then there would be no *sale* for them—and so they would not be brought over.

And yet, in spite of these undeniable facts, protectionists speak of foreign *goods*—goods, clothing, etc.—

the same as they would speak of foreign *pestilence*, or some imported contagious disease; like the Bubonic Plague, or the Asiatic Cholera. In their undeveloped and distorted imagination, goods are not *good* things, but terrible, death-dealing *evils*—like plagues and pestilences—which threaten the welfare of all the people by “invading” our markets.

But the issue, the conflict of interest, is *not* between the people and the *shippers*. They are the *servants* of the people, as every merchant is a servant. They bring over only such goods as we want and demand that they shall bring over. And if we buy these foreign goods, it is either because we cannot get them here at all; or else because we can get them abroad *cheaper*. And so the Tariff Issue is not between the People and the Shippers, but between Producers and *Consumers*.

Under Free Trade all home producers must compete with foreign producers—in the home market. They must bid their prices down to the level of the foreigner's prices. Otherwise, the consumer of that particular product will buy from foreign producers. And here is where Protection comes in, as said before, and plays its part of the Drama of Greed. If the home producers of a given product can induce Congress to give them a *Tariff* on the foreigner's competing products, say of 100%; that will so increase the price of *his* goods as to enable them to *undersell* him—tho the consumers of the product will be paying vastly more than they would have paid in the open market.

And while we can easily see how the selfishness and greed of the Producer should want it, we cannot see why the Consumer should favor it. It does not protect

him. In fact, it *plunders* him. It does not shield him from extortion. On the contrary, it exposes and subjects him to extortion *by eliminating one set of competitors* for his trade.

And that is the Philosophy of Protection. It "protects" the Producer at the expense of the Consumer. And it does "protect" by increasing the price of his *competitor's goods*. He can now extort from the consumer *more* than he could otherwise obtain *in the open market*—and still undersell his foreign competitors.

Protection is simply *legalized extortion*—"The act of wresting anything from a person by any *undue exercise of power*." *THO PROTECTION BE AN AGENCY OF GOVERNMENT AND LEGISLATION*, no words can change its character. All the illustrious names of a nation's history cannot transform it from Plunder to Patriotism. Protection is simply *legalized theft, robbery, graft, piracy and stealing*. *IN THE NAME OF LAW* it plunders the Consumer to enrich the Producer.

The desire of the Consumer to buy as *cheap* as he can, and of the Producer to sell as *dear* as he can, results in this conflict between them. And that which each *seeks* to do he has a *right* to do—so long as he operates only *in an open market*. But what has happened is that the Producer rushed to Congress and got the aid and power of the GOVERNMENT on his side, by securing such a law as would enable him to *compel* the Consumer to pay him *more than the market price*—or go without. That is the sole function and purpose of a Protective Tariff.

Suppose the case were *reversed*. Suppose that instead

of it being the Producer, it was the Consumer who succeeded in getting the ear of Congress, and in securing such legislation as would compel the Producer to sell his products to the Consumer for *less* than the market price. Can you not imagine what a howl would be set up thruout the land? A cry of outrage, injustice, and oppression would be heard on every hand, *and ought to be heard.*

And yet the Consumer has as much right to such a law as will *diminish* the price of the things he has to buy, as the Producer has to secure such a law as will *increase* the price of the things he has to sell. In fact, the Consumer has more right, because he represents the greatest number—the masses.

And now comes the question, WHICH SIDE OF THIS CONTEST SHOULD THE GOVERNMENT TAKE? It should take neither side. The government should stand simply for *equity of conditions*, for *equality of opportunity*, for both Producer *and* Consumer.

But this is equivalent to saying that the government should take the side of the Consumer. And for two reasons: *First*, because Consumers of any given product always greatly *outnumber* its Producers. That would be legislation on the principle of "the greatest good for the greatest number." *Second*, because by legislating in the interest of the Consumer, it is simply legislation to secure Equity. It is not demanding a law that would compel the Producer to sell to the Consumer for *less* than the market price. Not at all. It is simply a demand that the Producer shall *not* have such a law as will enable him to compel the Consumer to pay *more* than the market price. In other words, it is a demand for an "open market."

Here, again, we see the opposite character and purpose of a *Protective* Tariff and a *Revenue* Tariff. The Protective Tariff takes the side of the *Producer*—always. It stands for such a law as will enable him to increase his price *over and above* the market price. That is the whole essence, gist, and purpose of a Protective Tariff.

On the other hand, a Revenue Tariff takes the side of the *Consumer*. It does this simply by denying the right of the government to give the Producer the advantage of such a law. The one Tariff System “protects” the Producer by enabling him to charge *extortionate* prices. And I say extortionate, because *any* price above the market price, secured by force or fraud or law, is *extortion*. The other protects the Consumer from the Producer by *denying* his right to *have* such a law.

In this last case we have the proper use and application of the word *protection*—“preservation from loss, injury, etc.” We also have the real duty and function of government. The one “protects” by permitting and even *encouraging* extortion. The other protects by *preventing* extortion.

The Underwood Tariff seeks simply to protect the Consumer from the *plunderings and extortions* of the Producer. Therefore, it recognizes his right to buy in a *competitive* market, instead of a *monopolized* market. And so it gives him a “*Competitive Tariff*.”

While it is true that the Underwood Tariff yields an incidental Protection—as does every tariff laid on foreign goods; yet it is “incidental” and not intentional. It declares squarely against the protective principle itself. From the Democratic point of view the “protection” re-

sulting from a Tariff "for revenue only" is not desirable but unavoidable.

CHAPTER XXI.

CAN WE GIVE EQUAL PROTECTION TO ALL?

BUT it will be said that since the consumers of certain products are the *producers* of others; therefore what they lose by the increased cost which the Tariff gives to the things they have *to buy*, will be made up by the increased price which they will get on the things they have *to sell*. But even if this were true, they would not be the *gainers*. Their only hope would be *to come out even*. And what are the chances for this? A million to one that they will not.

There are further considerations. *First*, it is a *mathematical impossibility* for human intelligence to so adjust a Tariff as to give an *equal* increase of price *to all producers*. To levy *the same rate* upon all products would not secure this result. Far from it. Upon scores and hundreds of products *no* rate could possibly increase their price.

A Tariff of 100% upon all products would enable the producers of certain manufactured products to increase *their* price fully 100%. But it would not enable *others* to increase their price to the same extent. It would not enable them to increase their price even 50%; while upon scores and hundreds of articles a Tariff even of 100% would be NO BENEFIT WHATEVER.

Second, if the Tariff *could* be so adjusted as to increase the price of *all* products—and to increase them *equally*, IT WOULD BENEFIT NOBODY. As a re-

sult *nobody would be in favor of it*. And so only certain *classes* of producers are benefited by a Protective Tariff. But these few have been sufficiently cunning to convince *all other producers* that they, too, are benefited!

Producers who are actually benefited by a Protective Tariff come under just two classes. *First*, those engaged in the production of products which could *not* be produced in open competition with foreign products. **AND THEY OUGHT NOT TO BE PRODUCED AT ALL.** Why? Because goods of this class are produced at an *economic loss*. The *second* class of producers, and the chief tariff beneficiaries, are those who *can* produce in competition with foreign competitors, and the price of whose products—under normal conditions—would be *lower* than the price of foreign products. How, then, are they able to take advantage of the Tariff? **BECAUSE THEY HAVE FORMED TRUSTS AND COMBINES, THUS CRUSHING OUT COMPETITION AMONG THEMSELVES AND ESTABLISHING A MONOPOLY.**

Thus are Protection and Monopoly inseparable terms. And this for the reason that only those who have a *monopoly* in the production of any given product—or in the selling of it—can possibly take advantage of the Tariff.

The Tariff does not benefit the farmer. Why? Because farmers are not able to form a Trust. They *compete* with each other. They produce more, vastly more, than the home market can consume. Therefore, no tariff rate, however high, could be of any benefit to them.

But the Tariff does benefit manufacturers, and bene-

fits them immensely. It puts *hundreds of millions of dollars* in their pockets *every year*. Why? Because they are able to form Trusts—and have formed trusts by the hundreds. It also benefits the owners of mines, because the products of the mines are all sold thru Trusts. There is the Copper Trust, the Lead Trust, the Coal Trust, etc.

It can *not* benefit the millions of *day laborers*. Why? Because, in the first place, **THERE IS NO TARIFF ON LABOR**. The Tariff is on the *products* of labor. *The products of labor do not belong to the wage-workers*. They pass out of their hands into the hands of their employers.

In the second place, the wage-worker, as such, is *not* a producer. He is a consumer. The only product *he* has to sell is his *labor*. And this he must sell *in the open market, AND IN COMPETITION WITH THE LABORERS OF ALL THE EARTH*. And so he *sells* in the *labor-market*, but *buys* in the *goods-market*. And the Tariff affects only the goods-market. There is no tariff to “protect” the products of the labor-market—labor itself.

The hundreds of thousands of men who *dig* coal in the mines have no coal to sell. They have coal *to buy*. The men who work in sugar factories have no sugar *to sell*. **AND SO THE INCREASE OF PRICE DOES NOT HELP THEM**. They have sugar *to buy*. The men, women and children who slave in woolen and cotton factories have no clothing, blankets, dress goods, etc., *to sell*. They have these things *to buy*.

Therefore, the Tariff cannot help them. Why? Because they do not own the *products* whose price the

Tariff increases. And so Protection plunders them along with all other consumers of cotton and woolen goods. Thus thruout all industries runs the same sad story. The millions of men who toil and slave in the factories and mines of the nation have none of these products *to sell*. **THEY HAVE THEM TO BUY.**

Furthermore, it cannot possibly benefit the blacksmith, the shoemaker, the plumber, the carpenter, the mechanic, and the mercantile and professional class generally. There is *no* Tariff to increase the price of *their* products. How, then, can it possibly benefit *them* to have the Tariff increase the price of the products which they must buy in order to live? **NOT 5% OF THE TOTAL POPULATION OF THE UNITED STATES CAN POSSIBLY BE BENEFITED BY A PROTECTIVE TARIFF.**

Even if the Tariff did benefit both manufacturer *and* farmer, and benefit them *equally*; there must still be some *third class* whom *both* can oppress—by increased and extortionate prices. And the Tariff *must* do this in order to make it an advantage *even to them*. Thus wherever applied, a Protective Tariff always means some special advantage. It must always mean benefit to some *at the expense of others*. It is always and everywhere an expression of greed. It is the desire for special privilege, for the overthrow of a free market, and the establishment of Class Legislation.

And yet this is the last resort, and the last hope of a Protective Tariff—the hope that it can be shown to benefit *all*. But this hope, this “argument,” this pretext, is wholly without foundation in either fact or logic. The moral progress of the world has at least

gone far enough to require some apology, some explanation, for plundering the people. In this case the beneficiaries have displayed such audacity as to try to make the *victims* think that they are the *victors*. They have actually succeeded in the past in convincing the plundered that they themselves really get the plunder.

CHAPTER XXII.

THE TARIFF AND THE FARMER.

WHEN the foundations of our Protective Tariff were being laid, back in 1816 and 1824, to stimulate the growth of "infant industries," no one claimed that it would benefit the farmers. In fact, it was not claimed to benefit *anybody*—except manufacturers—until the industry had been established and the Tariff taken off. Our fathers were too clear-headed to be made to believe that a people could be prospered—instead of plundered—by increasing *to them* the cost of the necessities of life. And so Protection was *not* to benefit labor and it was *not* to benefit the farmer. Tariff battles were fought for decades before any politician had the temerity to assert that a Protective Tariff was of direct benefit *to the farmer*.

Then came the suggestion that it supplied the farmer with a "home market." How fortunate! This was based on the implication that if it were not for a Protective Tariff *everybody in this country would be farmers*. There would be no lawyers, no doctors, no teachers, no mechanics, manufacturers, inventors, miners, editors, lumbermen, electricians, etc. All would farm. And so everything the farmer wanted to sell he would have to

ship to Europe. It was the *Tariff* that produced the "Division of Labor" in human society. And so by this means, and in this way, it was claimed that Protection benefited the farmer *by giving him "a home market."*

It was a pretty thin bait, but the farmers—like the laborers—swallowed it. They did not realize that the Division of Labor is *a great natural law* of human society, that it began centuries before the founding of the Republic in the New World, that it goes on not because of human laws but usually *in spite* of them, and that it is this fact, this law, which gives the farmer a "home market"; just as it gives the manufacturer, and the doctor, and the fisherman "a home market." The Tariff *obstructs* rather than aids "diversity of industries."

But the uprising of the more enlightened and aroused agricultural classes in 1884 and 1892, so alarmed the Tariff Barons that they saw that something *else* must be done to save the farmers to the Republican Party—and then save the Republican Party *to the cause of Protection*. There was danger of losing both. No party will long stand by an issue after the people turn it down. It will get a new issue.

And so they began to make the claim that Protection is of *direct* benefit to the farmer, that it helps him just the same as it does the manufacturer—by enabling him to directly increase the price of his products *to the home people*. Then they proceeded to give "protection" to the farmer on nearly every product produced from the farm. Schedule G, as it appeared in the Dingley Bill, showed the "new departure." It got its first "boost" in 1883. The Eastern monopolist, whom the Tariff had already made rich, knew that it could not benefit the

farmer. But it enabled him to say, "Now we 'protect' you with tariff rates, the same as we 'protect' ourselves. You vote for us and we will vote for you."

And so it is within comparatively recent years that any protectionist had the temerity to assert that a Protective Tariff *directly* benefits the farmer, that by levying a Tariff on his products the *general level* of the market price of their products would be *raised*. No political economist of any intellectual pride would utter such a proposition. So far as the farmer is concerned, giving him a Tariff on his products is simply offering him a "gold brick." It is a delusive hope.

And for this there are two important reasons. The first reason is found in the fact that his chief products he produces to *excess*, and so he must sell them in the International Market, with prices fixed at Liverpool. There he must compete with the farmers of the world. Furthermore, were his products shut up within our own borders, their prices would probably fall one-half. And yet you cannot shut foreign goods out without also shutting home goods in.

And so the farmer is an exporter, with the prices of his products determined, not by a Protective Tariff, but by the free workings of the law of Supply and Demand in the markets of the world. While in towns along the border the Tariff might occasionally add a penny or two, yet the *general level* of prices remains *unchanged*. The price of wheat is often higher at Chicago than at Winnipeg. But it is also often higher at Winnipeg than at Chicago.

But suppose on some of these occasions when the price of wheat is higher at Chicago than at Winnipeg,

that it is also much higher still at Liverpool, Paris, or Berlin. In which direction will Canadian wheat flow? It will flow in the direction of Liverpool. And so will the wheat in this country. And that may be the cause of the sudden rise in price at Chicago. So much wheat is being drafted abroad that not enough is left for the home supply. And so the price rises at once to prevent its going out.

The Liverpool price always tends to be the highest—otherwise it could not draw wheat from all the countries of the earth. Labor products, like all other things, move in the line of greatest attraction. The ebb and flow of prices follows the same *equalizing* and *leveling* process as does the ebb and flow of the tides and currents of the ocean. “Water seeks its level”—so do prices.

There is another consideration well worth while. Suppose that upon some occasion the price of wheat is ten cents lower in some Canadian towns along the border than it is in an American town quite near. Now it is assumed by the alarmists on this subject that without that Tariff Wall this Canadian wheat would pour into that American town and so lower its price *to the Canadian price*. But does such a result necessarily follow? I know it is *assumed* that it would, but would it?

Might it not be that instead it would raise the price in the Canadian town to the level of the American price? Is it possible that the small amount of wheat which that town could dump into the American town in question, could lower the whole price level of the American town in question—could lower the whole level of the American price of wheat? Think of the hundreds of millions of bushels underlying that American price.

Take a gallon of water out of a vessel containing two gallons, and you lower its level one-half. But take a gallon of water out of a reservoir holding millions of gallons, and how much will you lower its surface. *The same holds of prices.*

There is this interesting fact, however, that you raise the level of a surface of water by pouring water *in*—you raise the level of prices by taking products *out*. While pouring water into a reservoir raises its water level, pouring products into a market lowers its price level. And this for the reason that the demand is greatest when products are fewest—and so the price is highest. But as the demand is supplied—filled up—the price falls. When the whole of the demand is supplied, then there is no price at all.

Governor McGovern of Wisconsin, in his lecture on "High Cost of Living," gives the following startling fact: Once when the price of cabbage was \$300 a ton in Milwaukee, it was only \$83 a ton in River Falls, Wis. The freight was \$3. Why did not the price in Milwaukee sink to the level of the price in River Falls? What held it up? There is no Tariff Wall separating these two neighboring cities of the same state.

Must we not admit that there are more factors than the Tariff entering into the control of prices? May it not be that the play of forces in the Solar System is simplicity itself compared to the multitude and complexity of the forces which determine the rise and fall of prices?

But we are told not only that there are vast quantities of wheat back of the Canadian price, but also that the whole of that annual production will be "dumped" on us

if the Tariff is removed. And the protectionist mind is appalled at the thought of what would follow. While the author freely admits the calamity resulting from such a "deluge" of food stuffs, and of the dire disaster from the reduction of the *price of bread* to the American people; yet he sees no possibility of its happening.

Let us suppose the impossible. Let us suppose that the price of wheat in this country should become so much higher than in Canada that every bushel of wheat across the border would start at once for our markets. Would it ever get here? Not all of it. Why? Because the moment it started for here, the price of wheat in every Canadian market would at once rise in order to prevent its going. And the increased price at home would tend to keep it at home. And the home price would keep right on advancing until it had detained sufficient quantities for the home supply. Furthermore, each successive bushel that reached an American market would tend to lower its price.

Nor would the matter end here. Suppose that a sudden rise here of 30 cents a bushel in the price of wheat is announced by cable in the International Market. And suppose that the great volumes of wheat which Canada had been pouring into that International Market were about to be shipped directly to American markets. What would happen? This would happen: The price of wheat would rise not only in Liverpool, London, Paris, Berlin, etc., but *all over the earth*. And that rise would *continue* until it called most of it back to the accustomed channels. And thus would the "calamity" be averted.

What could cause such a rise in the price of wheat in this country? Only one thing—crop failure. And if

there should be such a shortage in the raw material of which bread is made, WOULD IT BE A CALAMITY OR A BLESSING THAT THERE WAS AN ABUNDANT SUPPLY NEAR AT HAND? Just think of the absurdity of such a proposition. And so instead of its being a calamity that Canadian wheat should pour in to save our starving population, it would be a calamity if it did *not*!

If Canada were a vast waste of sand and rock, protectionists would feel secure. All would be well. But when instead it is a vast domain of limitless, productive energy, they are filled with terror because of the tremendous volume of food stuffs Canadians will be able to produce in the future with which to feed the hungry millions of humanity. That is a calamity, a pestilence, a dread. And all this in the face of the fact that the quantity of food products is steadily falling behind the increase of population, so that to the humanitarian it is a serious problem as to how the teeming millions of the future are to be fed.

For wheat, corn, oats, potatoes, and other food products there is a demand all over the earth. Not only do every city, town, and village maintain a constant demand for them, but also does every human being. And so there are as many markets, as many demands for these products, as there are *billions* of humanity on the earth. Each must have them—or perish.

And there is not only a demand for these products themselves, but there is a demand for certain *quantities* of them. Each human being must not only have food, but he must have certain *quantities* of food. And so the less the supply seems adequate to his demands, or needs,

the more he is called upon to *give* in order to make up the shortage. If this shortage should be too great, it means starvation for him. "All that a man hath will he give for his life."

In the physical universe it seems to be a law that when motion is set up in any direction, this of itself generates motion in the *opposite* direction. Thus is it no sooner started than are the forces put to work to stop it. And will stop it—sometime.

The same law holds of the movement of food products, and of all other forms of wealth. Each community requires—and must have, or perish—certain quantities. And so the moment the local products begin to flow out there comes a rise in the market to *prevent their going*. And the price will keep right on going up until it can detain enough of the local production to supply the local need.

If it be a community that does not produce this particular food product—let us say wheat, then it must offer such price over the general price as will bring wheat in. And it must keep on advancing the price until its wants are reasonably supplied. Thus are there as many forces *drawing and tugging at every bushel of wheat* as there are human beings on the earth. Each must secure a certain *quantity* of food stuffs. And to get them he must give of his own products whatever is necessary to get them. Thus does their cost to him advance with their *scarcity* and decline with their *abundance*.

The whole truth is that in no realm of the universe are so many forces at play as in the market price of any necessity of human life. These forces ebb and flow all round the earth. They act and react each upon the

other. And yet always is there a tendency towards a *common level*. At all the towns along the shore of the ocean, if the sea were perfectly calm, there would be a "dead level." But it is not perfectly calm. Many forces are at work, producing mighty waves and undulations. They flow across and then flow back and then swish and swing along the coast. Sometimes it is highest at one place and sometimes at another. Thus does it rock backward and forth. And yet always is there a tendency to a common level.

The same is true of "the market price." Study for a succession of days the price of wheat at Chicago, New York, San Francisco, Boston, and New Orleans. You will see the same waves, swells, declines, and undulations. Sometimes it is highest here, sometimes there; but always a tendency to a common level—modified by the *distance of the market from the source of supply*.

Add to your field of study the market price at Montreal, Buenos Aires, Liverpool, Paris, Vienna, Berlin, St. Petersburg, Hongkong, Calcutta, Melbourne, Cairo, Cape Town, etc. Again will you see the same "rhythm of motion," the same waves, swells, and tides in the rise and fall of prices as is witnessed in the ocean. A rise in one market tends to raise the price in all markets, while a decline in one market, or country, tends to lower the price in all others. Such is the infinity of laws and forces bearing on "the market price" of commodities.

And yet protectionists speak of difference in price levels between towns on the border as if they were the only towns in which such differences exist. They also assume that the Tariff is the cause and that by removing it with one splash all would be a level sea of prices!

And so the American farmer is not a gainer but a loser by a Protective Tariff. He sells his products in an "open" market and buys back in a "closed" market. He sells under Free Trade—no matter how high his tariff rate, and then buys his necessities under a Protective Tariff, with prices enhanced above the normal market price from 25% to 200%. And yet that swindling order of things he has supported by his vote decade after decade!

True it is that the prices of farm products have risen more rapidly than the products of the factory. But the explanation is to be found, not in a Protective Tariff, but in the fact that the production of food products has not kept pace with the increase of population. This is true not only in the United States but all over the earth. Had a Tariff been able to sustain prices, his products never would have declined from 1873 to 1893, because he had a high Protective Tariff all those years.

Just why the supply of food products has not kept pace with the demand, perhaps no man can fully explain. But the explanation when found will be related in some way to that monstrous thing called Monopoly. It is not possible for man to interfere with the Natural Laws governing Labor, Trade, and freedom of Competition, without tremendous detriment to the human race.

That this failure in the relative supply of food products in all countries is not due to *lack* of a Protective Tariff is shown by the fact that all countries—save England—have a Protective Tariff. And so we must seek for the cause in the rise of prices of food products in some deeper form of Monopoly. That the Tariff is one

of the factors in this failure of supply to keep pace with demand, by tending to *impoverish* the rural population, and thus drive it into the city, there can be no doubt. But it is not the only force that tends to concentrate population in the cities, nor even the chief factor. But it is one of them.

The second reason why the tariff on the products of the farm adds little or nothing to their normal market price, is the fact that farmers are too numerous and too widely spread to form a Combine. And without the formation of trusts and monopolies no Tariff can long benefit any class of producers. Competition will reduce prices and profits to the general level of profits in all other industries.

Someone will say "The Steel Trust produces in excess of home consumption, shipping millions of dollars worth abroad; and yet the Tariff benefits it. Why does it not benefit the farmer?"

Quite true. The Tariff nets the United States Steel Corporation something like \$60,000,000 every year. But this is because it is a Trust. It holds a practical monopoly of the market. It had the power to eliminate competition and to "fix" prices. Its competitors exist by not competing with its prices but by conforming to them. According to Judge Gary, "they exist only by courtesy." It has now formed practically an International Trust, and so is a mighty factor in fixing prices in iron, steel, and tin plate not only in this country, but all over the earth.

Ten men, or less, control the policies and the destinies of the Steel Trust. When its first board of directors met, it was pointed out that the twenty-four men on that

board owned about *one-twelfth* of all the property of the nation. And so it is easy for them to form a Trust and to have a united and fixed policy, and thus take full advantage of the Tariff on their products.

But the agricultural classes of the United States number some 35,000,000 people. The formation of a Trust is simply impossible. Without a Trust, without some form of combination, there can be no elimination of *competition*. Without this there can be no "fixing" of prices. And without the power to fix prices inside the Tariff Wall, *a Protective Tariff is practically useless*.

And so the Trust is a shadow of the Tariff. It supplements Protection. Without the Trust the Tariff is largely useless; just as without the Tariff the Trust would be seriously crippled, and along many lines of industrial activity would be impossible. And so the remedy for the farmer is not to demand a restoration of the Tariff on his products, which has always been useless—except to secure his vote for the support of the thieving system. The remedy is to demand the abolition of the whole Protective System.

It must not be implied that if it could actually be shown that a Protective Tariff does add even tens of millions of dollars to the prices which the farmer can extort from the consumer of his products, this would in any way be an argument justifying a Protective Tariff. It would not, it would still be Class Legislation. It would still be a form of Special Privilege. Nevertheless, what I am here contending is that the Tariff does not, and cannot, increase the products of the farm.

On the other hand, it has robbed the American farmers out of hundreds and hundreds of millions of dollars.

Aye, it has taken its toll from him even in the billions.

And so when the Underwood Tariff placed practically all farm products, all food products, and all raw materials on the Free List, it took absolutely nothing from the farmer. It simply removed the deception and the fraud of *pretending* to benefit him. On the other hand, by placing a large part of the things the farmer has to buy on the Free List, and making enormous reductions in the tariff rates on all other things which he consumes, it showed itself to be the best friend of the farmer of any Tariff that has ever been framed.

Senator Sherman, of Illinois, said : "The farmer cannot hope to have the Tariff make a reduction in the price of the things he has to *buy* without also making a parallel reduction in the price of the things he has to *sell*." But this is based on the erroneous supposition that a high Protective Tariff, under which we have been trying to live for the past forty years, and more, *did* add to the price of the things the farmer sells. But neither Senator Sherman nor any other man can produce evidence worthy of consideration compared to the enormous increase it has effected in the prices of the things the farmer must buy.

In the long debate on the Underwood Bill, no one could give any positive proof that a tariff of twenty-five cents a bushel on wheat has added five cents a bushel, or even one cent, to its *normal market price*. No Congressman or Senator did this, or can do it. And yet that same Tariff practically *doubled* the price of the clothing and of scores of other articles which the farmer consumes.

Senator La Follette maintained that the Tariff on

woolen goods alone enabled the Woolen Trust to extort from the American people not less than a hundred million dollars. The Tariff on sugar has given the Sugar Trust not less than a hundred and twenty million dollars a year, and perhaps a hundred and fifty millions would be much nearer the truth. It has done fully as much for the Cotton Trust, the Thread Trust, the Rubber Trust, and the Standard Oil.

Thus I might go on piling up the evidence to show that a Protective Tariff was established not for the benefit of the farmer but for his robbery and impoverishment.

Not only have Democratic speakers protested against this "gold brick," this "gilded swindle," which the big manufacturers of the East were offering the farmers of the West; but many Republicans, whose patriotism—for the time at least—carried them above partisanship, declared the same thing. According to the dailies, such utterances were made by Senator Nelson, Senator La Follette, and Senator Cummins.

Senator Cummins of Iowa fought the Underwood Bill because it reduced the rates *on farm products*, yet that in his heroic opposition to the Payne Bill he had declared that Protection *does not benefit* the farmer. Here are his words as quoted by Congressman Pepper in his speech of September 30th—the day the Underwood Bill had its final passage in the House.

On June 11, 1909, in the United States Senate, Senator Cummins of Iowa said: "I know that my friend from North Dakota (Mr. McCumber) does not agree with me in respect to these things, but I do *not* believe that we in Iowa receive *any direct benefit* for the 400,-

000,000 bushels of corn that we raise every year; I do *not* believe that we receive any direct benefit from the 8,000,000 or 10,000,000 hogs that we market every year; I do *not* believe that of the \$700,000,000 of agricultural products that we pour every year into the channels of trade protection advanced the prices of a tithe of them. . . . We will supply this year the people of the United States and of the world with a product that will surpass in value \$700,000,000 and it is *idle* for even an enthusiast to assert that the *price* of these products is directly affected by the *Protective Tariff*."

But in spite of the truth which he himself saw and uttered, Senator Cummins voted *against* the Underwood Bill, voted for the *continuance* of the very Payne-Adrich Tariff which four years ago he voted *against*, and whose infamies and robberies he himself—along with his great colleague, Senator Dolliver—so eloquently and fearlessly opposed. Well does Shakespeare say, "But man, vain man, clothed in a little brief authority, performs such *fantastic tricks* before high heaven as make the angels weep."

But one conclusion can be reached as to the duty of the American farmer in reference to that system of public plunder, called a Protective Tariff; and that is to demand its full and complete *abolition*. The proposition of the Grange Organization is absolutely logical and just: "PROTECTION TO ALL—OR PROTECTION TO NONE." Protection to all is utterly impossible, and even undesirable; because it would benefit no one. The only purpose of Protection is to benefit *some* at the expense of others. The American farmer has been plundered by it out of hundreds of millions of

dollars, and under the delusion that he was a beneficiary instead of a victim.

The Underwood Tariff has greatly reduced the tariff rates on many farm products, and has put others on the Free List. And yet if it had put all farm products on the Free List they would get practically as much for them as if the old Dingley rates had been retained. On the other hand, while practically leaving the prices of the things the farmer has to *sell* undisturbed, it has greatly reduced the tariff on the bulk of things the farmer has to *buy*. And so the agricultural classes and the laboring classes are the greatest beneficiaries of the reduced taxation. Think of the long list of things consumed by the farmer now placed on the Free List!

But the Tariff has not been the only factor plundering the farmer. He still has the problem of the Railroad, the problem of Money and Banks, and the problem of the Trusts and Monopolies. All these plundering and thieving forces have grown up under the Reign of Greed and must soon reckon with the people.

But in reference to the Tariff the farmer has two possible courses: The one is to return to the old order of things in which, while he got a Tariff on his products he got no *benefit* from it; while upon all the manufactured products which he consumed he paid hundreds of millions of dollars as a tariff bonus. The other course is to hold fast to what already has been gained, after decades of struggle against Special Privilege, and to demand a *further* application of the same policy. Above all, the farmers should stand like a wall of adamant in defense of the Income Tax.

I find this sentiment clearly expressed by Mr. C. B.

Kegley, Master of the Washington State Grange. He is "a man with a vision." In the Western Farmer of Spokane, Washington, he says:

" As a system, protection is doomed. If we, as farmers, stand for it, we shall lose our share, and the public believing that it has secured relief from the burden of living cost will *stop* there, causing whatever of loss occurs to fall all upon the farmer. Consequently the businesslike course open is for the farmers to fight, not to *continue* the system, but to *smash* it. Fight, not to hold his own *questionable* benefits of the tariff on grain and live stock and wool, BUT TO STRIP THE COATS OF PRIVILEGE OFF THE BACK OF EVERY BUSINESS ENGAGED IN SUPPLYING THE NECESSARIES OF LIFE."

Senator La Follette, the courageous, fearless, and indomitable intellectual giant from Wisconsin, who, though a protectionist, consistently voted for the Underwood Bill, had this to say in reference to it:

"The trusts and combinations in their relentless oppression of the public have been materially aided by the monstrous tariff law enacted four years ago. Their power will not be broken when that law is supplanted by the present bill. But its passage is significant. It marks a change. It is the winning of the first battle in the long war which must be waged against industrial monopoly. This warfare is not against legitimate business; it is against the tyranny of unlawful combinations—over-protected, over-stimulated, over-capitalized. Our industries will of necessity feel the strain of re-adjustment to a normal healthy basis, a basis of *actual values*. Through this period we must pass to secure industrial peace and real industrial prosperity."

CHAPTER XXIII.

CONGRESSMAN PEPPER ON SCHEDULE G.

(See Congressional Record, Sep. 30, 1913, page 5796.)

AGRICULTURE is now and always has been the principal source of our wealth, and admittedly is the basis of our national prosperity. It has borne the burden of tariff taxation meekly and uncomplainingly for years in order that manufactures might be established and sustained. But, in my judgment *there has never been a day since the beginning of this Republic when the farmer received a single benefit from the tariff on farm products.*

Mr. Speaker, in refutation of the claim that the Underwood Bill discriminated against the American farmer I submit the following proposition, which I believe the facts abundantly substantiate:

First. That the tariff on farm products has never been of any *benefit* to the farmer, and therefore its removal from such products in no way *injures* him or discriminates against him.

Second. That the real and substantial reduction of the tariff on manufactured products, covering practically everything the farmer has to buy, directly *benefits* the farmer by enabling him to purchase his goods in a *competitive* market rather than in a highly protected and *monopolistic* one.

Third. The enactment of the income-tax law as a part of the tariff bill shifts, in a large measure, the burden of taxation from the backs of the *consuming*

public and places it upon the *accumulated wealth* of the country.

The tariff, Mr. Speaker, has never been a boon to the American farmer. The great agricultural staples of the United States have never been, are not to-day, and probably never will be in danger of effective competition *from the outside*. Neither the farmers of Europe nor those of India or China or Australia have any *surplus* of products to dump upon our shores.

For several years there has been a studious and persistent effort made to make the American farmer *believe* that duties on agricultural products were of some benefit to him, although originally no such claim was ever made by protectionists. The fallacy of such argument has often been exposed, but apparently there are those who hope they may succeed in continuing the delusion.

I submit here at this point a table showing the revenue from 10 leading agricultural products during the last four fiscal years.

	1910	1911	1912	1913
Cattle	\$ 727,000	\$ 702,000	\$1,214,000	\$1,764,000
Corn	18,000	8,000	8,000	129,000
Cream	37,000	117,000	56,000	62,368
Eggs	35,000	83,000	55,000	73,588
Milk	3,000	4,000	1,000	36,480
Poultry	38,000	33,000	33,000	14,980
Sheep	98,000	39,000	20,000	13,910
Swine	3,000	4,000	1,000	2,313
Wheat	9,000	6,000	352,000	135,523
Potatoes ...	87,051	51,448	3,434,000	85,055
Total ...	\$1,055,051	\$1,047,448	\$5,174,000	\$2,317,217

The tariff revenue during these four years has run from two hundred and eighty millions to three hundred

and twenty-nine millions, while the total revenue from these 10 agricultural products ran from one million to a trifle over two millions.

In 1913 we exported of these products as follows:

Cattle	\$ 1,777,000
Corn	28,801,000
Eggs	4,392,000
Milk	474,000
Poultry	1,755,000
Sheep	606,000
Swine	152,000
Wheat	89,036,000
Potatoes	1,646,000

Total\$128,639,000

Thus it will be noted that while we imported but \$2,317,217 worth we exported at the same time \$128,639,000.

We have been an exporting Nation of agricultural products for many years—no doubt will be for years to come—and as *exporters* we must sell *in competition with the world*.

To emphasize this point I submit here a table showing a 10 year survey of wheat in the United States, showing production, exports, and imports:

	PRODUCTION. BUSHELS.	EXPORTS. BUSHELS.	IMPORTS. BUSHELS.
1900	547,303,000	186,000,000	320,000
1901	522,229,000	215,990,000	603,000
1902	784,000,000	235,000,000	121,000
1903	670,000,000	203,000,000	1,080,000
1904	637,000,000	121,000,000	217,000
1905	552,000,000	44,100,000	3,286,000
1906	692,000,000	97,600,000	262,000
1907	735,000,000	147,000,000	590,000

	PRODUCTION. BUSHEL.	EXPORTS. BUSHEL.	IMPORTS. BUSHEL.
1908	634,000,000	163,000,000	520,000
1909	664,000,000	114,000,000	456,000

Total	6,437,532,000	1,526,690,000	7,455,000

Six and one-half billion bushels produced, one and one-half billion exported. One-fourth of all we produce must be shipped outside and sold in competition with all the world at prices which fix the prices of the three-fourths retained and sold for home consumption.

The story of corn production and exportation is even more illuminating. Here are the figures:

	PRODUCED. BUSHEL.	EXPORTED. BUSHEL.	IMPORTED. BUSHEL.
1900	2,000,000,000	213,000,000	2,000
1901	2,100,000,000	181,000,000	5,000
1902	1,500,000,000	28,000,000	17,000
1903	2,500,000,000	77,000,000	40,000
1904	2,200,000,000	58,000,000	11,000
1905	2,467,000,000	90,000,000	15,000
1906	2,700,000,000	120,000,000	10,000
1907	2,927,000,000	85,000,000	10,000
1908	2,592,000,000	55,000,000	19,000
1909	2,668,000,000	38,000,000	228,000

Total	23,654,000,000	945,000,000	357,000

Our farmers cannot possibly receive any benefit from a tariff on corn. No tariff ever added one cent to the price received by the farmer. We produce this great staple and sell it in the world's market.

The same facts substantially can be shown with relation to practically every product coming from the farm. In the face of such facts and in the light of conditions as we know them, it seems passing strange that intelli-

gent men would attempt an argument with a view of proving any benefit received by the farmer through a tariff on his products.

Now, as to the second proposition: High protectionists have used the tariff to fool and despoil the farmer of his hard-earned gains. Behind the tariff rate of 25 cents on wheat, 10 cents on corn, 11 and 12 cents on wool, rates which have never added one whit of price or value to the product, plutocratic tariff beneficiaries have persistently plucked the farmer on all that he had to buy. He has been forced to buy all that he needed in a highly protected market, while he sold his surplus in competition with the world.

The home market, in which the farmer has had to buy his agricultural implements, is dominated and largely controlled by combination and monopoly; the market in which he buys his hardware and iron goods is dominated and largely controlled by the Steel Trust; his clothing he must buy of the Wool Trust; if he wants sugar, he must buy it at Sugar-Trust prices; if he wants leather, harness, or shoes, he must again pay monopoly prices.

While humbugging the farmer with a few agricultural rates which never pan out, our Republican friends, through exorbitant tariff exactions, have persistently fleeced him on every article he buys. Republican tariffs, made and voted for by men who now complain that our bill discriminates against the farmer, made the farmer pay taxes on the things he had to buy as follows:

Tax exacted from the farmer under the Payne-Aldrich law.

	PER CENT.
Glassware	60
Knives and forks.....	50
Salt	104
Sugar	63
Rice	65
Cutlery	65
Carpets	66
Furniture	35
Blankets	93 to 140
Flannels	91
Ready-made clothing.....	65
Knitted goods.....	95
Shawls	96
Window glass.....	80
Files	68
Building stone.....	50
Iron chain.....	183
Machinery	45
Screws	128
Women's clothing.....	74 to 92
Men's clothing.....	78
Cotton goods.....	60
Woolen goods.....	87

As to all the above articles and many others of prime necessity to the American farmer, the tariff under the Underwood Bill has either been removed or materially reduced, thereby reducing the cost to the consumer.

Looking at these effects of Republican tariffs, what can be more farcical than to hear men—especially so-called progressive Republicans—wail over the farmer? The tariffs made by their party have plundered him for years, and they now grieve sorely that their day of plunder is over. The cry goes out that the farmer will be ruined, but the real cause of the commotion is the

fear that the *crime* against the farmer is to be fully *exposed* and the guilty parties punished.

The Democrats were commissioned by the people to reduce the tariff and they have lived up to that mandate. Some agricultural products have been placed upon the free list. A still greater number of manufactured products have been placed upon the free list. There has been no discrimination against the farmer, and I challenge anyone to prove to the contrary. For every product of the farm placed on the free list there have been six or seven manufactured products placed on the free list; and in addition to this there has been material and substantial reduction made on other manufactured products all along the line.

Much more could be said in support of the proposition that this bill will be of direct and substantial benefit to the great consuming public, of which the farmer forms an important part; but I desire to take up for brief time the discussion of the third and last proposition, that relating to the income tax.

For years there has been an overwhelming sentiment in this country in favor of the income tax.

The justice of such a tax is so self-evident that few, if any, have been heard in opposition to its enactment. Its success in foreign countries has been demonstrated for years.

This provision of the Underwood Bill, when enacted into law, will place upon the wealthy of this country, in a measure at least, a fair share of the burden of sustaining the Government.

The swollen fortunes accumulated as a result of special privilege obtained under former tariff legisla-

tion will now be compelled to contribute a portion of the income to help bear governmental expenses.

CHAPTER XXIV.

PROTECTION AND LABOR.

PROFESSOR TAUSSIG says that for years after they began building a Tariff Wall around this country it was not claimed that it would in any way benefit labor; in fact, that it was recognized as being rather to the *detriment* of labor. And that is true. The idea of using the argument, or claim, that it benefited labor was an *afterthought*—and a lucky one. It came only after the masses of the people, and especially wage-workers, began to protest. Some defense had to be made and so they said: "Why this thing really benefits you. It is the one thing that makes your wages *higher than they are in Europe and Asia.*" And now for years that has been the chief "argument" for a Protective Tariff.

In the first place, at the installation of the Protective System it was not to be established as a *permanent* policy. It was only to help "young industries" get started. It was not regarded as a *gain* at all. On the contrary, it was regarded as a temporary *loss*, by increasing prices to the people. But they were to be the gainers by the new industry reducing prices even below foreign prices. That was the clear understanding. Furthermore, the people were to *tolerate* this extortion only about *three years*. Then the Tariff was to come off—whether the "infant industry" could "stand" or not. But the dominant reason for establishing this cen-

turies-old system of oppressing and plundering the people in the New World was to establish "industrial independence," in order to provide for war. Had it not been for the War of 1812 and the Napoleonic Wars down to 1815, it never would have been established in this country. That was the chief reason, almost the *only* reason, that had any favor with the people.

And so it was not claimed to benefit labor. It was understood rather to be to the *detriment* of labor—as it was to the detriment of all. However, it was a burden that patriotism required that all should bear in order to establish "industrial independence," and thus be ready for "foreign wars." They knew it was a positive *loss* to "protect." But it was a seeming choice between two evils. Wage-workers had to bear their share of the loss along with the rest.

Let it now be understood once and for all that the wages of labor is a part of the problem of human justice and the rights of man. A question of wage is involved in the whole problem of securing a just and equitable *distribution* of wealth. All wealth is the result of the combined effort of labor and capital. But instead of its division between these *two* factors, it is now—and has been for centuries—divided among three factors: Labor, Capital, and Monopoly. The one universal motive of all history has been the desire *to live from the labor of others*. That motive explains every political, religious, and industrial despotism that has ever existed on this earth.

So likewise there has never been but one motive for depriving men of their Rights, and that motive is a desire to live from their labor—a desire to get the wealth

which the toil of others produces and without rendering any equivalent. And so the fight that men have made thruout all time for *personal freedom* is in reality simply a fight TO GET THE WEALTH WHICH THEIR OWN LABOR PRODUCES.

Another measure of the degree of the personal freedom of an individual is the portion of the *total wealth* which he himself produces which he is permitted to get *as wages*. The more despotic, unjust, and oppressive the government under which he lives, the smaller will be the portion of the products of his toil which he himself will be permitted to enjoy.

And so it is not Tariff, but Government; it is not Protection but Freedom that is the primary factor in determining the wages of labor and the relation of that wage to the *total* products which the labor produced. Therefore, the only way to secure more wages for labor is to secure for it more justice, more equity, more personal freedom. And one of the best tests of the extent to which these things exist is Equality of Opportunity—the absence of Monopoly.

In the Saturday Evening Post, September 20th, 1913 this great truth is quite clearly stated. It reads as follows:

"Wages have always been higher in this country than in Europe. Throughout the Colonial period—when no blessed protective system shed its phantom bounty upon American labor—wages were so much higher here that scores of travelers from Europe remarked on the fact, as Senator Williams pointed out the other day.

"And wages *were higher* here because men *were freer*. If Spanish tyranny had extended to the St. Lawrence,

labor, in all human probability, would presently have been as little rewarded as in Europe. No part of this continent was richer in undeveloped natural resources than Cuba, and so soon as Spain got that island well in hand wages fell almost to zero.

"Russia to-day fairly matches us, both in natural resources and in prohibitive tariff; but wages there are among the lowest to be found anywhere in Europe, because nowhere else in Europe are men *less free*.

"For 60 years wages in England, with no tariff protection at all, have been decidedly higher than on the protected Continent, and on the whole there has been more actual individual liberty in England.

"Whatever condition enslaves, cramps, or degrades a man necessarily lowers wages, whatever *liberates* a man necessarily *raises wages*.

"If you think of it a moment, you must see that your own wages will be higher in proportion as you are actually free and can *choose* what you will do. When you find men working for beans and a calico shirt, you need no professor of civil government to tell you they are not *free*.

"As a thoroughly aristocratic system, based on the notion that government should confer benefits on certain chosen persons who will hand the benefits along to the masses, PROTECTION IS OPPOSED TO LIBERTY. If on the largest view it has had *any appreciable effect* upon wages, that effect has probably been to *lower* them."

*CHAPTER XXV.***HOW THE TARIFF "PROTECTS" LABOR.**

"PROTECTION for American labor" has been the chief slogan which has induced the American people to continue this enormous system of taxation and robbery, decade after decade and even generation after generation. The sympathy of the millionaire manufacturers for their own ragged and starving employees is really pathetic. It almost touches the heart to witness it. Over and over again we have been told that a Protective Tariff is for the benefit of labor, and that when we have high protection all the mills are running, all labor finds employment, and at amply remunerative wages.

Well, with the exception of three years we have had a high Protective Tariff in this country since 1864. And it has grown steadily higher until it reached a climax in the Payne-Aldrich Tariff of 1909. And yet what has been the story of labor during all those long and painful years? It is a story of heartache and despair, of want and privation, of tenements and rags, even in the midst of palaces and splendor on every hand.

Think of the lock-outs and strikes, of the industrial depressions and labor wars that have occurred during that time. As far back as 1872 Pittsburgh was lighted with the torch of insurrection and protest. Think of the battles that have been fought, first by the Knights of Labor, the American Federation of Labor, and by the United Mine Workers of America. Have the American people forgotten the Homestead strikes, back in the



'90's, and the Pinkerton detectives? And yet all this occurred under a high Protective Tariff and in a most highly protected industry.

Nearly the whole of the '80's, tho one of great industrial expansion, was characterized by industrial depressions. The number of bankruptcies steadily increased each year until they reached a climax in the panic of 1893. Again and again have the wage workers in factories and mines waged strikes, facing starvation and the smoking guns of state militia and Pinkerton detectives. And all this under a Protective Tariff. Again and again has fratricidal blood been shed. And when a Republic sheds fratricidal blood (the blood of a brother, of a fellow citizen) it has taken the first step on the downward road where the Republics of history have gone—down to oblivion and death.

Even here in so-called "prosperous" Pennsylvania, the mining regions and the manufacturing districts of Pittsburgh and Philadelphia have been the repeated scenes of labor wars with all the suffering and privation and bloodshed that necessarily results. And yet all this occurred under a High Protective Tariff. How, then, does a Tariff protect labor?

Have the defenders of this hideous system of extortion and robbery forgotten the strike in the gold regions of Cripple Creek, Colorado—forgotten the military deportation of labor and the famous, yet infamous "Bull Pen," where men were made to work and to live at the point of the bayonet? The civilized world was astounded a few years ago by the inhumanities which the Spanish government heaped upon the "Reconcentrados" of Cuba, when men, women, and children were dra-

gooned, and ruled, and starved by *the power of the sword*. And yet these scenes were reproduced on American soil beneath the stars and stripes in the famous "Bull Pen" of Colorado. I am not here blaming any one in particular. I am simply calling attention to undeniable facts and conditions which occurred UNDER A PROTECTIVE TARIFF. How, then, can any man claim that a Protective Tariff is a friend, instead of a plunderer, of labor? We have not only imitated Russia in a High Tariff, but also in knowing how to use bayonet and bullet in crushing out labor uprisings and protests.

It has not been a year since the ending of the long continued strike in the copper regions of Michigan, when the state militia was called out, when thugs, criminals and "gun men" were imported from the cities and shot down in cold blood, and often even without provocation, those whose toil feeds, clothes, and shelters the world! It was the climax of a condition that has existed for decades and finally became too intolerable even for the patience and stolid endurance of the hardy and peaceful miners of the North. And yet during all these years, until recently, there has been a High Tariff on copper. The mining barons—the *owners* of the mines—who have a monopoly of this particular source of wealth, have built up colossal and fabulous fortunes from *the very labor* which they starved and robbed. And this occurred under a Protective Tariff. What worse could possibly have occurred under Free Trade?

In the coal regions of Colorado even now a labor war is raging and has been raging for months. Just the other day the State Militia shot to death and burned to

death innocent and defenseless men, women, and children. Even the babe in its mother's arms perished from the flames of the burning camp, or from the deadly sting of a Mauser bullet. Speaking of this tragic and blood-thirsty outrage upon the rights of American labor, Judge Ben Lindsay said: "The horrors of Ludlow massacre no words can possibly describe."

The strike of the men, women, and child-slaves in the woolen mills of Lawrence, Massachusetts, some two years ago, was a revelation to the American people. They were simply astounded, stunned, by the conditions there revealed. There were the starving employees in one of the highest protected industries, an industry that has been protected for over a century and a quarter, and at a rate so high that even President Taft was forced to declare it to be "indefensible." And this highly protected industry has produced many of the *millionaires* of the East. Great fortunes had been amassed thru it. The author was told at a commercial club banquet at Springfield, Massachusetts that some of these protected woolen industries paid as high as 100% and 200% dividend. Protection has evidently done its work for the employers—for the *owners* of the mills and factories.

But what of their employees? What did it do for them? The result of a Congressional investigation showed them to be *actually starving*, found them trying to live on wages absolutely incapable of supporting life. The average wage was shown to be only about \$7 a week. Hundreds of them were working for half this princely compensation—due to the beneficence of a Protective Tariff. The wages paid to women and children, and the hours of labor forced upon them, would be a

disgrace even to a Pagan nation, to say nothing of a supposedly Christian people. And yet Protective Tariff worked there as it works everywhere—as it is designed to work—by *enriching* the employer and *plundering* the employees. Protection is for the employer—Free Trade is for the employee.

Union Labor has waged hundreds and even thousands of strikes, and in Protected Industries, in order to secure for American labor even a living wage. Union Labor is a factor, and almost the only factor, in keeping wages above bare subsistence. The Steel Trust has crushed it out of factories and mines, and the representatives of Organized Greed are fighting Union Labor everywhere. The Tariff is for them. And so they favor it—and get it. It increases their incomes. It pours millions into their pockets. Union Labor has for its purpose the increasing of the incomes of *labor*. Hence the reason our tariff-made millionaires oppose it and seek to utterly crush and destroy it.

That is something of the History of Labor under a Protective Tariff. It is the story of wrongs, of oppression, of rank injustice, of murder, of fratricidal war, and of the brutal and merciless plunderings of insatiate greed. And one of the mighty instruments in the hands of this inordinate and barbaric greed for gold is a Protective Tariff. The Monopoly of Land is the other. And so when the laborer votes for a Protective Tariff, he votes for his own plunder and oppression and the enslavement of his children. And yet thus far labor has turned its face towards a Protective Tariff and in the hope of emancipation from poverty! No hope more illusive, no victim of wrong more deluded, since the world began!

The story of Labor under a Protective Tariff reads like the Record of Crime as chronicled in the Police Gazette.

If labor would find a remedy for its wrongs it must seek it not in that which makes monopoly possible, not in that which increases the price of all that labor has to buy, not in that which has for its only purpose to diminish the purchasing power of his meager wage; but in that order of things which will abolish and utterly *destroy the source of every injustice*—Monopoly. Whatever be the remedy for labor's wrongs, and it could be easily stated, it is not to be found in a Protective Tariff. In fact, a Protective Tariff is one of the giant wrongs for which labor must seek a remedy. Its greatest need today is to be protected *from* Protection—from the delusion that taxation can enrich a people. When labor shall contemplate the taxation of Monopoly instead of Industry it will then be contemplating the only possible means for its emancipation, the only hope for Industrial Justice.

CHAPTER XXVI.

FACTS ABOUT OUR FOREIGN TRADE.

THE advocates of a Protective Tariff have done everything that could be done to give to the American people a false conception of our foreign trade, concealing and distorting the facts in every way possible.

Four vital facts need to be here named. The first is the extremely small *portion* of our total annual products which are *exported*. According to Secretary of Com-

merce Redfield, than whom there is no higher authority in the commercial world, we export only about 5% of our total annual production of wealth.

And the foreign goods brought in constitute a still smaller proportion of our total annual consumption.

Our foreign trade and the financial values involved are like the scratch on the surface of a mighty globe. And yet the beneficiaries of a Protective Tariff, and their paid attorneys, give the impression everywhere that *the whole industrial fabric* will be undermined by the fact of foreign trade. Is there any limit to which Greed will lead men in the distortion of Truth?

The second fact to which attention is here called is this: The idea has been inculcated everywhere that trade in any line occupies the *whole field or none*. And so all manufactures are to cease, or all mining is to cease, or all agriculture is to cease, if we engage extensively in foreign trade. That is, we will manufacture all our woolen goods *or none*, all our cotton goods or none, all our iron products or none.

As a matter of fact, the very reverse is true. While each nation imports certain classes of products which it does not produce itself, yet the larger number of its imports are *similar* to its own productions and *compete* with them.

Industries have now become so elaborate that only certain *grades* and *branches* enter the currents of international trade. The result is that each nation is constantly *importing* the same things which it is *exporting*. For instance:

WE IMPORT.

Animals, \$9,585,791.
 Chemicals, drugs, etc., \$99,-
 520,155.
 Clocks and watches, \$3,425,-
 459.
 Coal, bituminous, \$41,368,336.
 Copper and manufactures of,
 \$45,909,900.
 Cotton, raw, \$22,987,318.
 Cotton manufactures, \$66,-
 065,857.
 Earthen, stone, and china
 ware, \$10,172,763.
 Fertilizers, \$16,928,037.
 Vegetable fibers manufactured,
 \$76,972,416.
 Fruits and nuts, \$42,622,653.
 Furs and manufactures of,
 \$24,864,743.
 Gold and silver, \$110,462,541.
 Glass and glassware, \$6,537,-
 293.
 Hides and skins, \$117,386,-
 174.
 India rubber (unmanufac-
 tured), \$101,133,158.
 Iron and steel products, \$33,-
 636,358.
 Leather products, \$18,116,800.
 Malt liquors, \$3,290,265.
 Oils, \$38,112,883.
 Paper and manufactures of,
 \$21,538,745.
 Spirits, distilled, \$7,374,157.
 Tobacco, unmanufactured,
 \$35,919,079.
 Tobacco, manufactured, \$6,-
 577,403.

WE EXPORT.

Animals, \$7,090,122.
 Chemicals, drugs, etc., \$26,-
 574,519.
 Clocks and watches, \$3,606,-
 257.
 Coal, bituminous, \$40,573,421.
 Copper and manufactures of,
 \$140,164,913.
 Cotton, raw, \$547,357,193.
 Cotton manufactures, \$53,-
 743,977.
 Earthen, stone, and china
 ware, \$4,967,019.
 Fertilizers, \$11,400,088.
 Vegetable fibers manufactured,
 \$10,963,946.
 Fruits and nuts, \$37,079,102.
 Furs and manufactures of,
 \$18,389,586.
 Gold and silver, \$149,376,933.
 Glass and glassware, \$4,193,-
 642.
 Hides and skins, \$3,449,924.
 India rubber (manufactured),
 \$14,324,894.
 Iron and steel products, \$304,-
 605,797.
 Leather products, \$63,893,351.
 Malt liquors, \$1,371,463.
 Oils, \$162,867,772.
 Paper and manufactures of,
 \$21,779,303.
 Spirits, distilled, \$2,218,159.
 Tobacco, unmanufactured,
 \$49,353,595.
 Tobacco, manufactured, \$5,-
 814,978.

Vegetables, \$11,358,761.	Vegetables, \$7,353,537.
Wood and manufactures of, \$61,824,088.	Wood and manufactures of, \$115,704,777.
Wool, unmanufactured, \$35,579,823.	Wool and manufactures of, \$4,485,506.
Wool, manufactures of, \$16,318,141.	

(The above figures are for the year ending June 1st, 1913.)

The explanation is the same as that which explains the same fact in the commerce between states. Many states import wheat and export wheat, import flour and export flour, import coal and export coal, import machinery and export machinery, and so on down the list.

Make a list of the Productions, Imports, and Exports of each state. Do the same in reference to the nation and to each foreign country. This will give you a basis upon which to base a true Theory of Trade.

The third great fact is the supremacy of industrial government over the political government. The Laws of Trade, and the Causes of Trade, are the same whether between nations, states, countries, towns, or even adjoining farms. The Industrial Empire envelopes the entire globe. The currents of Trade flow equally well beneath all flags. Amidst all changes of government, religion, and civilization they flow on unchanged, save when obstructed by the caprice and selfishness of man by a Protective Tariff.

Political Boundaries and Political Governments had their origin in War, and will become less and less *important* with the progress of Peace and Civilization. Already the Solidarity of Humanity, in extending the bounds of Industrial Government, are ignoring state

lines and national boundaries, and thru the currents of Trade are uniting and federating the people of all nations, countries, and climes in one common brotherhood, the Brotherhood of Man.

Protection, being born of that same insatiate Greed which causes all wars and conquests, would make political boundaries *supreme*, and would restrain Commerce within the same narrow limits. Upon the bounds of each sovereignty protectionists would build a prohibitive Tariff Wall. And yet political freedom is only the means of which *industrial* freedom is the end.

Here in the United States we have absolute Free Trade between forty-eight sovereignties, many of which are larger than the single nations of Europe.

For instance, we have Free Trade from Bangor, Maine, to San Diego, California, and from Seattle, Washington to St. Augustine, Florida—a line that would reach from London to the Red Sea, or across the Ural Mountains into Asia; from Bombay to Peking; from Calcutta to Japan; from India to Australia; or across the Chinese Empire into Siberia; from Spain to Persia; from Germany to China; from the Mediterranean to the Arctic Ocean or to the Arabian Sea; from South America to Africa; from St. Petersburg to Arabia; from Alaska to China, or from Portugal to Canada. Over such a vast territory does absolute Free Trade exist by existing in the United States!

The fourth error so industriously diffused is the idea that, owing to our higher wages, American goods cannot be sold *abroad*, notwithstanding the fact that last year alone we sold \$2,465,884,149 worth of goods in foreign lands.

In "The New Industrial Day," Secretary Redfield gives a list taken at random from one export journal showing the American goods that are offering abroad, for sale in open competition with Germany and Great Britain: "Ironmongery, fine tools, bicycles, sporting goods, lamps, razors, firearms, carriage makers' supplies, sanitary goods, lighting systems, dry goods, men's furnishing goods, boots and shoes, corsets, hats and caps, textiles, clothing, women's furnishings, office furniture, office devices, stationery, typewriters, filing cabinets, printers' supplies, paper, machine tools, boilers, lubricants, electrical material, valves, wood-working machinery, belting, shafting, pulleys, packing, furniture, kitchenware and agricultural implements." ,

The Secretary comments as follows: "By that mention of agricultural machinery one is reminded of the significant fact that there are manufacturing houses in America that sell almost *no* goods in the United States. They pay as high wages as anyone. There is one in Poughkeepsie, N. Y., making agricultural machinery; another is near Newburgh, N. Y.; one is in New York City. There are many more."

American goods are sold in 72 different foreign countries. In fact, they can be found everywhere the whole earth over. But we cannot sell in foreign countries unless we allow foreign countries to sell here. And so you cannot shut foreign goods *out* without shutting our own goods *in*. Confine within our borders our surplus of wheat, corn, and cotton, and their price would probably fall one-half. But the only way we can have a *foreign* market for our goods, is to open *our* markets to foreign goods.

CHAPTER XXVII.

IMPORTS, EXPORTS AND PRODUCTION.

NOW that the Underwood Tariff has gone into operation and the contemplated increase of foreign imports, tho slight, has actually occurred, we are again hearing on every hand the cry that foreign imports will destroy domestic production. Even by educated men, and men otherwise highly intelligent, we hear it declared that the more we buy abroad the less we will produce for ourselves; hence that the only effect of increased importation of foreign goods and products will be to throw our own labor out of employment.

Nothing more economically erroneous—and impossible—could be uttered. How can a people import without *exporting*? How can they export without *producing* something to be exported? And how can they produce something to be exported without *employing labor*? To these questions there can be but one answer. And every man in his senses knows what that answer is.

The reason we cannot import without exporting is because foreign nations are unwilling to *give* us their things. They are so selfish and have so much *personal enlightenment* as to demand the equivalent of their goods in our goods. If they only would bring over their ships laden with the comforts and necessities of life and then take them back *empty*, we could live like kings in this country and *not have to work at all*. But this they

refuse to do. And so every dollar's worth of imported products must be met by a dollar's worth of American products. And that gives employment to labor.

On the 20th of May, 1914, Senator Smoot, in the United States Senate, said: "Every dollar of importation takes the place of a dollar's worth of goods manufactured in this country." Now that statement is shamefully devoid of truth as it stands. But it can be made to state almost the exact truth by removing from it just three words—"the place of." Then the sentence will read, and I put it in large type: **"EVERY DOLLAR OF IMPORTATIONS TAKES A DOLLAR'S WORTH OF GOODS MANUFACTURED IN THIS COUNTRY."**

The only possible exception to it as it stands is that in case the imported product should chance to be manufactured goods, it might not take manufactured goods in exchange. It might not. Instead it might take the products of the farm or the mine. And so to get the statement broad enough to cover every possible case, and thus make this statement, so crudely and absurdly false, absolutely true, we will substitute for the word "manufactured" the word "produced." Then we will have it right. It will stand thus: **"EVERY DOLLAR OF IMPORTATION TAKES A DOLLAR'S WORTH OF GOODS PRODUCED IN THIS COUNTRY."**

Transition is not destruction. It usually means growth. Because people have ceased to produce one thing and are producing another in its place, is no evidence that they are losers. They are probably gainers. Look at the men who were "thrown out of work" because the self-binder took the place of the cradle; because the threshing machine took the place of the flail,

and the mowing machine "drove out" the scythe. Think of the hundreds of men that every invention throws out of employment. But has labor ceased to produce? Not at all. It has simply changed the *direction* of its production. Is it less productive because of the transition? On the contrary, it is more productive.

The "stand-patter" clings with death-like grip to concrete things. He bemoans change. In his speech the protectionist says: "Once we made in the home all our own yarn and our own cloth. We ourselves once wove our carpets. We made our own shoes. This gave us employment—industry. Now all is changed. Instead of producing these things we have others produce them for us. Instead of giving employment to our own household, we give employment to foreigners—foreign to us. Think of the loss." But is it a loss or is it a gain? Is labor producing less or is it producing more?

Once vast herds of sheep roved where now the fields of corn are growing. They are gone. But are the fields producing nothing in their stead? Are they even less productive? They are more productive, and the labor employed is more productive. If it were not so, the sheep would have remained.

Once clover and timothy spread over every field. Now it is a "declining industry." In some sections you never see it. But are the fields which once produced clover lying idle? Were they thrown out of employment by this substitution? They are now producing something more profitable—alfalfa. If it were not so, they would still be producing clover. Thus we might go on giving illustrations by the hundreds, and even by the thousands. There can be no progress without change—without

even a change of ideas. But it always means growth, gain—expansion. And so transition, or substitution, is not destruction.

Imports and exports are always equal, like the “debit” and “credit” columns of a ledger. They do not balance at the end of each day, or at the end of each week, tho they are probably balanced many times in the course of a year. But they do balance and *must* balance. And so it is *impossible* to import without exporting. Therefore an increase of imports is possible only by an increase of *exports*. And in our case, owing to the fact of foreign debts, in addition to matching imports with exports, we must export some \$691,820,307 worth *more*!

Take the case of the laborer. Can he import without exporting? Can he get the necessities of life without giving their equivalent in wealth or service—unless he steals them?

Take the case of the farmer. Can the farmer import goods, clothing, machinery, hardware, household utensils, etc. without exporting the products of the farm with which to pay for them? If so, how can it be done? And must not his exports equal his imports—unless he goes in debt? And even if he go in debt, he will sometime have to export the equivalent of the debt—which is simply the full equivalent of the imports.

And how can he have exports—how can he have wheat, corn, oats, potatoes, cotton, etc.—to give in exchange for the imports unless he produces them? And how can he produce them without employing labor—either his own labor or the labor of others?

But someone may answer: “He need not produce these home products in order to get the things he desires.

If he has the money he can *buy* them. Thus can he escape the necessity of producing farm products to be exported in return." Quite true. But how can he get the *money* unless he produces something to be traded for it? And so there is no escape for the necessity of having to produce exports equal in value to the imports obtained—except by theft.

Every nation must be self-supporting, or live by theft. Every state, every county, every community must be self-supporting, must produce the *equivalent* of what it consumes—unless it live by theft. In fact, every individual must be self-supporting, must *produce* the equivalent of what he himself *consumes*—unless he live by theft.

For instance, we must consume enormous quantities of wheat, oats, corn, cotton, and potatoes in this country. We must do this, or perish. And in order to get them we must either produce them for ourselves or *trade* for them. However, it is not correct to say that we can get them either by Production or by Trade. We *must* produce *in order* to trade. It is not correct to say that we can get them either by Industry or by Purchase. Thru our industry we must produce something to sell in order to get the money with which to purchase.

Protectionists, with their crude and undeveloped ideas of Trade, are filled with terror at the thought of the abundance and fertility of the lands in Canada and Mexico. In the vast productive power of these extensive regions they see the destruction of American industries—under Free Trade.

With protectionists' primitive conception of economics, all this is a positive menace. They see all our farms and prairies left desolate—tenantless. The American

people will *buy* their food products instead of *producing* them. But even so there is still the question: What will they produce instead to get the money with which to buy food products. And they cannot produce something else, without employing labor. And yet they must produce either food products themselves, or something else to trade for them. And so there is no escape from production.

But no matter how abundantly our neighbors may produce, they will not be generous enough to *donate* their products to us. Not at all. For every dollar's worth they ship us they will demand a dollar's worth of our products *in return*. The moment we stop producing for them, they will stop producing for us. How irrational, then, these wild alarms. They are infantile. They show an utter incapacity to comprehend even the most elementary requirements of Trade.

In order that any nation may engage in foreign trade, may secure foreign imports, there are two specific requirements that must be met: First. It must be able to produce some particular product, or products, cheaper than the foreign nation with which it desires to trade can produce it—and thus is able to undersell the foreign nation in its own market. That alone can make possible the sale of its goods *abroad*.

Second. There must be some *other* product, or products, which the foreign nation can produce cheaper than it can, and so can undersell it in its own markets. That alone makes possible the sale of their goods *here*. Under these conditions only is trade possible. Trade means an *exchange* of goods. No one can get without giving, and no one would give without getting. How, then, could Trade throw Labor out of employment?

If we could undersell all other nations *in everything*, there would be no trade—not a foreign ship would touch our shores; for while it would be willing to take our goods, we would not be willing to pay more for its goods than we would have to pay at home. On the other hand, if all other nations could undersell us *in everything*, no trade would exist—no foreign ship would bring its cargo to our shores. We would be willing to take their goods, but they would not take ours in exchange—at that price.

And so if it could be shown that the price of wheat in Canada is only a fourth of what it is here, that would in no wise affect our production of wheat—unless there was *something else* we could produce on our land *to better advantage* and trade for the wheat. Everywhere and in everything, Consumption necessitates Production—either the production of the thing consumed, or the production of something else to trade for it.

Furthermore, we speak of *nations* producing and exchanging. This is convenient as an expression, but it is not true. It is only *individuals* that produce and exchange. It is always a private enterprise, and in which each individual sells his products where he can sell the dearest—no matter where, and buys where he can buy the cheapest—no matter where. And so each human being is both consumer and producer—unless he live by theft.

Therefore, from the three following propositions there is no escape: (1) No people can—except by theft—import without exporting. (2) No people can export without producing wealth to the equivalent of the imports obtained. (3) And no people can produce wealth for exporting—or any other purpose—without employing labor.

And so there can be no honest Consumption without Production. Trade does not obviate this necessity. It simply changes its *direction*.

Hence the idea that foreign importation can throw labor out of employment belongs to the superstition of the Dark Ages. As a matter of fact, we import only about 5% of all that we consume. But if we imported a 100%; that is, if we imported absolutely everything we consume in this country; *it would not throw a single laborer out of employment*. Not one. Why not? Because we would still have to produce wealth equivalent *in value* to be exported *in return* for the imports received.

Here is a farmer who imports everything that he consumes. That is to say, he *buys* everything that he gets—producing nothing that he uses for himself. Does this mean that he lives without labor? Not at all. This particular farmer devotes the whole of his farm to growing tobacco, *and neither chews nor smokes*. And so while he imports everything he consumes, he is not thrown out of employment. He simply increases the returns of his labor by producing that which his land will produce *to the best advantage*.

Another protectionist delusion is that a people are impoverished by imports but are *enriched* by exporting. And yet as a matter of fact the reverse is true. It is only by importing that a people are enriched. What they send out is a total loss—in itself. It is what they get *back* in return for their exports that determines the profits of the trade. And the more they get in imports the richer they become.

It is not what a farmer sends out but what he gets

back in return that determines the rewards of the summer's work. And the more he gets back—that is, the greater the volume of his imports—the faster he gets rich. The exporting is simply a “necessary evil,” as it were, in order to get imports.

It is not what the laborer gives out in toil—his exports, but what he gets back in return for his labor—his imports, that determines his wages. And the greater his volume of imports the greater his wages.

When a man starts out to make a purchase, it is not what he pays out—his exports, but what he gets back that determines the profits of the exchange. If he gets nothing back, then his exporting is a total loss. And so everywhere and in everything, it is by importing and not by exporting that a people are enriched.

Henry George, the greatest thinker the economic world has produced, well says, “If it is not by importing but by exporting that a people are enriched, then if every ship that starts out from every port, laden with exports, were to sink in mid-ocean, what a tremendous gain it would be to the human race!”

Even United States senators, within the last few days, have stultified their intelligence by talking about the great *loss* of exports, due to the increase of imports, because of the reduced rates in the Underwood Tariff. Again we have “confusion worse confounded.” Senator Penrose, of Pennsylvania, is reported to have gone so far in stupidity as to say that we have *lost* \$77,000,000,000 in exports. To which Congressman A. Mitchell Palmer very aptly replied by saying that since our total annual exports are only slightly above \$2,000,000,000 a year, it would take 40 years to sustain such a “loss”—even though we exported nothing!

And so to the protectionist delusion that a people can import without exporting, there goes the parallel delusion that they grow rich by exporting but are impoverished by importing. Both are evidence of the same undeveloped intelligence—as pertaining to Trade.

Therefore, of all the gross superstitions, of all the economic delusions, none could be more dense, more unintelligent, more crude, than that which declares that the importation of foreign goods *to that extent* eliminates the necessity for home production, and thus throws labor out of employment!

CHAPTER XXVIII.

EXPORTING WITHOUT IMPORTING.

REFERENCE has already been made to the delusion that if a people can export without importing they would soon grow rich. Out of this comes the impression that when exports *exceed* imports it is evidence of being on the credit side of the account, and so is called our “favorable” balance of trade. Year after year have we been sending out hundreds of millions of dollars’ worth of American goods for which nothing came back—except receipted bills “paid in full.”

Last year (1913) our exports of merchandise exceeded our imports by \$652,905,915. In 1912, our excess of exports was \$551,057,475. Thus year after year and decade after decade, have we been shipping out more than we brought back, and a full half million more. And yet this was regarded as evidence of *prosperity*, and was supposed to be one of the many *benefits* of a Protective Tariff! And yet with this fact the Tariff has

absolutely nothing to do. The cause lies deeper down in the depths of the Social Organism than the Tariff can possibly penetrate.

But for some reason the protectionist brain has taken special *delight* in the fact that we ship out hundreds of millions of dollars' worth more than we get back. I presume if we got *nothing* back in return for anything we shipped out, he would be happier still! And he thinks it the direct result of a Protective Tariff. McKinley used to "point with pride"—instead of regret—to the excess of our exports over our imports, and then exclaim: "IT WILL ALL COME BACK IN SHINING GOLD."

That *sounded* good, which is the chief thing with a protectionist. The impression exists everywhere that *gold* comes back to make good the balance. Even if true, this would be no special reason for exultation. It is no more important that we should bring gold to this country than that we should bring food or clothing. Why should it be? But it is not true. As a matter of fact, we ship out even more gold than we bring back. And so even our exports of gold and silver exceed our imports of these products.

For instance, last year we exported in gold \$77,762,622. We imported in gold only \$69,194,025. We shipped out to foreign lands in silver \$71,614,311. We got back from foreign lands in silver only \$41,268,516. Last year our exports of merchandise alone exceeded our imports by \$652,905,915. That is the amount which McKinley thought would "come back in shining gold." But instead we sent out \$8,568,597 more "shining gold" than we got back! What came back in return?

We are not only out over six hundred millions for merchandise, but here are eight millions more in gold to be accounted for. And so even our exports of specie exceeded our imports by \$38,914,392. What came back *in exchange*? Did anything come back? Was there an *exchange*? We not only sent out \$652,905,915 worth of goods which we supposed we were getting *money* for—since we got no goods in return; but we sent out 38,914,392 more *dollars*, more money, than we got back.

And this has been going on for years. Decade after decade have we been pouring out vast streams of exports for which there is no return current in imports. Our ships go out loaded with American products—and come back *empty*! I cannot here take the reader's time to trace this *drain* upon our resources and industry back to the beginning of the Republic. However, that the magnitude of this exhausting process may somewhat touch the reader's imagination, I shall go back as far as 1885. And of the 27 years, only three of them show an excess of imports over exports. With all the rest the sad record runs the other way.

Table showing excess of Exports of merchandise over Imports.

YEAR.	EXCESS OF EXPORTS.	EXCESS OF IMPORTS.	YEAR.	EXCESS OF EXPORTS.	EXCESS OF IMPORTS.
1885	164,662,426		1895	75,568,200	
1886	44,088,694		1896	102,882,264	
1887	23,863,443		1897	286,263,144	
1888		28,002,607	1898	615,432,676	
1889		2,730,277	1899	529,874,813	
1890	68,518,275		1900	544,541,898	
1891	39,564,614		1901	664,592,826	
1892	202,875,686		1902	478,398,453	
1893		18,735,728	1903	394,422,442	
1894	237,145,950		1904	469,739,900	

YEAR.	EXCESS OF EXPORTS.	EXCESS OF IMPORTS.	YEAR.	EXCESS OF EXPORTS.	EXCESS OF IMPORTS.
1905	401,048,595		1910	187,164,732	
1906	517,300,657		1911	522,094,094	
1907	446,429,653		1912	551,057,475	
1908	666,431,554		1913	652,905,915	
1909	351,090,880				

Last year our total exports of both merchandise and money exceeded our total imports of both merchandise and money by \$691,820,307. That is, if we obtained not a dollar's worth of foreign imports, still would our labor have to produce that colossal sum of exports to be shipped out—and for which no money and no material thing comes back. Our total bill for goods and products shipped out, during the past 29 years, and for which *nothing* came back in exchange, is \$9,178,090,147! How can this be accounted for? What is the cause? What is the explanation? The explanation is found in the fact of foreign debt and "absentee landlordism."

And so these vast volumes of exports go, not to get the equivalent imports in return, but to pay Interest and Rent. They are really no part of commerce. They bring nothing in return. They are not an *exchange*. They stand more in the light of *tribute*. Much of them goes across the ocean to pay to the royal families of Europe, and other large landholders, *for the privilege of living on American soil*. I admit that it is worth it, but do not just see how we came to be indebted to *them* for the privilege. I had always thought that our indebtedness for this glorious right is due to the heroes of Concord and Bunker Hill. But it seems not. There was some part of the job which they did not quite finish—hence this surplus of exports!

The same process of exporting without importing is going on all about us. But no one ever regards it as evidence of prosperity, no one calls it a "favorable" balance. On the contrary, he would call it "unfavorable." The farmer who must pay interest on debt is constantly exporting more than he imports. He ships out from the farm more than he gets back. But he probably does not find any special *delight* in this fact and call it "favorable." The tenant is constantly exporting from the land on which he toils more than he imports. But he would not regard this fact as "favorable"—*to him*.

Henry George has made a specially lucid exposition of this process, and of the Cause. He says: "Commerce is not always the realization of an *exchange*, but more often THE EXACTION OF A TRIBUTE." "When Rome was mistress of the world, Sicily, Spain, Africa, Egypt and Britain exported *to* Italy far more than they imported *from* Italy. But so far from this excess of their exports over their imports indicating their enrichment, it indicated their impoverishment. It meant that the wealth produced in the provinces was being *drained to Rome* in taxes and tribute and rent, for which *no return* was made. The tribute exacted by Germany from France in 1872 caused a large excess of French exports over imports. So in India the 'home of charges' of an alien government and the remittances of alien officials secure a *permanent excess of exports* over imports. So the foreign debt which has been fastened upon Egypt requires large amounts of the produce of that country to be sent away for which there is no return *in imports*."

"All war indemnities give rise to a movement in trade which manifests itself on the side of the *conquered* in

exports alone, and on the side of the conquerors in imports, *followed by no return.*

"Trade in this case is merely the means of levying a tribute. England imports from India and from all her distant possessions considerable quantities of goods which she does not make good by exports. In the same way owners of land in foreign parts import *rent*, fees, and revenues without exporting anything in exchange. Ireland exports each year great quantities of produce in payment of tribute extorted by landlords living in England."

"For many years the exports from Ireland have largely exceeded the imports into Ireland, owing to the *rent drain* of absentee landlords. The Irish landlords who live abroad do not directly draw produce for rent, nor yet do they draw *money*. Irish cattle, hogs, sheep, linen and other productions are exported *as if in the regular course of trade*, but their proceeds, instead of coming back to Ireland as *imports*, are, through the medium of bank and mercantile exchanges, placed to the credit of absentee landlords, *and used up by them.*"

"All capital invested abroad, whether in land or government stocks, whether in shares or debentures in railways, mines, canals, mills, or factories, gives rise to considerable imports for the benefit of the *creditor* countries and to exportation at the expense of the *debtor* countries, WITHOUT ANY EQUIVALENT RETURN.

"This is not *exchange*, still less is it freedom; it is purely TRIBUTE AND INDEBTEDNESS. In the United States we have vast domains belonging to foreign owners, especially Englishmen, who let them out in small farms. The *rents* of our farmers are expressed

in exports *not* followed by imports. Moreover, an enormous amount of foreign capital has been invested in our great enterprises; we have to pay for all that in exports *with no return.*"

"Many Englishmen already own American land by the hundred thousand, and even by the million acres, and are only beginning to draw rent and royalties. *Punch* recently had a ponderous joke, the point of which was that the British House of Lords has much greater landed interests in the United States than in Great Britain. If not true already, it will not be many years before the English aristocracy will draw far larger incomes from their *American* estates than from their *home* estates—incomes to supply which we must export without any return in imports."

"The annual balance *against* us on these accounts is already very large *and is steadily growing larger*. Were we to prevent importations absolutely we should still have to export largely in order *to pay our rents*, to meet interest, and to provide for the increasing number of rich Americans who travel or reside abroad. But the fact that our exports must now thus exceed our imports instead of being what protectionists take it for, an evidence of increasing prosperity, is simply the evidence of a *drain* upon national wealth like that which has so impoverished Ireland.

"But this drain is not to be stopped by tariffs. It proceeds from a deeper cause than any tariff can touch and is but a part of a *general drift*.

"Our internal commerce also involves the flow from country to city, and from West to East, of commodities for which *there is no return*. Our large mine owners,

ranch owners, land speculators, and many of our large farmers, live in the great cities. Our small farmers have had in large part to buy their farms on mortgage of men who live in cities to the *East* of them; the bonds of the national, State, county, and municipal governments are largely so held, as are the stocks and bonds of railway and other companies—the result being that the country has to send to the cities, the West to the East, *more than is returned.*

“This flow is increasing, and, no matter what be our tariff legislation, it must *continue* steadily to increase, for it springs from the most fundamental of our social adjustment, *that which makes land private property.*

“As the land in Illinois, or Iowa, or Oregon, or New Mexico, owned by residents of New York or Boston, increases in value, people who live in those states must send more and more of their produce to the New Yorker or Bostonian. They may work hard, but grow relatively poorer; he may not work at all, but grow relatively richer, so that when they need capital for building railroads or any other purpose, they must borrow and *pay* interest, while he can lend and *get* interest. The tendency of the times is thus to THE OWNERSHIP OF THE WHOLE COUNTRY BY RESIDENTS OF THE CITY, and it makes no difference to the people of the country districts whether those cities are in America or Europe.”

I trust that enough has been given on this subject to render the reader a great service by removing from his mind a colossal economic blunder in the idea that it is more profitable to export than to import, that the excess of exports over imports is “favorable,” that it

represents a gain instead of loss, and that it is due to a Protective Tariff. If it were, this in itself would be more than ample to so arouse the wrath of the American people as to destroy it utterly, "and leave not a wrack behind."

CHAPTER XXIX.

MY TWO ISLANDS.

FREE TRADE means "freedom to trade." And so it is really a *misuse of words* to speak of Trade and also of Free Trade; as if there were *two kinds of Trade*. Trade is simply *the exchange of goods*, between two individuals, or corporations; whether residing in the same country or in different countries.

But it is a correct use of words to speak of a Free Trader as the logical opponent of a Protectionist. The Protectionist is opposed to Trade—believing it to be injurious. A Free Trader is one who is in favor of Trade—believing it to be beneficial to both; because neither would trade if it were not to his advantage to trade. Therefore, he holds that it ought to be *free*—unrestricted.

And the Law of Trade is the same in all lands and among all peoples. Each individual trades when, and only when, he can "buy" a thing cheaper than he can produce it. And each *can* "buy" it cheaper than he can produce it when, *and only when*, he can produce something else to trade for it *with less labor* than it would take *to produce the thing itself*.

Trade is not the product of the human will. TRADE AROSE FROM HUMAN NECESSITIES. Its origin

lies deep down in the very constitution of the physical universe. It exists not *because* of governments, but usually *in spite* of them. It is based on the great Law of Motion. Herbert Spencer defines the law thus: "Motion is in the line of the greatest *attraction*, or of the least *resistance*."

Goods and labor *flow* towards the place of the *greatest attraction*. Wants are satisfied along the lines that offer the *least resistance*. And this puts human beings in accord with the fundamental laws of the universe.

A more practical statement of this principle is that mankind satisfy their wants along lines requiring the *least physical effort*. If by working and *trading*, men can get *more* of a given necessity of life than if they produced it direct, then they will work and trade. And that is the Law and the Cause of Trade. And to that law THERE ARE NO EXCEPTIONS.

I can best illustrate the Law of Trade by asking the reader to imagine two islands separated several miles from each other. Number 1, we will call the "Wheat Island," because its soil and climate are favorable to the production of wheat. On the average it yields a bushel a day to labor—six bushels a week. But it is unfavorable to the production of coal. While it has mines, yet the veins are so thin that it takes a week's labor to produce a single ton.

On island Number 2, all the conditions are reversed. It is favorable to coal but unfavorable to wheat. And so we will call it our "Coal Island." The average returns of labor are a ton a day—six tons a week. And so while on Island Number 1, the natural wages of coal diggers is one ton a week, on island Number 2, they are six tons a week.

But on the Coal Island the wages of those engaged in the growing of *wheat* are the reverse. While the wages of wheat growers on island Number 2 are one bushel a week, on island Number 1 they are 6 bushels a week—six times the wages of Number 1. That is to say, the average returns of labor on island Number 2 are 52 bushels a year, while on island Number 1, they are 6 times this amount, or 312 bushels a year.

Nor is this difference due in any degree to the productiveness of the laborers themselves. IT IS DUE TO THE DIFFERENCE IN THE PRODUCTIVENESS OF THE LAND. *The same amount of labor* expended on one island in the production of a given product will produce *6 times the amount of product* that it will on the other island. And here lies the first and primary law of Trade:

Let us introduce the fact of Trade between the two islands and see the manifold benefits that will come to each. The people on the Wheat Island must have coal as well as wheat. If, instead of producing coal for themselves, they produced wheat and traded it to their neighbors for coal, THE PRODUCTIVENESS OF THEIR LABOR WILL BE INCREASED SIX FOLD. In other words, by the fact of Trade the normal, natural wages of their labor will be increased 600%. They now have 6 tons of coal as a result of the work, instead of *one*.

How stands the case with the people on island Number 2? They must have wheat as well as coal in order to live. If, instead of producing wheat directly for themselves, they produce coal and trade it for wheat; they will have 6 bushels of wheat instead of one as a result

of their week's labor. And so Free Trade has also increased their wages 600%. And these are the results which follow from Trade *everywhere*.

Again we see that Trade in itself is a producer of wealth. And this fact mankind discovered *centuries ago*. Again we see how TRADE EQUALIZES CONDITIONS. Or, rather, how trade makes each land a *composite* of all lands and climes, so that—barring the cost of transportation—THE RESULT IS THE SAME AS IF EACH ISLAND PRODUCED EQUALLY WELL BOTH WHEAT AND COAL.

We see also that Trade does not enable a people to live from the labor of others, but that EACH PRODUCES ALL THAT IT CONSUMES. It is the labor of the men in the wheat fields of island Number 1, that produces the coal on island Number 2, which they themselves consume. And for the reason that the people on island Number 2 would not devote themselves *exclusively* to the production of coal, did not the people on island Number 1 produce the wheat which they desire *in exchange*. The people on island Number 2 as certainly produced the wheat on island Number 1 which they consume, as though they went over there and sowed the seed and reaped the harvest for themselves.

Now let us introduce a Protective Tariff. Suppose the owners of the coal land on island Number 1 should come forth and say: "Why should we 'buy' our coal? Why not *produce* it for ourselves? Let us start a new industry, keep this money at home, and give employment to our *own* labor by *producing* our coal instead of *buying* it. Why give employment to the laborers on

island Number 2 by having them produce it for us? Give us a Tariff of 700% and we will start a new industry and produce our own coal instead of buying it." (Gentle reader, is that not a familiar argument?)

And now at the end of a year the owners of the coal land can "point with pride" to a new industry. No question about that. There it stands. The island now *produces* its coal instead of *buying* it. But what is the result? WHAT EFFECT UPON THE TOTAL WEALTH OF THE ISLAND?

This appalling result: Measured in terms of *coal*, they have only 1/6 as much wealth as they would have had by producing *wheat* and *trading* for coal. In other words, the *natural* wage of labor is only *one-sixth* under a Protective Tariff what it would be under Free Trade. Has labor been given more employment than before? Not at all. It has simply been *diverted*, diverted from the *most* productive channels of employment into the *least* productive channels. And by so doing it has diminished its wages to a sixth.

Apply the same principle to island Number 2 and the same results. The labor which was formerly engaged in the production of coal is now employed in the production of wheat. But the rewards of labor are only *a sixth* of what they were under Free Trade. At the end of a year THE WEALTH OF THE ISLAND IS ONLY ONE-SIXTH WHAT IT WOULD HAVE BEEN HAD THE PEOPLE PRODUCED THAT WHICH THEY CAN PRODUCE TO THE BEST ADVANTAGE.

This simple illustration enables us to see the full working of the *principle* of Trade. And to this law there is

no exception. *There can be none.* It is as universal as the law of gravitation. Substitute continents for islands. Substitute hundreds of products for only two products, and **THE RESULT IS STILL THE SAME.** Here, again, we see the great principle that there are only two ways by which a people can obtain the necessities of life. One way is to produce them for themselves. The other way is to produce something else and *trade* for them. And they will take whichever course gives them **THE GREATEST RESULTS FOR A GIVEN AMOUNT OF LABOR.**

Whatever obstructs the free working of this law is to the detriment of the human race. And whoever favors its obstruction, whoever advocates the maintenance of a Protective Tariff, is doing all in his power to *increase the amount of toil which mankind must perform in order to live.* **HE IS NOT A FRIEND BUT A FOE TO THE RACE.** And while his ignorance of the fact that this is the effect may exempt him from moral condemnation, **UNFORTUNATELY, IT DOES NOT EXEMPT THE HUMAN RACE FROM THE DISASTROUS EFFECTS OF HIS "PROTECTION" POLICY.**

CHAPTER XXX.

IS TRADE BENEFICIAL OR INJURIOUS?

IN THIS question lies the whole issue in the Tariff Discussion. Is Trade *beneficial* or is it *injurious*? If it be neither, if it produce *no* effect at all—an unthinkable thing—then we are not concerned. All the time spent in its discussion has been wasted. But if

not neutral, then it must be either beneficial or injurious. Which is it?

That is the conflict, the issue, between Protection and Trade. *Both* cannot be right. One or the other is wrong. Which is it? If Protection be a good thing, then is Trade a bad thing; because Protection exists only for the *prevention* of Trade. Ought Trade to be abolished? It ought, if a *bad* thing. Ought Protection to be abolished? It ought, if Trade be a *good* thing.

And so we cannot decide upon the merits of a Protective Tariff until we decide upon the merits of this thing which a Protective Tariff is designed to *prevent*—viz., Trade, Commerce, Exchange. That is the issue, and the only issue. I know it has not been put in just this form. BUT THAT IS THE VERDICT WHICH A PROFOUND AND FINAL ANALYSIS MUST GIVE.

The thing which is really on trial for its life is Trade. We must first decide whether it *ought* to be prevented, before deciding as to the *means* for preventing it. And if we decide that it ought *not* to be abolished, then *every law* which seeks its abolition or obstruction is *wrong*—and *itself* ought to be abolished.

Commerce between the people of different nations is a fact. It exists. It *has* existed for centuries. The only question is, *ought* it to exist?

What is Trade? Why does it exist? What causes it? Centuries and centuries ago, way back in the dim dawn of civilization, mankind discovered that by trading and exchanging goods with each other they multiplied the *productiveness* of their own labor. They saw that Trade could be made a mighty agency in the *creation* of wealth. *No other economic discovery that the*

human mind has ever made can possibly compare to this. And for the reason that **ALL OTHER DISCOVERIES**—even civilization itself—**DEPEND UPON THE FACT OF TRADE.** Without Trade and Commerce no ship would float the sea, no railroad could exist, and inventions would be unknown. They all depend upon Trade, Barter, Exchange—Commerce.

Abolish Trade and mankind would go back to the darkness of barbarism, and half the human race would perish. Why? Because there cannot be *differentiation of employments*, there cannot be “division of labor,” without Trade. Division of Labor always implies and necessitates an *exchange* of goods, or of services. Without Division of Labor, civilization is impossible. And without Trade there can be no Division of Labor.

Each human being must have Food, Clothing, and Shelter. He must have these things—or perish. They can be obtained only by labor. They do not exist free. They must be *produced*. And in a just state of society each human being must either produce them *directly* for himself, or else produce that which can be *traded* for them.

Abolish Trade and each must produce them directly for himself—or go without. Abolish Trade and each human being must produce everything that he uses, enjoys, or consumes—tools, machinery, clothing, food, shelter, books, musical instruments, newspapers, transportation—everything.

The *motive* of Trade is *gain*. **IT INCREASES THE PRODUCTIVENESS OF LABOR.** It enhances the value of human toil. It diminishes the *amount* of labor which the race must expend in order to *live*.

Trade arises, First, *because of the difference in the natural productions of different portions of the earth*—some sections, and zones, producing one thing and some another. Hence the only way people can get the products which their own soil and climate do *not* produce, is by Trade. How can the people of the Temperate Zone get the products of the Torrid Zone unless they *trade* for them? The only other way is to steal them.

Second, *because of the greater natural favorableness of some sections of the earth to the production of certain products*. Tho some things *can* be produced in various parts of the world, they can be produced more *abundantly*—with the same amount of labor—in some countries than in others. Hence, if each country, and each section, produces that which it can produce *to the best advantage*, and then trades its surplus for the *other* things it needs; labor all over the earth *will be working along the lines of its greatest productiveness*. Thus is Trade in itself an actual producer of wealth.

Third, *because of special aptitudes and skill of individuals and of communities for the production of certain things*. Hence, again, if each individual, each community, and each country follows those avocations and trades in which they are the most skillful—instead of those in which they are least skillful—the rewards of their labor will be *greatest*. But to do this—and be able also to get the *other* things they need—they must trade their *surplus* products for these other things. And that means Trade, Barter, Exchange—Commerce.

And so to abolish Trade would mean to destroy civilization and almost annihilate the entire human race.

One man last summer went into the woods of Maine for a month empty-handed, and lived there without tools—except such as he was able to devise for himself. That was living without Trade. But he did it only for a *month*. Besides, he had the brain and knowledge which commerce alone made possible. Even that was an achievement so extraordinary that *he now gets \$500 a week for telling about it!*

Not many protectionists openly attack commerce itself and declare it totally and wholly *an evil*. They would not dare do it. The intelligence of the race is a little too high for that. They would lose votes. In fact, so *contradictory* is their position that they are in favor of ship subsidies to *encourage* Trade, and then of a Tariff to *prevent* Trade. The truth is that protectionists have not sufficient imagination to realize that *FOR PROTECTION TO BE RIGHT TRADE MUST BE WRONG*. If they had, they would not be protectionists. They would be Free Traders.

Many of the older protectionists saw this conclusion and boldly *proclaimed* it. Their position was at least *consistent*—and that is vastly more that can be said for the “moderate” protectionist. Horace Greeley would have made all tariff rates so high as to be prohibitive. He had no use for the two oceans. One of the old protectionists maintained that if the Atlantic and Pacific oceans *were lakes of fire* it would be *all the better* for us!

Of course while that is economic idiocy, it is at least logical consistency. In order for Protection to be a *good* thing, Trade *must* be a bad thing. If Trade be injurious instead of beneficial, if it impoverish instead of enrich, then it ought to be *abolished*. A lake of fire

would probably do it! On the other hand, if it be a good thing, a beneficial thing, then *Protection* ought to be abolished. There is no middle ground. A Protective Tariff ought either to be *prohibitive*, or else it ought to be *abolished*.

And so the Moderate Protectionist, the Low Tariff man, has no ground on which to stand. He has *neither logic nor superstition* to support his argument. And when a protectionist no longer has superstition on his side, HE IS LOST!

There are only two logical positions. One is a High Protective Tariff, a *prohibitive* tariff. The other is absolute Free Trade. But the High Protectionists have passed. Their day is done. Their sun has set. As people become more enlightened and gain more knowledge of the blessings of Commerce their faith in Protection wanes. Economic *superstition* gives place to economic *facts*.

High Protectionists will not long be superseded by *Moderate* Protectionists. If a little "protection" is a good thing, more is still better. On the other hand, if a restricted trade is a good thing, an *unrestricted* trade would be still better.

If they can by a Tariff Law raise the wages of labor, and can do this *without taking it from somebody else*; then in the name of a hungry, want-oppressed humanity, why do they not make the Tariff as high as possible? Why be talking about "moderation?" Why be mean and niggardly in the tariff rate? Surely the toiling millions of this country are needing vastly more than they are getting. If raising the Tariff raises Wages, then why say it shall go just so high, and no

higher? Why stop with even 50% or a 100%? That is, if they can give this to labor *without taking it from others*.

Of course, if what they are giving to some they are taking from others, then that is a different proposition and ought not to be done at all. We at least want to be sure from *whom* they are taking it, and *to whom* they are giving it.

The average pay of American laborers working in factories it seems is less than \$500 a year. That makes less than 27 cents a day for each one in a family of five with which to secure food, clothing, and shelter. That is not so much! It ought to be at least *double*—would be if justice were done. Therefore, if a Tariff can double it, or even *increase* it, then it ought to be as high as possible. Why should men be talking about Low Tariff, Moderate Protection, etc., if they can by it raise wages—and *not* take it from the rest of the millions of workers.

On the other hand, if a Protective Tariff can *not* raise wages, if instead of benefiting labor it plunders labor—which is the truth in the matter—then it ought to be abolished *entirely*. And so the Moderate Protectionist has no grounds whatever for his arguments. Logic demands either Prohibitive Protection or no “protection” at all.

But some one answers, “We are *not* opposed to *all* foreign goods coming into our country. We are opposed only to such goods coming in as can *undersell* us in our own markets. It is to *cheap* goods that we object.” Quite true. But the answer is, “Those are the only kinds of goods that *can* come in. No one would send

over goods that are *dearer* than ours. Why? Because he could not *sell* them. No one would buy them."

Besides, those are the only kinds of goods that we *want* to come in. The only thing that makes Trade *beneficial* is the fact that you can buy goods *cheaper* than you can produce them for yourself. It is because mankind, by producing *other* products and trading, can obtain certain things cheaper—*with less labor*—than if they can produce them directly, that Trade exists. IT HAS NO OTHER EXPLANATION.

There are only two ways by which an individual—or a nation—can obtain any desired product. One way is to produce it directly for himself. The other way is to produce something else and *trade* for it. Which course will he take? Whichever course gives him the desired product with the *least* labor—the *most* goods with the *same* labor. That is the Philosophy of Trade.

The whole tendency, under Republican Administrations, has been to make the rate as high as possible. Each successive tariff tended to become higher and higher. That was *logical* and right—*provided* Trade be a bad thing. But the sweeping political revolutions which followed the Tariff of 1883, the McKinley Tariff of 1890, and the Payne-Aldrich Law of 1909, showed that the people had a different conception of the character of Trade. They seemed to regard Trade as a blessing and *Protection* as a curse and detriment to the race.

Then came a new slogan. To the question, "How high shall we make the rates?" the *old* protectionists answered, "*Just as high as you can make them.*" But learning something by sad experience, the Moderate Protectionist says, "Only high enough to represent the

difference between the cost of production at home and abroad—with a reasonable profit guaranteed the manufacturer."

In law this new slogan, this new hope of Protection, would be called "Confession and avoidance." It is a *confession* that High Protection is a blunder, a crime, —that Trade really is a good thing. But it seeks to *avoid* the final conclusion—which is to repeal—and to save itself by saying: "*High* Protection is really criminal, extortionate—*heinous* (see "Insurgent" speeches). No doubt about that. But just a little extortion, just a little robbery, just a 'moderate' rate of theft will not hurt anybody *very much*. Each can be made to give a little without feeling it much. Of course it is wrong to tax one person for the benefit of another. But this has been done for so many *centuries* that we ought not to stop it *too suddenly*."

Either the taxing of one person for the benefit of another is right or it is wrong. If *right*, then the *principle* ought to be applied without moderation—for those whom it is *supposed* to benefit are needing vastly more than they get. If *wrong*, then it ought to be abolished. There is no middle ground. There ought to be no compromise with Theft. You cannot have justice unless you govern by *principles* instead of "policies."

Nor is that all. *It is a physical impossibility to so adjust tariff rates that they will exactly balance cost of production.* Besides, the cost of production in one mill is *not* the cost in another. If you "protected" to the limit of the high cost mill, it would give extortionate profits to the mills with the lowest cost of production. If you adjusted to the lowest production-cost, you would

put the highest out of business. The arguments made by Chairman Underwood on this point were never answered. And for the reason that they cannot be answered. This "difference in the cost of production" argument is simply one more sham, one more falsehood foisted upon the American people in order to perpetuate this colossal system of graft.

But these are not the chief objections—tho themselves fatal to the argument. The most important thing to be said in reference to this proposition is that if it *could be* carried out, it would utterly *abolish* all foreign Trade. It would destroy commerce. Not a ship would cross the sea freighted with the products of labor. Why? Because the Tariff would make their sale *here* impossible.

Just what does this "difference-in-the-cost-of-production" theory propose to do? It proposes to so raise and adjust the rate on every foreign product that it cannot *undersell* us, that its price will not only be as high as the price of the home product, but enough *higher* to "guarantee a profit" to the home manufacturer. And that means that *IT COULD NOT BE SOLD HERE AT ALL*. Who would pay \$1.25 for a foreign product when he could get exactly the same thing for a dollar? No foreign goods would be brought over. Nothing more brainless, as a proposed *reform*, was ever advocated.

This "difference-between-the-cost-of-production" Tariff means a Prohibitive Tariff—if actually applied. And so it is as wrong in theory as it is impossible in practice.

It is important to note that it "guarantees" nothing to labor. It does not say that it shall have a "rea-

sonable" profit over and above the market price of labor. The laborer must still sell his only product—labor—in an open market—not a "protective" market, and take what it can get—or starve.

And that brings us around again to the real issue. The only question to be decided is as to *Trade*. Trade is the real issue in the Tariff Discussion. If Trade be a *bad* thing, then it ought to be prohibited—abolished. Therefore, Protection is a good thing—because its purpose is to obstruct, prevent, and abolish Trade. On the other hand, if Trade be a *good* thing, then is Protection a *bad* thing, an infamous thing, and it ought to be abolished—utterly and forever destroyed—*annihilated*. There is no middle ground. Either Protection or Commerce *must go*. Which will it be? What will be the verdict of Civilization in reference to each?

We have now asked and answered five important questions: *First*, What is the tariff? *Second*, How much is the tariff? *Third*, How does it work? *Fourth*, Who pays it? *Fifth*, Who gets it? Having shown that the Tariff is a Tax; having shown that it takes out of the pockets of the American people every year something like two thousand million dollars; having shown that this huge sum of wealth divides into two streams, and that one of these golden streams flows into private pockets; having shown that the only purpose of a *Protective* Tariff is to raise revenue for private pockets; and having shown that it is only the pockets of the owners of factories and mines into which the Tariff pours its golden streams, we will here bring to a formal close THE MECHANISM OF THE TARIFF.

PART II.

TEN OBJECTIONS TO A PROTECTIVE TARIFF.

CHAPTER I.

IT REPRESENTS SPECIAL PRIVILEGE.

JUSTICE requires an open market, a free market. And a "free market" is one in which *all* producers from all countries and climes, are equally free to enter with their goods, and in which all consumers from everywhere—nationally and internationally—are equally free to enter and buy. In other words, justice requires that each human being shall be left free to sell whatever he can sell *the dearest*, and to buy whatever he can buy *the cheapest*. And whatever a man can get for his products in the open market he has a *right* to get—and *ought* to get. And whatever the consumer must pay in the open market to obtain a given product, he *ought* to pay—or go without. And these conditions alone constitute the true and just market price.

In no other way can justice be done. In no other way can the *rewards* of each be apportioned to their *efforts*. But to pass a law enabling the producer to *compel* the consumer to pay *more* than the market price—or go without—is an *unjust law*. It violates the Natural Rights of the consumer—THE ONE AND ONLY THING THE GOVERNMENT EXISTS TO DEFEND.

And yet that is exactly what a Protective Tariff does. It *denies the right of a free market*. It shuts out foreign competitors, thus enabling the home producer to

extort from the consumer *more* than the market price. That is "special privilege." The words have no other meaning. It gives to the producer the *special privilege* of selling in a "closed" market instead of compelling him to sell in an open market.

If a law were passed compelling the producer to take *less* than the market price, he would roar with indignation at such an outrage. He would say: "I can get \$1.00 for my products in the open market. And yet here is a law which so prevents *consumers* from competing with each other as to enable them to get my goods for 75 cents. It is unjust, oppressive, and despotic. A class of producers who would gladly pay a dollar for my products are shut out from my market—and shut out by law."

And yet that is exactly what a Protective Tariff does for the producer. The consumers, if they were enlightened, would say: "We could buy the things we are buying for 75 cents or even 50 cents in the open market; and yet here is a law which so prevents *producers* from competing with each other—by shutting out *one whole class of competitors*—as to compel us to pay a dollar for that which others could sell us for much less. It is unjust, oppressive, and despotic."

And so a Protective Tariff always, everywhere, and in every country, represents Special Privilege. It is born of greed and selfishness. It is contrary to the requirements of Equity. Is it any wonder, then, that our government should be honey-combed by Special Privilege when we have universally supported and upheld as our *national policy* a law that is a very essence of Privilege.

The one thing above all others which the common

people of all lands should demand and maintain, is AN OPEN MARKET—Freedom of Competition.

They should demand free and open competition *in everything*. It is the equivalent of Equality of Opportunity. Any measure which threatens to close any market, any opportunity, should be resisted even with life if need be. And the closing of any market—whether goods-market, opportunity-market or labor-market—always means the granting to some of rights and opportunities *denied* to all others. And that is Special Privilege. No people can be called free—tho they have the right to vote ten times over—who must buy in a closed market. Thus have we voluntarily favored a system of things that meant our own enslavement.

CHAPTER II.

IT REPRESENTS CLASS LEGISLATION.

CLASS Legislation is simply the granting to certain classes of individuals privileges which are *denied to all others*. The producers of any given article represent *a class*. The Tariff gives to them the *privilege* of selling *in a closed market*, a market in which they are shielded from competing with *all* the producers of that article. That is Special Privilege. That is Class Legislation. On the other hand, there is no law preventing the *consumers* of goods from bidding against each other in their desire to obtain a "*protected*" product.

And so one class, by law, is granted the privilege of selling in a closed market—that is, a market in which the competition is restricted to only a part of the *selling class*; while the buying class *has no such privilege*.

EACH BUYER MUST BID AGAINST EVERY OTHER BUYER. There is no restriction preventing competition between buyers. If that is not Class Legislation, what would be?

And so the whole Protective System is a scheme of robbery born of Special Privilege, Class Legislation, and in violation of the only maxim that should guide governments in their function—"EQUAL RIGHTS FOR ALL, SPECIAL PRIVILEGE TO NONE." How can the people of the Republic hope for justice and freedom, for equality of opportunity, for equity and fair play, when by their votes they support a scheme of things recognized as *our national policy* that represents Special Privilege and Class Legislation?

CHAPTER III.

IT BUILDS UP TRUSTS AND MONOPOLIES.

THE only purpose of a Protective Tariff is to secure a monopoly, a monopoly of the home market—by shutting out foreign competition. And so a Protective Tariff is the very opposite of the fundamental aim and purpose of all just governments, viz., **TO SECURE EQUALITY OF OPPORTUNITY.** The only possible foe of equality of opportunity is Monopoly. The essential meaning of the word is "exclusiveness of control." Webster defines monopoly, "The exclusive power, right, or privilege of *selling* a commodity; the exclusive power, right or privilege of dealing in some article or of *trading in some market*; sole command of the traffic in anything, however obtained."

Let us take some necessity of human life, say woolen

goods. There are *two* sets of producers, hence two sets of *competitors*—home producers and foreign producers. In order to sell in the home market, under just and free conditions, the home producer must bid his price down to the level of the foreign producer—just as the foreign producers would have to bid down their price if they were selling in his market. That is freedom of competition. That alone is equality of opportunity—to buyer and seller alike.

But the home producer gets Congress to pass a law, called a Protective Tariff, which shuts out the foreign producer from competing with him—by so increasing his price that he cannot enter our markets. That is monopoly, **THE MONOPOLY OF THE HOME MARKET BY THE HOME PRODUCER.** That is “Exclusive control,” that is “exclusive right of trading in some market.” And so the very essence of Protection is Monopoly. Its only purpose is Monopoly.

If these tariff monopolists can now go a step farther *and eliminate competition among themselves*, then the monopoly is complete. And this they have already done. And the agency which completes the monopoly of the home market is called a Trust. **A TRUST IS A COMBINATION OF MANY ONCE INDEPENDENT AND COMPETING COMPANIES UNDER A SINGLE HEAD—FOR THE PURPOSE OF CRUSHING OUT COMPETITION AND ESTABLISHING A MONOPOLY.**

The Tariff is a great wall built entirely around the nation for the purpose of shutting out foreign goods and competitors. It is capable of being so raised at any point as to shut them out entirely. The Tariff Wall shields

these Tariff Barons from foreign competition. The Trust shields them from home competition—and the monopoly is complete.

Did you ever notice the fact that you heard of the Tariff long before you heard of the Trust. Why? Because it must come first, just as the foundation must precede the building itself. The great "industrial captains" and multimillionaires of today, way back in the early '70's—when first the ambition was dawning to build upon American soil fortunes so colossal as would astound the world—saw that to do this they must be able to *control prices*, to control the price of the things the people would have to buy.

Being shrewd and far-seeing men, they saw that *the first step* in this gigantic and infamous scheme was to shield themselves from *foreign* competitors. What would be the use of forming pools, mergers, combines, and trusts—thus shutting out competition at home—when the foreign producers could come in and undersell them. That would "bust the trust" in no time.

Therefore, the first step towards a monopoly of the home market in order to "fix" prices was to shield themselves from foreign competitors. The only means of accomplishing this result was a *Protective Tariff*. The word "protection" in itself they knew would be sufficient to allay the suspicions of the people; because they would not stop to ask, "*Whom* does it protect?" They knew, judging from the past of all nations, that the people could be made to associate the word Protection with Patriotism instead of plunder. Thus did a Protective Tariff precede the Trust for the same reason that the foundation precedes the house.

Protection and Monopoly are inseparable terms. Therefore it is *not* a surprise that Trusts and Monopolies have sprung up in manufacturing and mining industries all over the country. They exist not—as some politicians tell us—in *spite* of the Tariff, but *because* of the Tariff. The Tariff Wall was built for their benefit. It was built to make Trusts possible. *And without the Trust the Tariff is practically useless.*

These scores and hundreds of monopolies have been successively organized under fewer and fewer centers. This March of Monopoly will go on until one brain, and one pair of hands, will control the industries and the commerce of the entire nation. We have almost reached that state of things now. This is not freedom but despotism. This is not Democracy but Monarchy in the Industrial Government.

Nor is that all. That towering Tariff Wall not only *fosters* monopolies, but it cannot be operated except *thru* a monopoly. I have already shown that unless there be a monopoly—either *natural* or *artificial*—competition soon diffuses the Tariff graft. Protection is the essence of monopoly and cannot operate without a monopoly. If a man have a monopoly in the production of a product—either thru its manufacture or its “source of supply”—he can take advantage of the Tariff.

Nor can you hope to abolish Trusts until you knock a hole in that Tariff Wall. I do not say that this is the only step that must be taken, but I do say that it is the *first* step.

Suppose the merchants of your city should decide to form a Trust, and raise the prices to you from 50% to 100% above the normal market price. And suppose

they did succeed in organizing their "combine" and in raising prices. What would happen? This would happen. You would go out to the adjoining towns and cities and buy your goods and bring them in by the armfuls. And merchants from the outside would ship goods in. You would "bust the trust" in a single day. Why? *Because the Trust cannot exist in the open market. TRUSTS CANNOT EXIST UNDER FREEDOM OF COMPETITION.*

Now let your merchants go to your City Council and secure a Tariff Wall of 100% on all goods and products shipped in *to anyone but themselves*. Then the Trust would flourish. You would have to pay their price—or go without. If you bought "foreign" products you would have to pay still more. And that which holds as to the city holds also as to the nation. And so Tariffs and Trusts, Protection and Monopoly, are inseparable terms.

Furthermore, if the merchants in the case cited above, were not able to form a Trust and so shut out competition at home, so many citizens would rush into the mercantile business—seeing the larger profits which the Tariff made possible—that competition among them would soon reduce prices to the general level of the average returns on capital in all other local industries. Again do we see that Trusts, Monopolies, and "Holding Companies" are indispensable to the operation of a "protective" Tariff.

But you say, "If the benefits of the 'protection' could be thus diffused, then what is the objection?" To which the answer is, "No *benefits* have been diffused. It is the injury, the *loss*, that has been diffused—the loss re-

sulting from producing something that could have been *bought* cheaper, and therefore is produced *at a loss*.

CHAPTER IV.

IT ENABLES THESE MONOPOLIES TO SELL CHEAPER ABROAD THAN AT HOME.

OF ALL the outrages of the Tariff, perhaps no one grinds more on the nerves of a real self-respecting American than does the fact that many of our "protected" manufacturers *sell their products cheaper abroad than they do at home*. Why do they do this? Because abroad they must sell at the nominal market price. The Tariff does not help them *there*. But at home—being shielded by both Tariff and Trusts from competition—they can sell at the market price *enhanced* by the Tariff.

Charles M. Schwab, while President of the Steel Trust, testified that steel rails which sell in this country for \$28 a ton, sell in Europe for \$20. That one confession of itself should have so aroused the wrath of the American people as to have utterly annihilated the Tariff Wall. But it did not.

Carnegie said, long years ago, addressing a convention of iron and steel manufacturers: "If we should form an *agreement* and *fix prices*, the American people would arise in their wrath and abolish the Protective System." Even he did not know that we are the most patient ox that ever wore the yoke!

When sewing machines were selling in this country for \$45 and \$50, they were reported to be selling in South America for \$25. A former minister to China recently told me of finding an American sewing machine in a

store in Hongkong, and selling there for \$18. The merchant told him that the machine was delivered there, *freight free*, for just \$8. And yet it sold in this country for \$45. Agricultural machinery is hauled across the ocean by the International Harvester Company and sells for 20% less than it is sold to farmers in this country.

They have not "played" us fair. It was understood that when they were granted a monopoly in the home market, that *competition* among them would keep down prices to the standard of American living. But they soon formed Trusts and crushed out competition among themselves. Today the deluded American farmer, plundered under the guise of patriotism, has the consolation of knowing that *THE FARMERS OF EUROPE CAN BUY AMERICAN MACHINERY CHEAPER THAN HE CAN BUY IT.*

And this holds not in reference to some one thing, but in reference to scores of articles. Long lists have been given out again and again in Congress, showing the products that American manufacturers sell cheaper abroad than they do at home. Protectionists no longer dispute the fact. They try to justify it by saying that they sell "*below cost*" abroad, in order to keep their laborers working."

If true—which it is not—then that means simply this: we have to pay them such enormous profits that they can sell to the foreigner for *less than it costs* to produce them—and *still have margin enough left to become millionaires*. What enormous profits they must make *on us*! How much more fortunate it is to be a foreigner than an American—so far as buying American goods is concerned!

But even this explanation—outrageous even *if true*—is not true. They keep on doing this year after year. In fact, they manufacture hundreds of millions of dollars' worth solely *for* "the foreign trade." The explanation of this outrage upon the rights of every American citizen in this: *THE TARIFF DOES NOT HELP THEM IN A FOREIGN MARKET*. Not in the least. There they must sell *in open competition with all the world*. And so they are reduced to normal profits. But it does protect them *at home*. And so at home they can charge not only the normal price, but this price enhanced by the Tariff.

If you had exclusive control of some product, some necessity of life; and if you were "protected" by a Tariff of 100%, could you not sell at home 100% above the normal price? And when you sold abroad could you not sell for just one-half of what you get here, *and still make a normal profit*? If not, then you should produce something else. For you are producing at a loss—to *the country*. It may not be at a loss to you. You may grow rich by it. But it is a loss to the country.

In these times of the complaint against the high cost of food products, it may give some consolation to know that for years American beefsteak could be bought cheaper in London than in New York or Chicago. And what is the Explanation? *A Protective Tariff*. I was told that a machine which sells in Boston for \$90, is hauled to Belfast, Ireland, and sold for \$54. If they had hauled it on up to Iceland they would probably have sold it for \$20. Thus runs the story of this outrage upon the rights of the American people.

One more illustration must suffice. Hon. Henry T.

Rainey, Representative from the old Lincoln District, pointed out on the floor of the House several years ago that an American watch selling in this country for \$20, was hauled to England and sold so much cheaper that a man by the name of Keene bought them over there, shipped them back to this country, and sold them here, at a profit, *for six dollars!*

CHAPTER V.

IT ROBBS THE PEOPLE WITHOUT THEIR KNOWING THEY ARE BEING ROBBED.

A PROTECTIVE TARIFF is *an indirect and private system of taxation.* It is a secret and hidden method of getting hundreds of millions of dollars out of the people's pockets every year, and without their knowing that it is taken out. And so it robs the people without their knowing they are being robbed, by concealing the theft *in the price of the goods.*

The reason the American people have believed so implicitly and confidently in a Protective Tariff is because *they really know nothing about it.* They have no knowledge as to its *workings.* Most people will say: "The Tariff is levied only on *foreign goods.* Then if I do not want to pay it, all I need to do is to avoid buying foreign goods. And as a true American I surely ought not to buy foreign products if I can get home manufactures just as good. Besides, the Tariff is levied almost exclusively on luxuries and the things *purchased only by the rich.*"

People do not realize that the price of practically *all* products of factory or mine are enhanced by the Tariff

—*whether foreign or domestic.* And so they cannot escape paying the Tariff by *not* buying foreign goods. In fact, the only object of a *Protective Tariff is to raise the price of home products to home consumers.* But to secure this result it must first raise the price of foreign goods. The only difference is that while the increase in the prices of *foreign* goods—due to the Tariff—goes in the public treasury; the increased price of *home* goods goes into *private pockets.* And so there is no way to escape paying the Tariffs—and live.

Nor is that all. Instead of the Tariff being chiefly levied on the things purchased only by the *rich*, it is levied on *all* the common necessities of life. And so it lays its greedy hand principally on the poor—and for the *benefit* of the rich. In fact, this is one means by which men have *become* rich. The larger part of the vast revenues which a Protective Tariff pours into private pockets is raised by taxing the daily necessities of all who toil. IT IS THE GREAT COMMON PEOPLE OF AMERICA WHO ARE THE VICTIMS OF THE TARIFF.

To get a practical view of the workings of a Protective Tariff, just send a postal card to the Secretary of the Treasury, Washington, D. C., asking him for a copy of the Payne-Aldrich Tariff Law. The book will be along in a few days. Then you can ascertain the duty on the things about you.

I would recommend that you begin with the things in the house. Tie a tag on each item, showing the tax on it. It will be slow work. *You will need a tag for everything,* from the cement under the building to the paper and plaster on the ceiling and the shingles on the roof—

and the nails in the shingles. By the time you have completed your work there will come to you, for the first time in your life, a practical conception of the *working* of a Protective Tariff.

Only by this means can you rationally decide as to whether or not there is anything about a High Protective Tariff that would cause you to *prosper*. You will soon discover that for the daily necessities and comforts of life you are paying anywhere from 25% to 300% *more* than you would otherwise pay, were it *not* for the Tariff. You will soon discover that "protection" takes toll—small or large—from nearly everything that you eat, drink, or wear. And if this would cause you to "prosper," then why not *double* the present rate—or even multiply it *by ten*—and "prosper" still faster? Why not?

Begin the tagging process as soon as you get inside the door. On the floor matting, whose foreign value exceeds 10 cents a square yard, there is a tariff tax of 7 cents per square yard, plus 25% more to hold it down. (The Payne-Aldrich Bill did make some reduction in this outrageous tax.) Mark a tag for the ingrain carpet. Under the Payne-Aldrich Bill it was 22 cents per square yard, plus 40%. On the tapestry Brussels there is a Tariff Tax of 28 cents per square yard, and 40% *additional*. On the velvet tapestry there is a tariff of 40 cents per square yard, plus 40%. On the Brussels carpet mark a tag "44 cents per square yard plus 40%." Your velvet carpets are "protected" with a tax of 60 cents per square yard, and 40% additional.

In each case the *specific* duty alone is probably more than sufficient to pay the entire cost of production. You

complain about the high cost of carpets, but do not realize that it may not be the carpet that costs so much, but the *tariff* on the carpet. And yet it is wrapped up and concealed in the price of the goods. You pay it without knowing that it is being paid, thinking you are paying only *for carpets*. Thus does the Tariff rob the people without their knowing they are being robbed by concealing the theft in the price of the goods.

Go thru your house from cellar to garret. There is scarcely an article the eye can see which does not bear a Tariff Tax. Now go at the work in dead earnest. Here are only a few items picked at random from the Payne-Aldrich Bill. There is 35% on window shades; 30% on sewing machines; 40% on a package of needles; 72% on your razor; 25% on cream of tartar; 25% on blacking; 35% on olive oil; 72% on perfume; 58% on the white lead with which you paint; \$1.32 cents per gallon, plus 25%, on varnish; 35% on furniture; 35% on your piano and other musical instruments; 50% on toilet soap; formerly 5 cents a pound on borax, now free; 96% on vanilla extract.

Go out in the dining room. There is 35% on the table; 55% on dishes and china ware; 60% on glass bottles; 55% on crockery; 50% on the table cloth; 42% on table oil cloth; 45% on towels; 50% on napkins. Even the window pane thru which you may be looking is taxed somewhere between 72% and 117%; 45% on your tin ware; 45% on your willow rocking chair; fully 65% on your mirror; 69% on the lemons you consume; and 4 cents a pound on maple sugar. The rice you eat is taxed 54%, while the bay rum you consume in your toilet is taxed 166%.

Your cotton thread is "protected" to the extent of 32%. There is 64% on shirts, collars and cuffs; 52% on lace curtains, and 75% on your stockings. The cotton gloves you wear bear an additional burden of 89%. There is 60% Tariff Tax on your underwear; 54% on your shoe strings; 52% on bed spreads; 59% on cotton handkerchiefs, and 35% on the pins you consume. The watch case in your pocket is taxed 40%, while its movements are taxed 48%. There is a tax of 52% on clocks; 46% on tooth picks; 35% on children's toys; 40% on brooms; 35% on wall paper; and 69% on the tiles in front of your grate.

A little fresh air may help to relieve the depressed feelings produced by realizing this enormous burden of taxation. Go out doors—but take your tags with you. The cement under the house bears a Tariff Tax of 20%. There is 38% on fence wire; 35% on harness; 30% on steel girders; 45% on your bicycle; 56% on screws; 30% on steam engines; and not less than 20% on your agricultural implements. There is a Tariff Tax of 46% on your shot gun; 43% on putty; 35% on the pump; and 40% on your porch shades and screens. Even the Sumatra tobacco which you may be smoking, while contemplating these redhanded robberies and extortions all about you, has a Tariff Tax as high as 384%. And yet all these Tariff Extortions and Robberies are *unknown* to you because they are wrapped up and concealed in the price of the goods.

Turning again to the subject of clothing, the tariff upon some articles is simply criminal—heinous. Even President Taft admitted that the rates in "Schedule K" are "indefensible." And when he makes an admission

like that you can wager that the condition is simply rotten. The *average* rate on woolen products is fully 92%. That is the general average on all products manufactured from wool. Then they go upward by leaps and bounds to 184%, 195%, 235%, and finally soar on up to 379%!

On woolen blankets there is a Tariff Tax as high as 180%. Upon women's and children's goods the minimum is 100%. There is a tax of 177% on cheaper grades of yarns. Upon woolen and worsted cloth—worth not more than 40 cents a pound—there is a Tariff Tax of 150%. Suspenders and beltings have been enhanced by 28% tax. These are some of the Tariff burdens which we have been bearing. They date back to the McKinley Tariff, and even beyond that. Woolen cloth, worth between 30 and 40 cents a pound, had a *specific* duty of 38½ cents a pound. In addition, there was an *ad valorem* duty of 40%. It is maintained by tariff experts that the *specific duty alone was larger than the whole cost of the foreign articles*. And to this 40% more was added. That makes a total tariff extortion of 150%.

When your state and county tax go to 3% you protest. But you pay a tax nearly 50 *times as much* with complacency. The McKinley Tariff of 1890 increased the duty on women's and children's dress goods over 100%. Upon coarse cheap blankets, as stated above, there is a Tariff Tax of 177%. That more than doubles their cost to you. And so more than half the money which you pay out goes not for *blankets*, but for the *Tariff* on the blankets.

Low grades of woolen yarns are taxed 112%. There is a Tariff Tax of 125% on lower grades of woolen

cloth; 138% on the cheapest quality of knit goods; 135% on coarse woolen shawls; 130% on the lowest grade of worsted goods; and upon some of the cheapest grades of pearl buttons there is a Tariff Tax of 280%.

Senator Dolliver gives an amusing incident of an American citizen who discovered a use for scrap rubber—and *also* the uses of a Protective Tariff. He went over to Canada and brought to this country about \$400 worth of scrap rubber. He did not suppose the tariff rate would exceed 10%, if taxed at all. It really had no classification. But by means of a *microscope* our custom house officials discovered a *woolen thread* in the lining of the scraps! Wool is sacred to protectionists. And so they levied a Tariff Tax of over \$600! He finally got out of the whole transaction by paying a \$100 costs *and sending the stuff back!* He tells us that even the rubber boots with which men splash thru the mud to get to the polls to vote for Protection themselves bear a Tariff Tax of \$1.50.

The effect of Compound Duties—that is of both specific and *ad valorem* duties on the same article—is to put the *highest* rate on the *cheapest* goods. And yet that has been the Republican practice in all their Tariff Bills. *IT MAKES THE POOR MAN PAY A HIGHER TARIFF RATE THAN THE RICH MAN.*

Suppose there is a specific tariff duty of 10 cents a yard on a certain line of dress goods. What is the average rate? That depends upon the price of the goods. If the foreign value is 40 cents a yard, it would be a tax of only 25%. If grades of this goods have a foreign value of 20 cents a yard, then those buying this pay a Tariff Tax of 50%. If grades are valued at only 10

cents a yard, then those buying this cheaper goods pay 100% tariff. And if there should be, for the poorest of the poor, a grade whose foreign value is only 5 cents a yard, then those whose poverty drives them to this grade, pay a Tariff Tax of 200%, as against the highest grade upon which the rich pay only 25%.

And so, I repeat, that the effect of *specific duties* is to put the highest rate on the cheapest goods. That is why they have been so extensively employed. It is in perfect accord with the whole spirit and purpose of the Protective System—to support privileged classes by taxing all the people. And since low-priced goods are consumed most abundantly, the most private revenue can best be attained by putting the highest tariff rate upon these. And this fact and this principle will tend to hold true of the tariff taxes—and of all other taxes—in every country on earth.

The Minority Report of the McKinley Bill pointed out some of these monstrous discriminations. I have placed in parallel columns some of the contrasted rates paid by the rich and the poor as presented by that Report.

RICH.	POOR.
Dearest wool blankets, 104%.	Cheapest wool blankets, 165%.
Flannels worth 70 cents a pound, 76%.	Flannels worth 40 cents a pound, 165%.
Dearest knit fabrics, 95%.	Cheapest knit fabrics, 141%.
Stockings worth \$2, to \$3 a dozen, 59%.	Worth from \$1 to \$1.59 a dozen, 76%.
Ladies' satin slippers, 20%.	Men's arctic over shoes, 110%.
Automobiles, 45%.	Poor men's socks, 100 %.
Ladies' silk and lace shawls, 60%.	Cheap woolen bed blankets, 165%.
Balm of Gilead, Free.	Men's woolen shirts, 100%.
Paintings over 20 years old, Free.	Woolen cloth, 133%.

A few years ago the Hon. John Sharp Williams produced in Congress a schedule compiled from actual reports at New York harbor, showing 57 articles upon which the duty ran all the way from 100% to 230%!

Most truly did Senator Cummings once declare, "All the robberies and thefts committed by insurance offices *since life insurance was organized*, did not amount to the extortions due to the Dingley Bill *for just one year.*"

Franklin Pierce in his authoritative work on "THE TARIFF AND THE TRUSTS," very justly says, "These duties are mysteriously incorporated *in the price* of about everything the mechanic, the farmer, the builder, and the housewife buy. *They add not a dollar to their worth*, but are simply a *private tax* permitted by the government.

"We have constituted in this land of the free, by our suffrage, a *privileged order*, which—instead of being *exempt* from the payment of taxes, as was the privileged order of France at the times of Louis XIV. and Louis XVI.—itself, thru the government, *imposes* private taxes on *all its fellow citizens*. This tax *decreed* by the government is devoted only *in small part* to the maintenance of the *government*. It is imposed at the behest of a few men, and permits them to continue *into the twentieth century*, the customs of France *in the eighteenth century*, when the lord laid dues upon the serf *for his own advantage.*" (Italics are mine.)

And yet for years the American people—*supposed* to be the most intellectual, shrewd, practical, and far-sighted people on earth—have looked upon this process as a source and cause of *prosperity*. A man pays out \$150 for an article on which there is a tariff of \$50.

He gets \$100 worth of the article and \$50 worth of Tariff. And yet he is supposed to think that he has not been impoverished but *prospered* by this process! A man goes to the provision store. On his return he tells his wife that he brought her \$7.00 worth of daily necessities. Has he? By no possibility has he brought her more than \$4.00 worth. What becomes of the rest of his money? It went for Tariff.

A manufacturer pays out \$150 for a ton of borax. He gets about \$50 worth of *borax* and \$100 worth of Tariff. In other words, the \$100 goes into the private pockets of the Borax Trust for "protection." And yet he is to think that he is better off—*has more wealth*—than if he had gotten *three times* that amount of borax!

This process, carried on thruout the nation in every branch of commerce, is supposed to be prospering—instead of *plundering*—the American people. *When, in all history, was there ever a delusion so great as this?* Is it surprising, then, that the great majority of the American people live in constant danger of the "dead-line" of bare subsistence?

There are in the nation 7,000,000 families that subsist on the beggarly income of about \$438 a year. (The average may be a little higher now, but not much. It is under \$500.) In a family of five, this gives only 27 cents a day with which to secure food, clothing, and shelter. Is it not a wonder that the wage-workers of America do not all die of the gout—because of "high living?"

The only surprise is that such wholesale robbery of the public *has not produced a revolution*. Verily, we are a most patient and long-suffering people. Above all,

we are a most unsuspicious and confiding people. We are robbed of these hundreds and hundreds of millions of dollars *every year* without knowing it, or even suspecting it; because these colossal thefts are wrapped up and concealed in the price of the goods.

CHAPTER VI.

IT EMPLOYS PUBLIC TAXATION FOR PERSONAL ENRICHMENT.

TWO effects follow from the levying of a Tariff on foreign goods. First. It *causes* an increase in the price of the foreign goods. Second. It *enables* an increase in the price of *home* goods.

From this increase of price in both home *and* foreign goods there flow *two streams of wealth*. And they flow directly out of the pockets of the people. One stream flows into the public treasury; the other, flows back again into private pockets. That is, the enhancement of price of foreign goods—due to the Tariff—goes to the government. The enhancement of price of home goods—due to the Tariff—goes into private pockets. Furthermore, the stream which this tariff taxation pours into the public treasury, is called a Revenue Tariff. The stream which goes into private pockets, is called a Protective Tariff.

Now the stream of wealth, amounting to some \$300,000,000, which goes to the *government*, is justified. But what is the justification of that huge stream of wealth, *sevenfold greater*, which goes to private individuals? By what principle of law or justice can it be defended? There it is, AS DEFINITE AS ANY STREAM THAT

IS MARKED ON A MAP. We know approximately its size—that it is about sevenfold larger than the one going to the government. We know from whose *pockets* it is taken—the pockets of all the people. And we also know who gets it, this annual toll of some \$1,800,000,000. It goes again into private pockets. None of it goes to the government.

Here, then, is a system of *private taxation* set up in a Republic. It is levied upon *all* the people for the benefit of *some* of the people. *A PROTECTIVE TARIFF IS A SYSTEM OF PUBLIC TAXATION FOR THE BENEFIT AND ENRICHMENT OF PRIVATE INDIVIDUALS.* It is *not* correct to say that it is levied for the purpose of raising revenue for the government. Why? Because a *Protective Tariff* does not raise revenue for the government—not a single penny! Only a Revenue Tariff can do that. A Protective Tariff is levied for the sole purpose, and the *exclusive* purpose, OF RAISING REVENUE FOR PRIVATE POCKETS! That is to say, *it taxes all the people for the benefit of some of the people.*

The essential crime of Monarchies is this: They tax all the people for the support of royal families and aristocracies. These privileged few for whom *all* are taxed, live generation after generation without toil—almost like the Astors. They live royally in palaces and castles, the same as the Goulds and Vanderbilts do, free from want and the fear of want, by taxing the toil and sweat of the people. That is Monarchy. That is Despotism. That is Injustice. *AND ITS ESSENTIAL CRIME CONSISTS IN EMPLOYING THE AGENCY OF PUBLIC TAXATION FOR THE BENEFIT AND ENRICHMENT OF PRIVATE INDIVIDUALS.*

But those are the conditions from which our fathers fled. They sought in the New World "to establish justice" by establishing a Republic. No principle is more firmly planted in our laws and institutions than that public taxation should *not* be employed for the maintenance of private citizens—unless acknowledged paupers; that taxes should be assessed for the maintenance only of the *government*. And still we wonder why both *millionaires and impoverished masses* should make their appearance on American soil!

There is no denying the fact that a Protective Tariff is a system of taxation *for the sole purpose* of enriching private individuals. It is not a public tax but a *private tax publicly enforced*. This is not a theory but a fact. There is really no dispute on that point. The only dispute is as to who *gets* it, and whether it is *justified*. Protectionists claim that it goes to farmers, wage-workers, and laborers generally. *IT DOES NOT*. But even if it did, this would not change its *character*. It would still be a system of public taxation for the benefit and enrichment of private individuals—no matter whom the private individuals might chance to be. When some one has been granted a special privilege, you need not wait to find out *who* is getting it before you *condemn* it. If *anybody* is getting any special privilege, it is *wrong*.

The *class* of people to whom the Tariff Graft goes cannot justify it—unless they are acknowledged *paupers*. To say that it goes to *this* private citizen instead of *that* cannot possibly change it from a PLUNDER-BUND to a justified tax. NO PRIVATE CITIZEN HAS A RIGHT TO EMPLOY THE MACHINERY OF PUBLIC TAXATION FOR HIS OWN ENRICH-

MENT. No corporation has a right to do this. Taxation should be for the support of the *State*, and *not* for the support of private individuals. It belongs not to some, but to *all*.

Therefore, the Democratic Party rightly declares that a Protective Tariff is not only unjust but *unconstitutional*. In the Platform of 1912 it says—"We declare it to be a fundamental principle of the Democratic Party that the Federal Government under the Constitution has no right or power to impose or collect tariff duties, EXCEPT FOR THE PURPOSE OF REVENUE."

Judge Cooley, one of the highest legal authorities in America, has this to say in reference to the unconstitutionality of a Protective Tariff. "Constitutionally, a tax can have no other basis than the raising of revenue FOR PUBLIC PURPOSES, and whatever government has not this basis is *tyrannical* and *not* lawful.

"A tax on imports, therefore, the purpose of which is *not* to raise revenue, but to *discourage* and indirectly to *prohibit* some particular *import*, FOR THE BENEFIT OF SOME HOME MANUFACTURE, may well be questioned as being merely *colorable* and therefore NOT WARRANTED BY CONSTITUTIONAL PRINCIPLES.

"As to a duty from which revenue *may* be derived, the judicial power, where the *motive* of laying does not appear *on the face of the act*, cannot *condemn* it as being unconstitutional; but it is none the less a violation of the constitution *by the legislator* who *knows* its object and levies the duty from a motive *not* justified by the constitution."

If a law should be passed in Congress appropriating so many million dollars to the Steel Trust, the Cotton Trust, the Beef Trust, the Coal Trust, the Copper Trust, etc.; or if it should appropriate so many thousand a year to Carnegie, Morgan, Rockefeller, Gould, Baer, etc., IT WOULD PRODUCE A REVOLUTION. We would declare that to take money out the pockets of the people for the benefit of private individuals is *treason*, that *FREE GOVERNMENTS WERE NOT ESTABLISHED FOR THAT PURPOSE*. In fact, we would declare that they were established by the blood of patriots and martyrs to *prevent* that very thing. O, we would "make Rome howl!" We would show the world that the fires of '76 still burn in the American heart!

And yet all these men, and all these mining and manufacturing corporations and monopolies, can figure to *within a few dollars* of what the Tariff nets them *every year*. Byron W. Holt, financial editor of Moody's magazine, showed from the report made by the Steel Trust—showed from its own figures—that the Tariff nets it about \$62,000,000 a year. Quite a snug sum!

The Private Tax levied by the Sugar Trust extorts from the people not less than \$120,000,000 a year. A closer estimate would probably be \$150,000,000. That is to say, the American people, *after paying for the sugar*, pay this enormous sum *in addition* for the Tariff on the sugar. Men with red blood in their veins will not long endure such an outrage—WHEN THEY KNOW IT. And so we might go on thru the list of the great corporations, trusts, and monopolies, and the millions annually extorted by each thru this Private Tax *publicly enforced*.

A Protective Tariff is a Private Tax. It is a Private Tax that is supported by all the majesty of the Federal Government, backed by all the power of the army and navy. Furthermore, the government allows each class of beneficiaries even to *fix the rates* of their own Private Tax upon the people. THEY HAVE WRITTEN EVERY TARIFF BILL FOR THE LAST FORTY YEARS—except the Underwood Tariff. Then the government itself *enforces these private exactions and extortions, AND ON ITS OWN CITIZENS*. This ought to be ample to stir the blood of every patriot heart “to rise and mutiny.”

What holds good of our country holds good of all other countries—holds good of France, Germany, Austria, China, India, Mexico, Canada, etc. Every people that hope to rise to freedom and Industrial Justice, *must first throw off the yoke of Tariff Oppression*. The toiling millions of the whole round earth are plundered and oppressed and enslaved by a system of PRIVATE TAXATION PUBLICLY ENFORCED. And this insidious, secret, and thieving system of Private Taxation is called a Protective Tariff!

CHAPTER VII.

IT OBTAINS THE VOTES OF LABOR BY FALSEHOOD AND FRAUD.

PROTECTION has secured the almost unanimous vote of Labor. And it has secured it “*by false and fraudulent representation*.” The “arguments” by which the vote of labor has been secured are “false” simply because THEY ARE NOT TRUE. A Tariff cannot

possibly "protect" labor when *there is no Tariff on labor*. But it can *plunder* it. The Tariff is on the *products* of the laborer. These pass at once out of his hands into the hands of his *employer*. They belong to *him* and not to his employees. Therefore, whatsoever of increase of price the Tariff effects goes to *him*—and *not* to his employees.

These votes are obtained by "fraud" because it is *unthinkable* that the big manufacturers and mine owners of this country do not *know* that the argument is *false*. They know that **THEY OBTAIN THEIR LABOR IN THE OPEN MARKET**. They know that they themselves have imported the so-called "pauper" laborers of Europe by the tens of thousands and by the millions. For what purpose? To compete *here at home* with American laborers. They know that they keep agents in Europe and Asia constantly *for that purpose*. They know that they obtain their laborers just as *cheaply* as they can, that they pay only what they *must* pay in order to get them—not what they *can* pay but what they *must*. And they know that whenever they *can* reduce wages, without a strike or a public outcry, *they always do it*.

All these things they know. They are a part of their own doings. It is not a matter of theory but a matter of fact. Therefore, the claim which they make that a Protective Tariff raises the pay of *labor*, they know to be *false*. And *knowing* it to be false, it is also *fraudulent*—so far as they are concerned. It is *fraud* for any man to advocate that which he *knows* to be *false*. Aye, it is more than that. It is treason—**TREASON AGAINST THE WHOLE HUMAN RACE**.

The Tariff affects only the *goods-market*. There is no tariff on labor. Therefore, it cannot affect the *labor-market*. And yet labor is sold only in the *labor-market*. There is practically *no* competition in the *goods-market*. The Tariff shields it from competition *from without*. The Trust protects it from competition *from within*.

Vast indeed may be the contrast in the condition of those who sell in the *goods-market*, and of those who sell their all—BODY AND SOUL—in the *labor-market*! The heart is wrung with pathos at thought of it. It is often the contrast of the monopolists who live in the palaces the Tariff has built, and the toilers who dwell in the tenements. Thruout all history, when there was light and joy and luxury in the castle there was darkness and gloom and want in the cottage.

Yet laborers have voted, year after year, for a system of things which increases the prices of the products they must *buy*; but does nothing for the *one only thing* they have to *sell*—*THEIR LABOR*. They go on, decade after decade, selling their only product in an *open* market, but buying the products they must consume in a "protected" market; selling under *Free Trade*, in competition with the toilers of the world; but buying back the products *even of their own labor* under a *Protective Tariff*.

The laborers of *every* country ARE DOING THE SAME THING. Each is seeking protection against the other. The toilers of each nation regard their fellow toilers in other nations as their *foes*. They are looking *in the wrong direction* for their foes. They should all join hands in a common cause, because they *have* a common cause. And that common, universal

Cause is not Competition, is not "equality of opportunity," but Monopoly. **MONOPOLY IS THE ONLY FOE THAT LABOR EVER HAD, OR EVER WILL HAVE.** Protection is in itself a form of Monopoly. Its sole purpose is to foster monopoly. But there is another form *and a mightier still.*

Mankind can be quite accurately divided into two great classes: Producers and Non-producers of wealth. Thruout history the same classification appeared under the titles of *Rulers* and *Ruled*. The *subject-class*, representing the overwhelming majority in every land, produced all the wealth and the Ruling Class got it. Those who lived in palaces *never worked and never starved*. **HUNGER AND PRIVATION HAVE ALWAYS BEEN FOR THOSE WHO PRODUCED THE WEALTH.** There is Labor's Problem. And it cannot be solved by voting to *increase the price* of everything that labor must *buy*.

Under the Feudal System—which for centuries dominated Europe, and still dominates it—the division into Rulers and Ruled, into Non-producers and Producers, can also be called *Landlords* and *Tenants*. Dukes, earls, nobles, lords, and kings represented the Landlord Class. All the rest of the people—peasants, merchants, mechanics, and *capitalists*—represented the Tenant Class. And this Tenant Class, made up of *capitalists*, mechanics, merchants, and peasants, produced all the wealth, paid all the taxes, built and supported all the palaces—and *starved*. Everywhere, in every land, under every civilization, beneath every flag, it has been true that the Non-producers of wealth have always been the *wealthy*, while the Wealth-producers have always been

poor. IT WOULD SEEM THAT A PARADOX LIKE THAT WOULD THROW THE MACHINERY OF THE UNIVERSE OUT OF ORDER!

And yet, instead of turning to the real problem—now centuries old—the laborers of each country have been trying to “protect” themselves from the “pauper” laborers of all other countries. And worst of all, they have sought to do this by favoring a system *whose only purpose* is to increase the *price*—not of labor—but of the things that labor must *buy*.

In low-wage countries—like Germany, Italy, Austria, France, Mexico, etc.—they seek a *double* protection. One from the low-paid laborers of some countries. Another for the high-paid wages of the laborers of the United States and England. It is hard to see how the argument could be “worked” *both ways*. But the truth is that thus far it has worked. A little contradiction like that gives no uneasiness—especially when people do not reason.

Generation after generation the common people of America—and of all lands—have bent their backs beneath the great burden of toil, with ox-like patience and stolidity, piled up great fortunes *for others*, and yet hoping against hope that the same huge system of plunder—called Protection—would in some way *reverse itself* and bring them Prosperity instead of Poverty. Nothing quite so pathetic in all the annals of men!

Theodore Roosevelt, in a speech in Pittsburgh during the last Presidential Campaign, declared that a Protective Tariff does not appear in the “pay-envelope” of the wage-workers of America. That was surely a “horrible confession.” It was a most disastrous admission. Here

is one of the foremost personalities in the world today, a man who was twice elected President by the party whose fundamental creed has been a Protective Tariff; and yet who admits and publicly *declares* that the Tariff has never been beneficial to labor, that it does not appear in the contents of "the pay-envelope"—DOES NOT RAISE WAGES. Remember, it was Roosevelt that said this!

And so, I repeat, that a Protective Tariff obtains the votes of those who toil "BY FALSE AND FRAUDULENT REPRESENTATION"; that it is not only an intellectual blunder but a *colossal lie*, and that those most potent in fastening and maintaining this gigantic fraud and delusion on the American mind, themselves *must* know its exact and heinous character. It would be a reflection upon their intelligence not to say at least this much. THEY KNOW BETTER. But a fairer day is dawning. A higher moral *type* of man is appearing in the business world. Enlightenment is fast taking the place of Ignorance. Patriotism may yet rise supreme over Plunder.

CHAPTER VIII.

IT DIMINISHES THE WAGES OF LABOR.

THERE has never been the slightest evidence produced to prove that a Protective Tariff *adds one dollar* to the wage-fund of America—not a single dollar! No one has even attempted to prove it with any argument that would be accepted as a demonstration by a rational brain.

No one, so far as I know, has ever taken the accepted

principles of Political Economy and attempted to prove, *to demonstrate*, that a Protective Tariff benefits the *wage-worker*. The proof has never been given. And yet the statement that the Tariff raises wages has been repeated over and over again so often, and so *systematically*, that people have assumed that somewhere, and at some time, it *was* proven and is now *an established fact*.

I am not contending that the Tariff *reduces* the actual *money-wage* received by labor, tho one could produce some excellent arguments looking in that direction. What I have contended, on the public platform and in the public press, is that the Tariff does not *increase* the wages of labor. I mean the nominal rate of wages, *the money-rate*.

What I am here contending is that it *diminishes* the wages of labor—not the money-wage but the *wealth-wage*—**BY DIMINISHING THEIR PURCHASING POWER**. Assuming that it leaves the *money-wages* unchanged, at least does not increase them; it does diminish the *actual* wages of labor by diminishing the amount of *wealth* which these wages will buy. And this is the real test of wages. The question is not, How much *money* you get for your labor, but how much of the *necessities of life* you can get for your labor.

So far as life is concerned, its needs are satisfied, not by the *value* but by the *quantity* of food, clothing and shelter obtained. In order to live at all men must have a certain quantity of food, a certain quantity of clothing, a certain quantity of fuel, and a certain quantity of shelter. No matter what their *value*, no matter what their *cost*, no matter how high their *price*; he must have certain *quantities* of these things—or *perish*. If

he live at all he must actually consume so many pounds of meat and bread, so many tons of coal, so many yards of clothing.

A splendid illustration of the truth that it is not the *value* of things but their *quantity* that supports human life, is shown by the fact that as the quantity of human necessities decreases there is an actual *increase* in their value.

For instance, according to the Orange Judd Reports, during the last two years—ending Jan. 1, 1914—the number of hogs in the United States declined 10,000,000. (Some attribute this decrease to the Tariff—others to the cholera.) During the last year alone the number declined 4,082,000. And yet the actual value of this diminished crop of hogs is \$48,191,000 *more* than last year. That is, the American people paid out that much more for pork and got that much less to eat. No matter what it costs, no matter how high the price, people must have a certain *quantity* of food—or starve.

And so *the higher the price* of these things, *the more money* it will take to support life. But a man's wages are always *limited*—extremely and unjustly limited. Hence, the higher the *price* of the necessities of life, the *less* he can get with his wages—that is, the less he can get for his labor. And so the greater the *cost* of the things the laborer must buy, the *less* are his actual wages. THEREFORE, EVERY INCREASE IN THEIR PRICE WHICH THE TARIFF PRODUCES DIMINISHES THE PURCHASING POWER OF THE WAGES OF LABOR. And since the Tariff operates *only* by increasing the price of the things labor must buy, its only possible effect upon wages is to *diminish* them.

Now a Protective Tariff does not operate in the labor-market. Therefore it does not, and cannot, increase the price of *labor*. It does *not* increase wages. It diminishes them. This is proved from the fact that it operates exclusively in the *goods*-market. And so its only possible effect is to increase the price of *goods*—goods the laborer himself must buy. The wage-worker has no *goods* to sell! He has goods to buy. The only thing he has to sell is labor. But this is not sold in the goods-market, but in the *labor*-market, while the Tariff is limited wholly to the goods-market.

There is no tariff to prevent competition in the labor market. Commercially speaking, the wage-worker is not a seller of *products*. He is a seller of labor. True it is that he *produces* products—all products. But they do not belong to him *after he has produced them*. They belong to his *employer*. In fact, he himself is a *buyer* of the very products his own labor has produced. And so if the Tariff increases the price 25%, 50%, or a 100%, it by so much diminishes the purchasing power of his wages.

And when the prices of things become so high that labor can no longer buy that which *labor itself* has produced, then we have "hard times," "industrial depression," strikes, lock-outs, etc. This is their only cause.

There are two kinds of wages; a *nominal* wage and an *actual* wage. The nominal wage is the amount of *money* which the toiler gets for his labor. The actual wage is the amount of *wealth* which he is able to obtain for the money. The higher the *cost* of that wealth—that is, the higher its price—the less he will be able to

get in return for the labor that he performed. A Protective Tariff operates only by increasing the price of labor-products—not *labor* but labor *products*. Therefore, when American laborers vote for a Protective Tariff, **THEY VOTE TO DIMINISH THE PURCHASING POWER OF THEIR OWN WAGES!**

The real test of wages is *the length of time* a man can live from a day's labor. But if, by his own vote, he has so *increased* the price of the necessities of life, that the money he receives for his daily wage will purchase only enough to support life for a single day, then has he become a veritable slave. But he has left the cheering consolation of knowing that he voted himself into slavery. The right to vote does not make a people free. It's the *use* made of that right that determines their freedom.

And so the *cure* for the impoverishment of the tens of millions who live by toil is not to be found in a Protective Tariff. This is, and has been, one of the mighty factors in *impoverishing* them. It has no other purpose than the plunder of all who toil. In itself it is a form of monopoly. Its purpose is to establish a monopoly in the goods-market. And it is Monopoly that everywhere, in all lands, plunders labor.

Labor's one and only hope lies in **EQUALITY OF OPPORTUNITY** for the production of wealth. If, as the Declaration of Independence says, "All men are created equal" in respect to their rights; then laborers must declare that they are equal in their right to the use and enjoyment of the planet, called Earth. Somewhere *in that direction* lies the hope of labor—**AND IT IS THE ONLY HOPE.**

CHAPTER IX.

IT HAS DIMINISHED THE TOTAL WEALTH OF THE NATION.

WHATEVER is the total wealth of the nation to-day under a Protective Tariff, it would have been greater under Free Trade. Our total property valuation is now over a hundred and twenty-five *billions*. This we have accumulated *under a Protective Tariff*. What I am saying is that it admits of demonstration that we would have accumulated vastly *more* under Free Trade.

Whatever obstructs Trade to that extent diminishes the total wealth of the nation. That proposition admits of positive proof, even of *mathematical demonstration*.

Here is a farm unsuited to raising corn. It will only raise 10 bushels to the acre; but it is good for wheat, so that the same amount of labor will yield 30 bushels of wheat to the acre. Now, this farmer needs both wheat and corn. Shall he *produce* his own corn direct, or shall he *produce* wheat and *trade* for corn?

In the one case he will have as the result of his labor but 10 bushels of corn to the acre. Assuming that 1 bushel of wheat will buy 2 bushels of corn, then by raising wheat and trading it for corn he will have 60 bushels of corn to the acre instead of 10 with the same amount of land and labor. Therefore his wealth is increased *six fold* by the fact of Trade.

Or if that trade is prevented, by a Protective Tariff, then his total accumulation of wealth would be only *one-sixth* of what it would have been under Free Trade.

Is not that *mathematical* demonstration? And so any law which prevents, or lessens, Trade to that extent *diminishes a nation's wealth*.

There are two ways, and only two, of securing anything that is desired. The one is to produce it directly for yourself; the other is to *produce something* else and trade it for the thing desired. Which course shall we take? Common sense has always taught us to take whichever course *yields the greatest result*. If we can buy a thing cheaper than we can produce it, then it is common sense to buy it. But in order to buy it, we must produce something else to sell in order to get the *money* to buy with. Now if we can produce the thing desired *with less labor* than we can produce something else, then we will produce it directly. There will be no trade.

But if such is our peculiar talent, or such our soil and climate, that we can get *more* of the thing desired—with the same amount of labor—by producing something else and *trading* for the thing desired, then we will do that. And upon this principle we have acted every day of our lives. Upon this principle, also, the human race has acted for centuries.

That is the meaning of a Protective Tariff. It obstructs Trade. And to that extent it has diminished the total wealth of the nation *and of each individual*—except its beneficiaries. Many of these it has made millionaires.

But you say to me: "No matter about the logic or the justice or the common sense, WE HAVE PROSPERED UNDER A PROTECTIVE TARIFF. That is sufficient for me."

But that depends entirely upon what you call "pros-

perity." If the production of millionaires and of multimillionaires be prosperity; if the fact that 54% of the American people have no claim to the ownership of a home; if the fact that 90% of the laboring men living in large cities live in rented rooms, tenements, and shacks; if the fact that thousands of children in our cities go to school improperly clothed and without breakfast—and in a condition so enfeebled that they must be fed by the state before they can pursue their studies—if these things be *prosperity*, then we have had an abundance of it already and there is more coming. Don't worry.

"But," you say, "at least we have *lived*." That I admit. A few starve to death every year under the stars and stripes, but not enough to make it interesting. We have lived. But now what I want to know is: Have we lived *because* a Protective Tariff has been sucking the life-blood out of us, or have we lived *in spite* of this fact? Which is it? Did you ever ask yourself that question before?

Many readers will recall with me a problem in Ray's Arithmetic—a book sacred to the memory of youth. A cistern had *two pipes*: A big pipe to fill it and a smaller pipe to empty it. It stated that the big pipe could fill it in so many hours. And when full, the smaller pipe could empty it in so many hours—but taking longer, of course. Now the problem was this: If *both* pipes are left open, how long will it take the larger pipe to fill the cistern?

Over this problem we worked for hours, and sometimes for days. But we got it. Now here is a mathematical problem which did not occur to me until after I began

reading "arguments" for a Protective Tariff. Here is what I want to know: Did the big pipe fill the cistern *because* the little pipe was letting the water out as fast as it could, or did it fill it *in spite* of that fact? Which is it?

And in that last problem we have the Tariff Question in a nut-shell. I want to know whether we have lived as well as we have *because* of a Protective Tariff or *in spite* of it? I want to know whether we have lived because a tariff on sugar takes from our pockets every year from a \$120,000,000 to a \$150,000,000, or have we lived in spite of this fact? Have we lived because every year the Steel Trust robs us of some \$60,000,000; or the Wool Tariff plunders us of \$120,000,000; and the Tariff on cotton goods takes out its hundred millions of toll; or have we lived in spite of this fact?

Is what we have due to the fact that all these tolls have been taken from us, or is what we have simply what is *left* after all these robberies and extortions have been made? Ask the man who comes before you and talks about "Protection and *Prosperity*" to answer these questions. It is one or the other. There is no middle ground. Ask him which it is—and why?

There was brought into our country a year or so ago, according to Senator Dolliver, \$325,000 worth of cheap foreign woolen goods—mostly blankets and clothing—to be consumed by the poorest of our poor. On this the government laid a tariff tax of \$375,000; so that the poorest of our poor paid \$700,000 for that which *otherwise* would have cost them but \$325,000. I can see how this would make them poorer, but I do not see how it would make them richer, do you? I can see the pneumonia, the

fevers, the diphtheria, and the tuberculosis that resulted because a Tariff so diminished the purchasing power of their pennies that *they were not adequately clothed*; but I do not see how it would make them richer.

And if it be true that the *less* you get for what you have to give the *richer* you become, then let us raise the Tariff rates so high that we will not get *anything* in return for our money, and thus all become millionaires in a minute.

Before the discovery of borax in this country borax could be purchased at \$50.00 a ton. There were discovered in California and Nevada the largest deposits of borax in the world. At once they went to Washington and secured a tariff for the "protection" of the new "home industry." They then raised the price of borax to the American consumer to \$150.00 a ton. And yet the same borax they haul to Germany and sell it at \$48.00 and \$50.00 a ton. I want to know how it makes us richer, how it adds to our *prosperity*, by having to pay \$150.00 a ton for that which before cost us but \$50.

And so I say that the idea that a people can be enriched by their own taxation is the most gigantic blunder, the most colossal *superstition*, that ever haunted the benighted mind of oppressed and intimidated humanity.

I think the hardest hit Mr. Ingersoll ever got in the ribs was this: The newspapers said one morning: "Bob Ingersoll lectured last night on 'Superstitions' and never mentioned the Tariff."

And so it admits of mathematical demonstration that a Protective Tariff has diminished the total wealth of the nation. Whatever the amount of wealth we have

produced under a Protective Tariff, we would have produced *more* under Free Trade. If a man with two occupations—one yielding him \$5 a day and the other but \$2—should follow thru life the one which yielded but \$2 a day; would you hesitate in saying that he had *diminished* his total wealth by following his *inferior* line of production? And yet that is what a Protective Tariff does!

The same holds of the people of a nation. TRADE IN ITSELF IS A FORM OF PRODUCTION. People trade only on condition that they can get *more* of the thing by trading for it than if they produce it *directly*. And so if a Tariff *compels* them to produce the given article, instead of allowing them to produce something else and *trade* for it, IT HAS BY SO MUCH DIMINISHED THEIR TOTAL WEALTH.

Therefore, as a national policy, a Protective Tariff is a dismal failure. It is a gigantic blunder. It is a colossal swindle. The whole truth is this: a Protective Tariff is not a *general* policy but an *individual* policy. It is not for the many, but only for the few—AND AT THE EXPENSE OF THE MANY. It has diminished the total wealth of the nation, and of each individual—save its *beneficiaries*. THESE IT HAS MADE MIL-LIONAIRES.

CHAPTER X.

IT BUILDS UP GREAT FORTUNES BY IMPOV-
ERISHING THE PEOPLE.

PROTECTION diminishes the sum of a nation's wealth. It does more. It is a mighty factor in *concentrating* this diminished wealth in a few hands.

And in this lies the real *purpose* of its perpetuation. It is a mighty agency of taxation for taking the wealth out of the hands that produced it, and storing it in the vaults of those *who control the taxing machinery*. It is a great octopus, sucking up the very life-blood of the nation.

The most essential and alarming characteristic of the nineteenth century was the growth of great fortunes, was the production of millionaires and of multi-millionaires, and the steady concentration of the nation's property more and more in the hands of the Privileged Classes. No other country on earth can compare with ours, either in the number of our millionaires, or in the size of their enormous *incomes*.

These are individual fortunes. Assuming that the *congestion* of wealth and property is as great an evil in the Social Organism as is the congestion of blood in a physical organism, what shall we say as to the individuals who amassed these fortunes?

Are they to be outlawed and condemned? To do so would be neither wise nor just. So long as mankind condemn individuals instead of *systems and conditions*, instead of laws and institutions, they will never solve their industrial problems. It is not the individual. It is the *system* that we should condemn and abolish.

The building of great fortunes in all lands and ages has consisted in building up *some system of taxation* whereby the products of the people's toil can be *legally* obtained—AND WITHOUT RENDERING AN EQUIVALENT. That tells the whole story.

In warlike ages they reduced the prisoners to slaves and thus took from them the products of their toil. That was Chattel Slavery.

Later on, the Ruling Class of the conquering nation reduced the people of the subject nation to a system of Political Slavery, by levying upon them an annual tribute. Thus did they tax from the conquered nation—thru direct political action and *military power*—the product of their toil and industry. Then the conquerors lived in ease and luxury, generation after generation, from the wealth produced by conquered peoples. Read again the story of Persia, Greece, and Rome.

And so what we call "building a fortune," "amassing a fortune," etc., consisted in nothing more—and nothing less—**THAN THE BUILDING UP OF A SYSTEM OF PRIVATE TAXATION**—enforced by the power of the government. The *sources* of their incomes were always the same—taxes and tributes.

But with the growth of national sovereignty, independence, self-government, and the public condemnation of conquest, *foreign* peoples ceased more and more to be a source of private incomes. And so a better system must be devised for taxing the *home* peoples. *They* must now be made the sources of the incomes of private fortunes.

Furthermore, with the gradual separation of *public officials* from the *whole* of the Ruling Class, and the growth of the conception among mankind that those *not* in office are not entitled to share in the *public taxation* of all the people; the Ruling Class had to devise *some other scheme* by which to tax the people of their own nation. That was their problem.

But they solved it. Their cunning and greed rose to the occasion. Two systems of *private taxation*, publicly enforced, made their appearance. The First was Feudal-

ism. By seizing upon the *lands* of the nation, by laying claims to the monopoly and ownership of *the entire physical habitat* of the people—and upon which all must live, if they lived at all; Earls, Dukes, Lords and Barons were able by *legitimate* means to live in ease and luxury from the toil and sweat of the people—AND GIVE ABSOLUTELY NOTHING IN RETURN. That was Tenant Slavery. The great historian, Ridpath, thus defines Feudalism: "In its broader sense, Feudalism was a type of social organization BASED ON THE OWNERSHIP OF LAND."

The second system of private taxation—*publicly enforced*—was Tariff Taxation on Foreign Imports. I am not giving these two systems in order of their appearance, but in the order of their importance—as related to this argument.

The injustice and fraud of the feudal mode of taxation was the first to become *apparent* to the ever-expanding intelligence of the race. And so it was the first to fall under the ban—at least *in name*. The system of Tariff Taxes on foreign imports has survived the longer, because it is a more secret, hidden, insidious, and recon-dite mode of taxing *all* the people for the benefit of *some* of the people.

Tariff Taxes date far back in the centuries—as also do the roots of Feudalism. Its first use was for the purpose of raising *revenue for the government*. This enabled it to tax the people enormously *without their knowing that they were being taxed*. It seems to have taken many centuries to fully discover that it could serve the *double* purpose of furnishing revenue both for *government* and for *private individuals*. That was why,

back in the days of Julius Caesar, the tariff rate was only 3%. They had not then discovered its second use.

But the perception gradually dawned upon the shrewd and cunning that increasing the price of *foreign* goods to the people enabled competing *home* producers to increase *their* price to the people. This was a most valuable discovery—to them. And now tariff rates began to go up. They rose steadily thru the coming centuries. In ancient Athens it was 2%. Under Julius Caesar, 3%. Under the Empire, 12½%. Under Richard II. of England, 5%. Under the Corn Laws, repealed in 1846, it was much higher.

Gradually the truth began to dawn on the slow perceptions of mankind that here was a system of *double taxation*, that it raised revenue not only for the government but chiefly *for private individuals*—being a source of private incomes for its beneficiaries.

Excuses were soon forthcoming. The first and foremost was the diabolical lie that “the foreigner pays the tax.” National and race hatreds readily accepted this excuse. Necessarily there was prejudice against allowing a “foreigner’s” goods to come in. Necessarily there was prejudice against any individual who would consume “foreign” goods in place of home goods. It threw suspicion on his patriotism! And this blind fanaticism holds even now—and in America!

When the people began to cry out against extortionate tariff rates, the answer was “THE FOREIGNER PAYS THE TAX.” That explanation was a delight. Here, then, was a system of taxation by which the expenses of the government could be raised by taxing *foreign* nations. Here was a new scheme by which a people could

tax foreign people without having to undergo *the danger and inconvenience of conquering them*. It was a joy. The old savagery and race-hatreds of mankind shouted in ghoulisg glee!

This argument answered for generations. It kept down the rising tide of insurrection for decades in England. When Smith, Cobden, and Bright first raised their voices against Tariff Taxation, the answer was: "What difference does it make to you how high the Tariff is. *You do not pay it. The foreigner pays it.*"

We never hear it any more. Why is this? Can it be that the foreigner *no longer* pays the tax? In the past three Presidential Campaigns no Republican speaker had the audacity to repeat this infamous absurdity. In the debate on the last two tariff bills, no protectionist dared enunciate this ancient lie. And yet if it be true that the foreigner actually *does* pay the Tariff, thus taking the burden off of us; then why do they not continue to proclaim this fact? Why conceal so important a truth—if it be a truth? Can it be that the foreigner once paid the tax, but no longer pays it? Or can it be that *IT NEVER WAS TRUE* that "the foreigner pays the tax?"

The other excuse given for maintaining this system of private taxation for building up great fortunes and supplying private incomes, is that it really *benefits* the people to be thus taxed, that it actually *protects* all who toil—instead of plundering them. The happy choice of the word "protection" has thus far done its work. It is a *hypnotic "suggestion"* that has been repeated so often, and so systematically, that it has worked itself into the "subjective mind" of the American people, and

of all peoples—THUS MAKING REASONING UPON THE QUESTION ALMOST AN IMPOSSIBILITY.

Thus has the secret method in which a Tariff Tax is levied, the acknowledged righteousness and patriotism of the cause for which it was *supposed* to be levied, and the complexity and abstruseness of its workings, long prevented mankind from seeing that while a tax on foreign imports *does* pour a stream of wealth into the public treasury, it *also* pours another stream—and seven times larger—*into private pockets*; and that for decades this has been the *chief* purpose in levying it.

In fact, a Protective Tariff has been masquerading under a double lie. First, that the foreigner pays it. Second, that *all* the people get it; instead of only the privileged few—not 5% of the total population! Thus has this second system of private taxation longer escaped the condemnation of mankind than did the cruder form of Tenant Slavery, called Feudalism.

And so a Protective Tariff is simply one of the many schemes and systems of *private taxation* by which in all ages the privileged few have lived from the toil of others. But it has been the most *lucky* of them all IN CONCEALING ITS TRUE PURPOSE FROM THE PEOPLE.

We have complained of *rising prices*, but have steadily voted for a system whose only method of working is *to make prices rise*. We have maintained a system of plunder whose only purpose is *to establish monopoly*—monopoly of the home market.

We complain of the enormous sums of wealth absorbed by the incomes of our mighty rich, and yet have steadily voted for Protection; thereby voting *to increase the cost*

of all mining and manufacturing products to the people hundreds of millions of dollars, pouring these hundreds of millions into the *private pockets* of those whom the Tariff has already made rich! It adds scores and hundreds of millions to the Sugar Trust, the Steel Trust, the Standard Oil, Cotton Trust, Woolen Trust, Tobacco Trust, Rubber Trust, etc.

We see big manufacturers living in princely palaces and their employees living in tenements and shacks. And yet we have *assumed* that the Tariff pours its huge stream of wealth into the pockets of the employees instead of their employers! We have seen the *purchasing* power of wages steadily *declining* because of high prices; but have hoped to change this by *continuing* the system *whose only purpose* is to keep low-priced goods out.

For fifty years we have seen continuous labor wars, with strikes and lock-outs, panics and industrial depressions. And yet we have sought to *abolish* all this *by continuing* the very system of Tariff Taxation that has been in existence during all these years, and *under which* all these have *occurred*.

Fifty-three years ago the Republican Party went into power. And during all those fifty-three years, only *three* were lived under a Democratic Tariff. And it was *framed by protectionists*. The Protection System has had a thoro trial. And it has *worked*. All about us is its sad fruitage. It has done the things it was *designed* to do. The great fortunes all about us can testify to its *efficiency*.

The newspapers recently reported a case in point. They were returning from a trip abroad. The ship had reached the dock, and the custom house officials were

examining baggage. One of the millionaire women said: "Now there come those custom house officials. What a nuisance they are. They will want to tax my hundred thousand dollar diamond necklace. I believe the Democrats are right about a Protective Tariff." To which her knowing husband replied: "Tut, Tut, my dear. If it were not for a Protective Tariff you would not have a hundred thousand dollar diamond necklace to be taxed."

The American people have certainly been loyal to the principle of Protection. They have stood by it, and voted steadily for it, tho seeing vast fortunes rise on every hand. They have seen want and the fear of want steadily increase. They have seen their wives, sisters, and sweethearts forced to work in "sweat-shops" under conditions unfit even for a dumb brute. They have seen their own children forced by hunger's call to enter factories and mines—have seen them steadily whiten, sicken, wither, and die. They have seen palaces appear in one section of every city, while tenements and shacks appeared in the other. They have seen some women live in such luxury as words could not picture, and to feed hunger have seen tens of thousands of other women and girls wander into the tenderloin of every city. They have seen a steady increase of the homeless and propertyless. They have witnessed and endured labor wars again and again and have heard the shots reverberate from the guns of militia and of Pinkerton detectives, and have seen their brothers, wives, and children fall to the earth. All these they have witnessed again and again, and yet they have stood by one of the mighty agencies in producing all these giant wrongs and hope-crushing, despair-breeding hardships.

And so the American people have surely been loyal to a Protective Tariff. They have paid "the last full measure of devotion." Surely they have now been loyal *long enough* to the most infamous system for the plunder of labor that Greed ever devised. The hour has struck for them to rise from bondage and strike the shackles of this ancient despotism from their brain. And when they do the common people, the teeming billions of the whole round earth, will catch a new inspiration from their example, and strike heroic blows for their own freedom.

Here, then, are ten propositions which to me seem unanswerable, and any one of which is sufficient to condemn that infamous system of private taxation known as a Protective Tariff. At this point I "rest the case" against Protection. I am opposed to it, *First*. Because it represents Special Privilege. *Second*. Because it represents Class Legislation. *Third*. Because it builds up Trusts and Monopolies. *Fourth*. Because it enables these Monopolies to sell cheaper abroad than at home. *Fifth*. Because it robs the people without their knowing they are being robbed. *Sixth*. Because it employs Public Taxation for Personal Enrichment. *Seventh*. Because it obtains the Votes of Labor by Falsehood and Fraud. *Eighth*. Because it diminishes the wages of Labor—by diminishing their Purchasing Power. *Ninth*. Because it diminishes our Total Wealth-Production. *Tenth*. Because it builds up great Fortunes by Impoverishing the People.

PART III.

TARIFF FOR REVENUE ONLY.

CHAPTER I.

PROTECTION—REVENUE—FREE TRADE.

THE most important thing in any discussion is to clearly separate your terms from each other. Then throw about them the encircling wall of a definition. This alone can prevent confusion of ideas. And confusion of ideas and conceptions means intellectual disintegration. In fact, it means not only the breaking down of the intellectual processes, but the complete destruction of all intelligence. To the extent that an individual is "confused in his mind" he is insane, idiotic, wandering—irrational. Nothing is so much to be avoided, and feared, by the seeker after truth as confusion of thought.

Herbert Spencer, the greatest thinker the human race has produced, says that all Progress is obtained "thru continuous *dif-fer-en-ti-a-tions and in-te-gra-tions.*" Those are nice big words. I like them because they are so big *with meaning.*

Now let us try to frame a clear conception of just what these big words do mean. To *differentiate* means to *separate unlike things.* To *integrate* means to collect, group, or bunch together, *like things.* And so the two words simply represent the process of *classifying*—separating unlike things from each other and putting like things together.

Suppose we have here a promiscuous pile of vegetables

—corn, potatoes, beets, cabbage, onions, radishes, turnips, etc. They are now an undifferentiated, unclassified, heterogeneous mass. To classify them we would have to proceed to both *differentiate* and *integrate*. That is, we would proceed to *separate* the unlike things from each other and put *together* the like things. Then we would have only corn in one pile, potatoes in another, beets in another—and so on thru.

And if you would draw a line, or circumference, around each pile, marking off its areas from all the rest, you would have the right conception of a Definition. It is simply a line, a fence, a wall, separating a certain class, or group, of things from all other classes of things. And the definition does this by stating the essential qualities of all the things in the class which it represents. It is simply a placard saying, "All the members of this group have these qualities in common."

At the head of this chapter are three words, or terms, which we want clearly to differentiate. And we want to separate them so fully, define them so clearly, and label them so distinctly, that they can never again become mixed up and confused in our minds. Thus far the adherents in the Tariff Discussion have been like our pile of mixed vegetables—"an undifferentiated, unclassified, heterogeneous mass." And yet I believe that the subject admits of such clearness of definition and discussion that by the time the reader has completed the chapter he will be able to find his own "class."

The difference between a man who believes in a Protective Tariff and a man who believes in a Tariff "for revenue only," *might* be wholly one of *degree*, or rate—with the *motive* for levying the tariff entering but little

into the discussion. The antagonism, the conflict, the issue *in thought* is between the Protectionist on the one hand and the Free Trader on the other. One of them is wholly in the wrong, and the other is wholly in the right.

There is no middle ground between a Protectionist and a Free Trader; any more than there was a middle ground between the man who accepted the theory that the earth is the center which the sun goes around, and the man who held with Copernicus that the sun is the center which the earth goes around.

A man can be a Protectionist, and still believe in tariff for revenue only; maintaining that such *incidental* "protection" as results is *sufficient*, but that more ought *not* to be granted; that the *rate* ought to be levied wholly with reference to *revenue*, and ought not to give any consideration as to such "protection" as may result. He is, of course, a Low Protectionist—very low.

For this reason a man can believe in tariff "for revenue only" and still *not* be a Free Trader. There are scores of such men in Congress. The so-called "Tariff Reformers" of a generation ago—under the Cleveland *regime*—were largely of this type. They were for a *reduction* of the Tariff, no matter what the theory. They are in reality Modified Protectionists. Many of them even now are as much opposed to the doctrine of Free Trade on the one hand as they are to High Protection on the other; regarding both as unwarranted *extremes* of thought. Their chief complaint is against High Protection. However, we should note the fact that the arguments which they must employ to combat the High Protectionist are the arguments of Free Trade.

On the other hand, a man can be a Free Trader and still favor a tariff "for revenue only." While he will regard as unjust and even as theft such *incidental* "protection" as may result; yet he may see no means of avoiding it, *and still raise revenue*. And so he accepts it as a "necessary evil." He is the "free trader" that I have constantly inclosed in quotation marks.

On the other hand, the true and logical Free Trader is *opposed* to "tariff for revenue only," because he is opposed to *any indirect system* of taxation. He believes that the revenues of the government should be raised by some system of *DIRECT TAXATION*.

Most prominent among the real Free Traders in the early years after the war was the Honorable Frank Hurd of Ohio. Being a native of the same state and county, I naturally feel a double interest in this pioneer in the field of Tariff Reform. He was not only for Tariff Reform but for Tariff Revolution. *FRANK HURD WAS FOR THE COMPLETE ABOLITION OF THE WHOLE TARIFF SYSTEM*. Had the Democratic Party had the courage and the intelligence to have followed his wise and far-seeing leadership, scores of evils of which we complain would not now exist. The whole course of our political history would have been different. They can all be traced, directly and indirectly, to our unfortunate faith in the delusion of Protection.

Later on, in the early '90's, there was a small bunch of aggressive Free Traders under the leadership of Tom L. Johnson, of Ohio—the greatest mayor that ever occupied that office in any city in any age, and as true and devoted a friend as humanity ever had. Jerry Simpson

of Kansas was also one of the number. They were for the complete abolition of the whole Tariff System.

More than that, they were for the complete abolition of all existing methods of taxation, maintaining that all taxes should be taken off of Industry and the whole burden thrown on Monopoly. These bold spirits greatly aided the election of Grover Cleveland in 1892, by reading into the Congressional Record Henry George's impregnable book on "Free Trade vs. Protection." It was then "franked" into the Middle West by the tens of thousands, and the first battle for "Tariff Reform" was won.

I have made this slight diversion in order to more clearly separate Free Trade from the Democratic doctrine of "tariff for revenue only." It is a misuse of words to call it such.

There are more Free Traders in the present House than ever before in our history, with the possible exception of the Congress of 1789 and also of 1857. However, the majority of those who stand for tariff "for revenue only" are not Free Traders. The Democratic Party is not a Free Trade Party, and has never declared openly for the *principles* of Free Trade; tho it is much nearer that position now than ever before since the war. But it has repeatedly declared that "no tariff shall be levied for Protection," that it shall be levied "for revenue only." Nor have we ever had "free trade" in this country. Our nearest approach was the Walker Tariff of 1846 and the present Underwood Tariff.

And so Tariff "for revenue only" is a *modified* system of thought. It represents such modification of absolute Free Trade as is necessary in order to raise

revenue by a tax on foreign imports. It represents such a modification of Protection as concedes the right to such *incidental* "protection" as may result.

To define "tariff for revenue only" as being the same thing as Free Trade—as an author has recently done—is illogical and absurd. Free Trade means *unrestricted freedom to trade*. Therefore, levying a Tariff even "for revenue only" to that extent *prevents* Free Trade. In other words, Revenue Tariff concedes to a Protective Tariff such restriction and obstruction of Trade as *necessarily* results from a Tariff on foreign imports. And so it is a modified, or mixed, system of thought.

The nearest to absolute Free Trade in any part of the world is found in "free trade" England, because there even the "incidental protection" is taken away. But even there Trade is not entirely *free*, because a portion of their revenues are raised by *taxing* it.

And so the question as to the merits of Tariff "for revenue only" is *not* involved in a discussion as to the merits, or demerits, of Protection. If we believe in a Protective Tariff, then we must favor a Tariff on foreign imports—in order to keep them entirely out—even *tho the government required no revenue at all*—or raised it in some other way. Therefore, a Revenue Tariff is not the logical opposite of a Protective Tariff. The only logical opposite of a Protective Tariff is Free Trade. And Trade, to be *free*, must be untaxed.

If one be a logical and *enlightened* Free Trader, as *to theory*, but favors Revenue Tariff, it will not be *because* it restricts Trade or yields "Incidental Protection," but *in spite* of this fact. He will favor it simply because it seems to him the *best method of raising pub-*

lic revenue. That it should also, incidentally, yield revenue for *private pockets* would be to him a matter of profound regret.

Revenue Tariff is to be judged wholly on its merits as a system of raising revenue *for the Federal Government*. Therefore, upon its merits as a mode of taxation for raising *public* revenues, it must stand or fall. It ought *not* to be used as a disguise, as an excuse, a cat's paw, for a Protective Tariff. It ought not to be used to conceal a system of *private taxation* publicly enforced.

On the other hand, a Protective Tariff must stand or fall upon its own merits—its merits as a system of taxation for the enrichment of *private individuals*—thru the employment of the taxing machinery of Government. To me nothing is more infamous, more traitorous, than to tax hundreds of millions of dollars out of the pockets of the people every year *to go into private pockets*, under the *pretense* that it is for the government. True it is that Protectionists call attention to the fact that it *also* raises revenue for the government. But they do *not* call attention to the *vastly greater sums* which it pours into private pockets.

A Revenue Tariff is for one purpose and a Protective Tariff for another. One is for the purpose of raising public revenue. The other is for the purpose of raising private revenue—revenue for private pockets. Therefore, one can favor either but oppose the other. Or he can be opposed to both.

And so when the issue of Protection is at stake it is not the issue of a Protective Tariff against a Revenue Tariff. The issue is between Protection and Free Trade.

And the merits of the controversy depend wholly upon the answer to the question, Is trade an *evil* or a *benefit*. If Trade be an evil, a *detriment*, then it ought to be abolished, and Protection is right—the *higher the better*. But if Trade be a benefit, a *positive blessing*, then is Protection an injury and it ought to be abolished. Revenue Tariff is irrelevant and *extraneous* to this whole discussion.

But when the issue is as to the adoption of a system of taxation to raise *public revenue*, then a Revenue Tariff appears as a candidate, and must stand or fall upon its merits as a system of raising revenue. Is it *fair*? Is it *just*? Is it *practical*? These questions can be made still stronger. Is it the *most* fair, the *most* just, the *most* practical of any system of taxation that can be proposed?

That is the issue involved when we are discussing a Revenue Tariff. Are we to go on forever raising the government's revenues by Indirect Taxation? What will be the final answer which the American people will give to these questions?

But suppose the answer should be adverse, suppose that the American people should declare that a Revenue Tariff is *not* a just mode of taxation; would that mean a return to a Protective Tariff? Far from it. A Protective Tariff is wholly irrelevant and *extraneous* to the discussion of any system of *public* taxation. Why? Because it is a system of *private* taxation. The issue will be between *Tariff* Taxation and some *other* mode of taxation.

Free Traders, tho believing in the abolition of a Revenue Tariff and the substitution therefore of some

Direct System of Taxation, should recognize the fact that *the first step towards* a more just and practical system *is to destroy the superstition of Protection*—the superstition that a people can enrich themselves by their own taxation. So long as that superstition exists, no important reform is possible.

And so to rightly differentiate and *locate* the different ideas and beliefs in reference to the Tariff—and the different people holding these beliefs—we shall divide them into seven classes. The lines uniting those of the same class—and separating them from other classes—are these:

1. HIGH PROTECTIONISTS. They stand in direct antagonism to Trade, and so believe that the Tariff should be made so high as to be *prohibitive*. They see no danger whatever from getting the Tariff *too high*, but they do see grave danger from getting it *too low*. The assumption on which their belief rests—even tho unconscious of it—is that Trade is an evil, an injury, *a positive detriment and loss*.

2. MODERATE PROTECTIONISTS. They represent people who see almost half of a great truth. Seeing the graft, injustice, and economic *loss* arising from High Protection—prohibitory tariffs—Moderate Protectionists started towards Free Trade. Not seeing the *whole* truth, they stopped with a compromise for High Protection. They said, "Let us be *moderate* in the taxing of all the people for the benefit of some of the people. Do not take *too much*."

They fixed two requirements. 1st. You shall not "protect" any industry which does not actually need protection—that is, which could exist without it. 2nd.

The rule governing the *amount* which you shall be allowed to collect from the consumer—over and above the market price—shall be this: “The imposition of such duties as will equal *the difference in the cost of Production* at home and abroad, together with a *reasonable profit* to American industries.” (See Republican Platform, 1908.)

3. **TARIFF REFORMERS.** They had their origin back between 1884 and 1888 under the first Cleveland Administration. They were simply for a *reduction* of the Tariff—no matter what the theory. Even granting the *principle* of Protection to be right, its rates were beyond all reason and its robberies too apparent for further tolerance. They embraced all degrees of thought, from Moderate protectionists to Free Traders. Their position was clearly set forth in the famous Tariff Message of Grover Cleveland.

But they did not discuss theories, they did not attack the principle itself of Protection. Cleveland said: “It is not a theory but a *condition* which confronts us.” Tho *logically* the Tariff Reformers came after the Moderate Protectionists, yet in the order of *time* they came *first*. The Moderate Protectionists did not have their origin till long after the passage of the Dingley Tariff. Among the prominent leaders and pioneers of the Moderate Protectionists was Senator La Follette of Wisconsin and Senator Cummins of Iowa.

4. **REVENUE TARIFF MEN.** They represent the doctrine of “tariff for revenue only.” They deny the justice, the wisdom, and the *constitutionality* of a Protective Tariff. Here the *motive* is not only indifferent as to “protection,” but is directly against it. Protection is a thing not to be sought, but to be *prevented*.

But this theory takes no account of the "incidental" Protection which is likely to arise from the taxing of any foreign product competing with some home production. It is looked upon merely as an incident; an accident, an unavoidable and "necessary evil." And so in levying a tariff it pays no consideration whatever to the "incidental" protection which may arise. It closely approaches "free trade"—when spelt with small letters. They differ with Moderate Protectionists not only as to the tariff *rate*, but also as to the *motive* for levying it.

5. ENGLISH FREE TRADERS. These go a step farther than the Democratic Party has ever gone in this, that they take such a positive stand against even *permitting*—to say nothing about designing—a Tariff to yield "protection" that they insist, that a reverse tariff shall be levied on the home goods—equal to the rate levied on the competing foreign goods—and thus prevent, or take up, even such "incidental protection" as may arise. This is called an "excise tax." We went thru the Civil War on this basis. There was no Protection. In fact, duties were usually laid on home goods *first*. I have designated these as "English Free Traders" because this is the idea of the English tariff system. It yields no Protection. England abolished the principle, and the practice, of Protection in 1846. There were a few of this belief in the Congress which passed the Underwood Bill. I have called this "free trade."

6. FREE TRADERS. Here, for the first time, we come upon the correct use of the words. A Free Trader is one who believes that Trade ought to be *free*. And to be free, it must be unrestricted, unchecked, un-

hampered—*untaxed*. Therefore, Free Traders favor the complete abolition of the Tariff System of raising revenue, *even for the government*. They are for some form of Direct Taxation instead—direct property tax, income tax, etc.

The logic in the case is with either the High Protectionists or the Free Traders. It is one or the other. No intermediate position is defensible. There is *less* argument for *Moderate Protection* than for *High Protection*. It is either High Protection or Free Trade. They are the only ultimate and logical *alternatives*. And which of these is right, which will finally and permanently triumph, will be determined by what answer the common people of the world will give to the question, "*IS TRADE AN EVIL OR A BLESSING?*"

7. ABSOLUTE FREE TRADERS. Such seems the most convenient designation of the followers of Henry George. They propose not only the abolition of all *tariff* taxes, but also the abolition of all general *property* taxes which fall directly on industry—on the products of labor. In other words, they would tax Land but exempt Wealth, tax Monopoly but exempt Industry, tax to the full the privilege of monopolizing and holding the exclusive control of a *source* of wealth—in order thus to secure equality of opportunity; but do not tax the *wealth* which Labor shall remove from this source.

In this way only, they say, can there be absolute Free Trade. And it is interesting to know that of the Absolute Free Traders there were about 30 in the Congress which passed the Underwood Tariff. It is a long distance to travel from High Protectionists to Absolute

Free Traders, yet they tell us that it is a *straight and logical path*, and that the distance is *easily covered*. Furthermore, Absolute Free Traders maintain that they occupy the middle ground, and the only logical "rallying point" between Protection and Plutocracy on the one hand and Socialism on the other.

From all these definitions and distinctions it will be seen at what cross purposes we have been trying to discuss the Tariff. The various problems and questions involved have never been separated. The greatest need of the problem has been *analysis*. We have been arguing about several different things *under the same head*. It has been all along "confusion worse confounded." No wonder we have made such small progress in scientific legislation.

Various "interests" have found it to their advantage to keep the question confused and befuddled. No man who really desired public office could be expected to declare openly for the breaking down of all restrictions of Trade. *The fundamental principles of Trade have never been set forth*. Never. The causes of Trade, the philosophy of Trade, the profits of Trade and the dependence of civilization upon Trade—none of these things have been pointed out.

The motives back of Protection are personal and selfish, and so can arouse great and powerful influences. The motives back of Free Trade are purely intellectual, moral, and patriotic. That has made an unequal contest. On the one side there were "millions in it" for the *beneficiaries* of a Protective Tariff—and office, place, and power for the men who could successfully *defend* it.

On the other side, there was scorn and contempt and

ridicule and a complete shutting out from all public office—the only possible reward being *the consciousness of being in the right*. And while there have been scores of brave and noble men who preferred this reward to being in the wrong with all its emoluments; yet in a practical age that is not a very powerful motive.

All honor to the men who thru the long night of Class Legislation and Special Privileges—while the heritage of the nation was being given away and public franchises were granted as if the private property of the legislators granting them, and Protective Tariffs were pouring their hundreds of millions and their tens of billions into private pockets—dared stand up and proclaim the truth.

But a better day is dawning. The thought of “the New Freedom” is vibrant everywhere. Legislation is becoming more and more for the masses instead of the classes. Barring the early days of the Republic, it is doubtful if the peers of the men now at the nation’s capital were ever there before. There is a new atmosphere at Washington. There are more real statesmen there today than ever before in our history.

The goal of the eighteenth century was the Rights of Man. The dominant thought of the nineteenth century was the Rights of Property. But the twentieth century will give as its contribution to the cause of Justice, **THE RIGHT OF MAN TO THE PROPERTY HIS OWN TOIL HAS PRODUCED.**

CHAPTER II.

INCIDENTAL PROTECTION.

ONE of the causes of the confusion of thought which has made a clear discussion of the issue between Protection and Free Trade *on the merits* of the question impossible, has been the fact that a Revenue Tariff also yields "protection."

And so while Democrats have been arguing against the principle of Protection, they have favored a system which also yields Protection, tho incidentally. On the surface this was a direct contradiction. And it has confused the issue.

But the fault is not with the Democratic Party. It lies with the framers of the Constitution. They declared as to the method for raising public revenues—*it must be done by a tax on foreign imports*. And yet such a tax also yields revenue for private pockets—*under certain conditions*. But the Party has consistently declared that it is contrary to the constitution itself to levy a tariff *for this purpose*. And so there has always been a clear issue as to the *purpose* for which the Tariff is laid.

Furthermore, when the purpose is for revenue and not for Protection, there results a vast difference as to the tariff *rate*. The higher the rate the less the revenue, but the more the "protection." A Protective Tariff will have a high rate, while a Revenue Tariff will have a low rate. And while it yields some "protection," it is so slight the revenue-tariff people maintain that it is too small for practical consideration.

Let us now turn directly to the problem of Incidental

Protection. Under what conditions does it arise? Under what conditions does it not arise? *Incidental Protection arises whenever we levy a tariff on a foreign product that competes with a home product.*

A Tariff levied on a foreign product *not* produced in this country—such as tea, coffee, diamonds, indigo, spices, etc.—does not yield Protection. While it increases the prices of these products *to the people* to the amount of the Tariff, under normal conditions; yet the whole of this increased price *goes to the government*. None of it goes into private pockets. That is a tariff “for revenue only.” Whatever may be said against *the system itself* as a mode of taxation, it puts no money into private pockets, it yields no Protection. It is but a slight modification of “free trade”—when not spelt with capitals.

But when a Tariff is levied on foreign goods and products which are also produced in this country an “incidental protection” results. By enhancing the price of the *foreign* goods to the extent of the Tariff, it also makes possible an equal increase in the prices of competing *home* goods—and still hold the same share of the market they had before.

And that is what we mean by Incidental Protection. It arises incidentally *and unavoidably*, even from the levying of a tariff “for revenue only.” It is an incident, an adjunct, a concomitance, but not the *purpose*. For example, a tariff of 40% on cotton or woolen goods yields a 40% “protection” to American manufacturers. The same holds of all other things.

Now whether they are able to take advantage of the opportunity offered by establishing such monopolies as

shut out competition at home and so raise the price, is a wholly different question. This can be done in reference to the products of the factory or mine, but cannot be done in reference to the products of the farm. Because farmers cannot form a Trust. They are too numerous.

There is but one way to avoid this Incidental Protection, and that way is to levy a *similar tax* on the *home goods*. By this means the *government* would get the whole of the increased cost to the people of any given product because of the Tariff—whether home product or foreign product. This is called an Excise Tax.

That is the principle upon which the English Tariff System is based. First, it declared against levying a tariff on *food products*. That was why repealing the Protective Tariffs of 1846 was called the "Repeal of the Corn Laws." It was also called the "Bread Tax." They were levied not only upon corn, but upon all food products. "It taxed the bread in the people's mouths." The whole system was swept away with a triumph and an indignation glorious to behold. Never again can the food products coming into England be taxed, *if the people know it*.

Second, it provided that any *incidental* "protection" which might arise should go directly to the public treasury instead of private pockets. And this represents the nearest approach to Free Trade thus far attained by any people. To have absolute Free Trade there must be no tax at all on the commodities which enter into Trade—that is, *no tax on the products of labor*. It may be very logically contended that trade to be *free* must be untaxed, that the tax must be taken off of capital, in-

dustry, and all labor-products and thrown on Monopoly.

The English government raises only about one-twentieth of its revenues from a tax on imports, and most of these are non-competing articles. Tobacco, tea, spirits, and wines produce about nine-tenths of the whole customs revenue of £21,250,000. It taxes only 15 articles. We have some 4,000 on our list. They have opened a new source of revenue in England by taxing "land values." The great leaders in England are planning rapid extensions of the new system. It will in time become the only source and method of taxation. And so England again leads the world in the matter of taxation, and is headed for Absolute Free Trade.

It is important to know that we went thru the Civil War without a Protective Tariff. Whenever the government levied a tariff on a *foreign* product it also levied a similar tax, or its equivalent, on the competing *home* product. And it is important to note that as a rule it levied it on the home goods *first*. Morrill, of Vermont, said: "When we impose a tax of 5% on our manufacturers and increase the Tariff to the same extent on foreign manufacturers, we leave them on the same relative footing they were at the start." The reasoning is sound, and the method eliminates that "protection" which arises *incidentally*. Thus did we go thru the war on practically a "free trade" basis.

This conclusion is only relative. It yielded some protection. But this was not the purpose. And even the amount yielded was but a trifle compared to later.

We entered that period with an average tariff of only 18%. And while tariff rates were raised enormously, yet they were counterbalanced by a parallel internal tax

under the form of Excise Taxes—"internal revenue." And so we had nothing that could be called a Protective Tariff in this country from about 1842 till after 1864, when the "interests" saw to it that while Internal Revenue Taxes were abolished, Tariff Taxes were left unchanged—and even increased.

Excise Taxes can be employed again when the Protection superstition has been sufficiently eliminated. But it is not likely that they ever will be employed. After people have come to a full realization of the fact that taxes do not put money into *their* pockets, but always take it out; that a Protective Tariff taxes the many, but only for the benefit of the privileged few; that it is simply a *private tax* publicly enforced; they will then be ready for a full, free, and non-partisan discussion of THE WHOLE SUBJECT OF TAXATION. And when that time comes—and it cannot come too soon—the Tariff as a system of taxation will be swept away. A General Property Tax is better, a Graduated Income Tax is better still, and a Monopoly Tax would be best of all.

CHAPTER III.

THE CASE AGAINST A REVENUE TARIFF.

THE levying of a Tariff on foreign imports, as a means of raising revenue for the Government, is perhaps *the most ancient of all existing systems of taxation*. It dates far back into the centuries. Julius Caesar levied a 3% tariff on foreign goods coming into the Roman Empire. And it seems to have been in existence long before his time. Therefore, it was natural

that our fathers, being familiar with this mode of taxation, should have adopted it at the very first session of the new Congress.

Whatever may be said for or against a *Revenue Tariff*, from the standpoint of either Justice or Practical Policy; the arguments bearing on the subject *have no relation whatever* to the arguments either for or against a *Protective Tariff*. The two systems must be wholly and completely *differentiated* if we are to do logical reasoning on the subject.

The enlightened and patriotic citizen cannot hesitate long in choosing between a method of taxation which yields revenue to the government only, to one which yields revenue not only for the Public Treasury, but also for private pockets. On the other hand, it is easy to see how the "Interests," whose pockets have thus far been fattened, should greatly prefer a Protective Tariff which, while it does yield revenue for the government—on its revenue side, yields *seven times* that amount for their own pockets. They greatly prefer this to a system which yields "revenue only."

There are many valid and telling objections to a Revenue Tariff. Aside from the elaborate machinery required to enforce it, aside from the enormous cost of collecting it, aside from the additional sums taken out of the pockets of the people over and above the tax itself because of the "profits" on the tax; there is in my mind a great objection to a Revenue Tariff because of the fact that it taxes people not upon their *incomes* but upon their *expenditures*, not upon their *possessions* but upon their *necessities*.

A Revenue Tariff lays a vastly higher rate of taxation

and puts a vastly heavier burden upon the poor than upon the rich. It takes just as much sugar to sweeten a cup of coffee for a laboring man as it does for John D. Rockefeller. And so that laboring man is taxed at a rate so much *higher* than is Mr. Rockefeller for the support of their common country, that *it could scarcely be expressed in figures*.

Such a mode of taxation belongs very properly to a Monarchy. There the whole scheme and purpose is to throw the whole burden of taxation upon the common people. It does not belong to a Democratic government—Democratic at least in spirit. Here the idea is that people shall be taxed in proportion to their *ability to pay*; that is, in proportion to their property possessions, in proportion to their actual incomes—or better still, in proportion to the special Opportunities for producing wealth which they have monopolized.

In "Protection or Free Trade," Henry George has given *eleven propositions* against a Revenue Tariff which I submit to the reader's consideration. They are to be found in the chapter on "Tariffs for Revenue."

"The purpose in which tariffs originated is that of raising revenue. The idea of using them for protection is an *afterthought*. And before considering the protective function of tariffs it will be well to consider them as a means for collecting revenue.

"It is usually assumed, even by the opponents of protection, that tariff should be maintained for revenue. Most of those who are commonly called free traders might more properly be called revenue-tariff men. They object, not to the tariff, but only to its *protective* features, and propose, not to abolish it, but only to restrict

it to revenue purposes. Nearly all the opposition to the protective system in the United States is of this kind, and in current discussion a tariff for revenue only is usually assumed to be *the sole alternative* to a tariff for protection.

"But since there are *other* ways of raising revenue than by tariffs this manifestly is not so. And if not useful for protection, the only justification for any tariff is that it is a good means of raising revenue. Let us inquire as to this.

"Duties on imports are *indirect taxes*. Therefore the question whether a tariff is a *good* means of raising revenue involves the question whether *indirect taxation* is a good means of raising revenue.

1. "As to *ease and cheapness of collection* indirect taxation is certainly *not* a good means of raising revenue. While there are direct taxes, such as taxes on real estate and taxes on legacies and successions, from which great revenues can easily and cheaply be collected, the only indirect taxes from which any considerable revenue can be obtained require *large and expensive staffs of officials* and the enforcement of vexatious and injurious regulations.

"So with the collection of indirect taxes upon imports. Land frontiers must be guarded and sea-coasts watched; imports must be forbidden except at certain places and under regulations which are always vexatious and frequently entail wasteful delays and expenses; consuls must be maintained all over the world, and no end of oaths required; vessels must be watched from the time they enter harbor until the time they leave, and everything landed from them examined, down to the trunks

and satchels and sometimes the persons of passengers, while spies, informers and 'bloodhounds' must be encouraged.

"But in spite of prohibitions, restriction, searchings, watchings and swearings, indirect taxes on commodities are largely *evaded*, sometimes by the bribery of officials and sometimes by the adoption of methods for eluding their vigilance, which, though costly in themselves, cost less than the taxes. All these costs, however, whether borne by the government or by the first payers (or evaders) of the taxes, together with the increased charges due to increased prices, finally fall on *consumers*, and thus this method of taxation is extremely *wasteful*, taking from the people much more than the government obtains.

2. "A still more important objection to indirect taxation is that when imposed on articles of general use (and it is only from such articles that large revenues can be had) it bears with far greater weight on the *poor* than on the *rich*. Since such taxation falls on people not according to what they have, but according to what they *consume*, it is heaviest on those whose consumption is largest in proportion to their means."

"I have known at least two *millionaires*—possessed not of one, but of from six to ten millions each—who paid little more of such taxes than ordinary *day-laborers*.

"Even if cheaper articles were taxed at no higher *rates* than the more costly, such taxation would be grossly unjust; but in indirect taxation there is always a tendency to impose *heavier taxes on the cheaper articles* used by all than on the more costly articles used only by the rich. This arises from the necessities of the case.

Not only do the larger amount of articles of common consumption afford a wider basis for large revenues than the smaller amounts of more costly articles, but taxes imposed on them cannot be so easily evaded."

3. "That indirect taxes thus bear far more heavily on the poor than on the rich is undoubtedly one of the reasons *why they have so readily been adopted*. The rich are ever the powerful, and under all forms of government have most influence in forming public opinion and framing laws, while *the poor are ever the voiceless*. And while indirect taxation causes no loss to those who *first* pay it, it is collected in such insidious ways from those who *finally* pay it that they do not realize it. It thus affords the best means of getting *the largest revenues* from the body of the people *with the least remonstrance* against the amount collected or the *uses* to which it is put."

4. "If a tax-gatherer stood at the door of every store, and levied a tax of twenty-five per cent on every article bought, there would quickly be outcry; but the very people who would fight rather than pay a tax like this will uncomplainingly pay *higher* taxes when they are collected by storekeepers in *increased price*."

5. "And even if an indirect tax is consciously realized, *it cannot easily be opposed*. At the beginning of our Revolution the indirect tax on tea, levied by the British government, without the consent of the American colonies, was successfully resisted by preventing the *landing* of the tea; but if the tea had once got into the hands of the dealers, with the taxes on it paid, the English government could have laughed at the opposition of the patriots."

6. "It is no wonder that princes and ministers anxious to make their revenues as *large* as possible should prefer a method that enabled them to "pluck the goose without making it cry," nor is it wonderful that this preference should be shared by those who get control of popular government; but the reason which renders indirect taxes so agreeable to those who levy taxes is a sufficient reason why a people *jealous of their liberties* should insist that taxes levied for revenue only should be *direct*, not indirect.

7. "It is not merely the ease with which indirect taxes can be collected that urges to their adoption. Indirect taxes always enlist *active private interests* in their favor. The first rude device for making the collection of taxes easier to the governing power is to let them out to farm."

8. "The tendency of the restrictions and regulations necessary for the collection of indirect taxes is to *concentrate* business and give *large capital* an advantage. For instance, with a board, a knife, a kettle of paste and a few dollars' worth of tobacco, a competent cigar-maker could set up in business for himself, *were it not for the revenue regulations*.

"As it is, in the United States, the stock of tobacco which he must procure is not only increased in value some two or three times by a tax upon it; but before the cigar-maker can go to work he must buy a *manufacturer's license* and find bonds in the sum of five hundred dollars. Before he can sell the cigars he has made, he must furthermore *pay a tax* on them, and even then if he would sell cigars in less quantities than by the box he must *buy a second license*. The effect of all

this is to give capital a great advantage, and to concentrate in the hands of large manufacturers a business which, if free, workmen could easily set up for themselves."

9. "But even in the absence of such regulations *indirect taxation tends to concentration*. Indirect taxes add to the price of goods not only *the tax* itself but also *the profit* upon the tax. If on goods costing a dollar a manufacturer or merchant has paid fifty cents taxation, he will now expect profit on a dollar and fifty cents instead of upon a dollar."

10. "That indirect taxation is of the nature of farming the revenue to private parties is shown by the fact that those who *pay* such taxes to the government seldom or never ask for their reduction or repeal, but on the contrary generally oppose such propositions. The manufacturers and dealers in tobacco and cigars have never striven to secure any reduction in the heavy taxes on those articles, and the importers who pay directly the immense sums collected by our custom-houses have never grumbled at the duties, however, they may grumble at the manner of their collection.

"When, at the time of the war, the national taxation was enormously increased there was no opposition to the imposition of indirect taxation from those who would thus be called upon to pay large sums to the government. On the contrary, the imposition of these taxes, *by enhancing the value of stock in hand*, made many fortunes."

11. "Now, over and above the great loss to the people which indirect taxation thus imposes, the manner in which it gives individuals and corporations a direct

and selfish interest in public affairs tends powerfully to the *corruption of government*. These moneyed interests enter into our politics as a potent demoralizing force. What to the ordinary citizen is a question of *public policy* affecting him only as one of sixty millions of people, is to them a question of special pecuniary interests.

"To this is largely due the state of things in which politics has become *the trade of professional politicians*; in which it is seldom that one who has not money to spend can, with any prospect of success, present himself for the suffrages of his fellow-citizens; in which Congress is surrounded by lobbyists, clamorous for special interests, and questions of the utmost general importance *are lost sight of* in the struggle which goes on for the spoils of taxation.

"Merely as a means of raising revenue, it is clear that indirect taxes are to be condemned, since they cost far more than they yield, bear with the greatest rate upon those least able to pay, add to corruptive influences, and lessen the control of governments over their people.

"All the objections which apply to indirect taxes in general apply to import duties. Those protectionists are *right* who declare that *protection* is the only justification for a tariff."

The following are the political economists referred to by Henry George who maintained that while tariffs should be levied for "protection" they ought *not* to be levied for revenue—that the revenues for the public treasury should be raised by *direct* taxation.

"Tariffs for *revenue* should have no existence. Interferences with trade are to be tolerated only as measures

of self-protection.”—H. C. Carey, “Past, Present and Future.”

“Taxes for the sake of revenue should be imposed *directly*, because such is the only mode in which the contributions of each individual can be adjusted *in proportion to its means*.”—Professor E. P. Smith, “Political Economy,” pp. 265-268.

“Duties for *revenue* . . . are highly *unjust*. They inflict all the hardships of indirect and unequal taxation without even the purpose of benefiting the consumer.”—Professor R. E. Thompson, “Political Economy,” pp. 232.

I submit these rather astounding propositions because they help to more fully differentiate a Revenue Tariff from a Protective Tariff. Thruout all the decades that we have been discussing the Tariff we have assumed that if either system was false, then the other must be true. It seems never to have occurred to us that *both* might be false. And yet that is exactly the conclusion that profound thinking will reach. A Protective Tariff is wrong because it violates the principles of Trade. A Revenue Tariff is wrong because it violates the principles of just Taxation.

Already a better system has been introduced and ought to be encouraged by the voice and vote of the American people.

CHAPTER IV.

THE INCOME TAX.

WHEN the Democratic Party took the Tariff off of sugar and made up the \$55,000,000 thus formerly obtained by levying an income tax on the

great untaxed wealth of this country, it started a *new era* for the American people. It was the opening gun in the campaign for justice and equity in the realm of taxation.

There is a vast distinction between taxing the *foods* of the tens of millions of our common people, and taxing the huge, "unearned increment" of some Vanderbilt, Field, or Astor.

It is to be a *graduated* Income Tax. That is, the *rate* of taxation is to increase as the *income* increases. The general provisions are these:

1. It is not levied upon any incomes below \$4,000, if the individual is married, or below \$3,000 if the individual is not married.

2. Upon all incomes over this amount, the tax is 1%.

3. Upon all incomes over \$20,000, the tax is 2%.

4. Upon all incomes over \$50,000, the tax is 3%.

5. Upon all incomes over \$75,000, the income tax is 4%.

6. Upon all incomes over \$100,000, the tax is 5%.

7. Upon all incomes over \$250,000, the tax is 6%.

8. Upon all incomes over \$500,000, the income tax is 7%.

9. Each of the lower rates of tax, say that on \$4,000, *continues* on through. When the next grade of income is reached, the lower grade of tax is continued, and the higher rate is paid *from that point on*.

For instance, an income of over \$500,000, pays a 1% tax, and *in addition*, 2% on all above \$20,000, 3% on all above \$50,000; 4% on all above \$75,000; and so on, the rate *graduating* with the amount. And so all incomes over \$500,000 pay 1, 2, 3, 4, 5, 6 and 7 per cent income tax.

I will reproduce here a table from the Congressional Record, September 30, 1913, page 5775, giving the detailed statement made by the Conference Committee,

showing the graduation in the tax rates, the estimated number of fortunes that will fall under each class, and the amount of revenue it will produce.

Estimated incomes and revenue therefrom for the first year under H. R. 3321.

Incomes (amt.)	Number of	Tax rate.	Revenue.
Incomes.			
\$ 3,000 to \$ 4,000..	75,000	1 per cent.....	\$ 375,000
4,000 to 5,000..	126,000	1 per cent.....	630,000
5,000 to 10,000..	178,000	1 per cent.....	5,340,000
10,000 to 15,000..	53,000	1 per cent.....	4,240,000
15,000 to 20,000..	24,500	1 per cent.....	3,185,000
20,000 to 25,000..	10,500	1 and 2 per cent..	2,100,000
25,000 to 50,000..	21,000	1 and 2 per cent..	9,660,000
50,000 to 75,000..	6,100	1, 2 and 3 per cent	6,832,000
75,000 to 100,000..	2,400	1, 2, 3 and 4%....	4,776,000
100,000 to 250,000..	2,500	1, 2, 3, 4 and 5%	13,775,000
250,000 to 500,000..	550	1, 2, 3, 4, 5 and 6%	8,805,500
500,000 to 1,000,000..	350	1, 2, 3, 4, 5, 6 & 7%	13,653,500
1,000,000 and over...	100	1, 2, 3, 4, 5, 6 & 7%	9,301,000
Total		500,000	Total\$82,673,000

The above table gives some conception, also, of the extent to which the property of the nation has been concentrated in a few hands under the "blessings" of a Protective Tariff. No other country on earth can compare with ours either in the number of vast estates, or in the size of their enormous incomes.

From the above it will be seen there are over 2,500 families with incomes of over \$100,000. There are some 500 families with incomes ranging from \$250,000 to \$500,000. All these represent amounts of wealth too vast for the human imagination to picture. But it does not stop here. There are over 350 families with incomes

ranging between \$500,000 and a million. Fully 100 families in the United States have incomes of \$1,000,000 a year, and over.

Included in these will be the Marshall Field estate, yielding some 10 or 15 millions a year. The income of the colossal Carnegie fortune has been estimated at \$18,000,000. The combined incomes of the Astors from "ground rents" in the city of New York cannot well be less than \$24,000,000 a year; while the Rockefeller fortune, the largest in any country in any age, may yield an income as high as \$40,000,000 a year.

These are the new sources of revenue which the Underwood Tariff has opened up. For the first time in the history of the Republic have these vast fortunes been taxed for the support of the Federal Government. It is now proposed that they shall contribute \$82,673,000. For over a hundred years this amount has been raised by taxing the food and the clothing of the common people of this country, the millions and tens of millions, who, after a life time of toil, have often not even enough left to afford them a decent burial, and thousands of them go to the potter's field.

It might be well to illustrate still further the working of the Income Tax. For instance, a man with an income of \$1,000,000 a year will pay:

1% on	\$1,000,000 which would be.....	\$ 10,000
2% on	980,000 which would be.....	19,600
3% on	950,000 which would be.....	28,500
4% on	925,000 which would be.....	37,000
5% on	900,000 which would be.....	45,000
6% on	750,000 which would be.....	45,000
7% on	500,000 which would be.....	35,000

Total Income Tax on a million dollars\$220,100

And so a man with an income of a million dollars will pay to the government \$220,100, where before he paid *nothing*.

The Income Tax is the fairest of all *existing* modes of taxation. A general property tax is a thousand fold more fair than a Tariff Tax; because it is a tax on actual possessions while the Tariff is a tax upon necessities. And there may be no possessions at all, and scarcely the money with which to buy life's necessities.

But a general property tax may sometimes be severe in this that often a man gets no returns from his property some particular year. For instance a man may have \$100,000 invested in some business and yet, for some particular year, the business may have been run at a small profit, or none at all. But he must pay his taxes just the same.

But the Income Tax levies *no tax* when there is *no income*, no matter how great the property possessions. The greater the income the greater the man's "ability to pay," hence the greater the amount of taxes he will be called upon to pay.

It may be objected to the Income Tax that it taxes a man on an income derived from *Industry* the same as it taxes an income derived from *Monopoly*. And the objection is valid. It is not so fair a tax as a straight Monopoly Tax. But to this the answer is, first, that the tax is comparatively light on the smaller incomes. Second, that the tax rate increases rapidly—and can be made to increase more rapidly—as we approach incomes the larger part of which must be derived from *monopoly*; because when we get to incomes of \$500,000, and over, the matter of *earning* them, of *producing*

them, or of rendering an *equivalent* for them, is practically out of the question. It clearly represents an "unearned increment." The third answer to this most pertinent and just objection is that it at least represents a wide *departure* from the old indirect and secret method of Tariff Taxation. And this system can be readily expanded. It is a means to something vastly better than the country has ever known before, and until we destroy the superstition of protection *no just system of taxation of any character can possibly be established.*

Mention should here be made of the Corporation Tax which accompanies the Graduated Income Tax in the new Underwood Tariff. This measure first appeared in the Payne-Aldrich Bill. Realizing that the tariff rates in that infamous measure were so *high* as to be inadequate to raise sufficient revenue for the *government*, the yielding hundreds of millions of dollars for private pockets; its framers attached to it a Corporation Tax.

Whatsoever may be its merits, and they are probably numerous, there is at least one objection to a Corporation Tax; viz: that it taxes the proceeds of corporations engaged in Industry the same as those engaged in Monopoly. This is the same objection which Science makes to the Income Tax. But it is due to a distinction which the general intelligence of mankind thus far has been unable to recognize. But its recognition will come some day—and a glorious day it will be in the cause of Justice.

For instance, here is a corporation whose proceeds are drawn wholly from holding some monopoly. It is engaged in no industry, employs no labor, and produces no form of wealth. It is engaged only in the monopoly of

some *source* of wealth, and by this means being able to *get* the wealth which labor and capital will produce therefrom—AND GIVE ABSOLUTELY NOTHING IN RETURN. It is simply a “holding company.”

And this is the definition of a Trust. It is not a *producing* company but a *holding* company—holding in *trust* the stocks of other companies. In fact a profound analysis of the Trust will show that its two chief sources of power are a Protective Tariff and Land Monopoly—whether mines, oil fields, gas lands, railroads, or other natural resources and public franchises. Without these two facts no Trust could exist in this country—or in any other.

It may be found, in brief, that the thing which makes the “holding company” possible—aside from the Tariff—is the fact that it holds the deeds and charters to the sources of the “raw materials” of manufacture—the products of which the constituent companies produce; or else it holds the franchises to the means of *transportation*. That tells the whole story as to the *source* and *power* of the *trust*.

The Corporation Tax was the nearest the Republican Party came to being right in many decades on a great vital issue. In the author's opinion the substitution of the word “monopoly” for the word “corporation” would be taking a mighty step forward. That would be following in the footsteps of England, the Mother Country, from which nearly all our institutions are derived.

Then we shall be taxing that huge fund now pouring into private pockets and amounting to hundreds of millions of dollars every year—and a fund which all political economists are agreed in calling “*an unearned in-*

crement." It is unearned by those who get it; because earned, produced, by the general public, is due to the increase of population and so belongs by right in the public treasury. Thus near did a great party come to a great truth.

The declaration is often made that the reduced Tariff will not raise sufficient revenue to meet the expense of the Government; that, as a result, the deficiency will have to be made up by the Income Tax; and that it will be levied, not simply on the millionaires of the country, but will be extended downward until *every laboring man* is taxed to support the government. This is designed of course as a scare, with the impression that the laboring man is now *not* taxed, but would be under the new order of things.

As a matter of fact, the laboring man and the common people would be tremendous *gainers*, even if such a policy were enforced. Let us examine it. The average pay of the American laborer working in factories is about \$500 a year. In a family of five he would pay out not less than \$150 because of the Tariff. Whether he bought foreign goods or whether he bought home goods, if he expend \$500 for the necessities of life, not less than \$150 would go as Tariff Tax. True it might not go to the government. Only a little of it would. Nearly all of it would go into private pockets. *But it would go.*

Suppose we apply the Income Tax. 1% of \$500 would be \$5. And so his Income Tax for the support of the government would be \$5. But the Tariff Tax takes out of his pockets not less than \$150, or 30 times as much. The Tariff Tax now takes from him, with a supposed income of only \$500, as much as the Income

Tax takes from a man with an income of \$15,000—and that means an income 30 times higher than his wages. In other words he is now taxed three and three-fourths times that of a man with eight times his income. So he could well afford the change, and ought to be eager for it.

To give the reader a more concrete conception of the magnitude and significance of the Income Tax I will give some of the estimates made by a newspaper just before the time for filing the assessment had closed. John D. Rockefeller's Income Tax will be \$6,000,000. This will be the largest individual Income Tax the government will collect. Andrew Carnegie is expected to pay the next largest tax, \$900,000. The following additional estimates have been made:

William Rockefeller.....	\$800,000
George F. Baker.....	300,000
J. P. Morgan estate	450,000
Mrs. E. H. Harriman.....	210,000
Mrs. Russel Sage.....	200,000
W. K. Vanderbilt.....	150,000
Vincent Astor.....	225,000
Jay Gould estate.....	225,000
Mrs. Hetty Green.....	180,000
Robert Goelet estate.....	180,000
Thos. F. Ryan.....	150,000

PART IV.

OUR TARIFF HISTORY BY SCHEDULES.

INTRODUCTION.

THERE can be no intelligent discussion of the new Tariff—the Underwood-Simms Tariff Law—without at least some knowledge of our Tariff History. And to be practical, this Tariff History should give the *actual tariff rates* on the leading commodities as they have now been taxed for *a hundred and twenty-five years*.

Space will permit of only a brief outline. By giving the *general averages* of the different bills, and the *exact rates* on many articles, the reader can form a splendid judgment of the Tariff Acts of the past. With these in mind he is vastly more competent to pass upon the Tariff now in issue, and upon the merits of the whole Protective Theory. In this busy and hurrying age some one must take the time and have the patience to examine into the utmost details of important things.

The giving of *average rates* can be very deceptive. Often articles most in use by the people are taxed at *many times* the average rate. This arises from the fact that the average rates represent duties as collected *at the ports*. While duties on imports actually paid are usually given as the basis, yet these may fail seriously in giving a conception of the enormity of the tariff rate. Why? Because the higher rates are usually *prohibitive*. Therefore no goods *come in* under this class. And so

they would not appear in the averages as shown at the custom house.

Only the classes of goods with the *lower* rates—which too often represent those paid by the rich—come in. And yet those higher rates tell in the prices of the highly-protected *home* goods, and so are paid by home consumers. This holds of the higher rates on woolen goods, cotton goods, steel manufactures, refined sugar, etc. The actual rate imposed *in the bill* is the one that is of primary importance. It shows the *intention*—or degree of criminality—of those imposing it.

For some of the leading and telling facts in our Tariff History I refer the reader to a chapter under this title in Franklin Pierce's great book on "The Tariff and the Trusts." No one chapter in literature contains more vital facts. The most scholarly and exhaustive book on the subject is by Professor F. W. Taussig, of Harvard University: "The Tariff History of the United States." No library on the subject is complete without it. I commend it especially to protectionists.

The most readable book on the subject—to me the most readable book ever written on the Tariff—is Ida M. Tarbell's "The Tariff of our Times." It traces the history from 1860, and gives the motives, schemes, cabals, conspiracies, and "log-rolling" involved in Tariff Legislation. And I here pay my respects to perhaps the greatest feminine intellect of the age, and to the woman who is the peer in intellect, integrity, moral courage, humanity, and foresight of any woman that has ever lived to bless this earth.

The following represent practically all the Tariffs

in our history. The rates under each Tariff are taken directly from the original bills. This method enables the reader to follow the history of the Tariff on the leading articles and products for a century and a quarter.

It tells the whole story. It shows the beginning of the imposing of a tax for raising revenues at an average rate of about 6.5%, to the culmination of the Protective System in the "Tariff of Abominations" in 1829.

Then comes the complete abolition of Protection by the "Walker Tariff" of 1846. Then comes the Civil War and with it the opportunity of Organized Greed to again fasten the Protective System on the American people. We see the steady advance until the Payne-Aldrich Tariff Act of 1909 enacted the most elaborate system of *private taxation* publicly enforced the world has ever known.

Finally will be presented a brief sketch of the Underwood-Simms Tariff, approved October 8, 1913, showing contrasts with the Payne Tariff and the fundamental principles on which the new measure is framed. The Underwood Tariff marks a new epoch in our history. It is the dawn of a new order of things.

TARIFF OF 1789.

Approved, July 4, 1789, by George Washington.

Distilled spirits, Jamaica proof	10	cents per gallon
Molasses	2½	cents per gallon
Brown sugar	1	cent per pound
Loaf sugar	3	cents per pound
All other sugars	1½	cents per pound
Coffee	2½	cents per pound
Boots	50	cents per pair
Shoes, slippers, etc.	7	cents per pair

Nails and spikes	1 cent per pound
Salt	6 cents per bushel
Manufactured tobacco	6 cents per pound
Indigo	16 cents per pound
Black teas	10 cents per pound
Hyson teas	20 cents per pound
Looking glasses, window glass, china, stone and earthenware, gunpowder, paints ground in oil, knee buckles ...	10.0%
Cabinet wares, buttons, saddles, leather gloves, men's hats, ready-made cloth- ing, iron castings, rolled iron, leather manufactures, ready-made millinery, jewelry, and plated ware, anchors, wrought, tin and pewter wares	7.5%
Raw cotton	3 cents per pound
Cotton goods	5.0%
"All other goods, wares and merchan- dise"	5.0%
Average of all tariff duties, about	6.5%

While the introduction to the bill declared its purpose to be, "for the support of the government, for the discharge of the debts of the United States, *and the encouragement and protection of manufacturers*"; it is interesting to know that the fathers regarded an average duty of $6\frac{1}{2}\%$ ample to "protect" them against all the world.

Jefferson, Madison, and the leading thinkers of the day—barring Hamilton—were Free Traders. While believing in Protection for "infant industries," Hamilton himself maintained that their "continuance in manufactures *long established* is most questionable."

TARIFF OF 1812.

Approved, July 1, 1812, by James Madison.

THIS tariff act increased all existing duties 100%, bringing the average rate up to about 13%.

It was enacted at a time when there were "wars and rumors of wars." The Napoleonic wars of Europe had been going on for 12 years. They did not end till the battle of Waterloo in June of 1815. The War of 1812 between England and the United States was in progress at the time the bill was passed.

The exports of 1806 exceeded \$100,000,000—a sum not surpassed until 1834. And this with tariff rates ranging only from 8% to 13%. And so it does not seem that low tariffs and foreign imports *injure home production*.

TARIFF OF 1816.

Approved, April 27, 1816, by James Madison.

Dyes, jewelry, watches, gold and silver, lace and embroidery, precious stones and pearls, laces, lace shawls, etc.	7½%
Gold leaf, and all articles not free	15%
Hempen cloth, woolen or cotton stockings; printing types, and all articles manufactured from brass, copper, iron, steel, pewter, lead or tin; brass wire, cutlery, pins, needles, buttons, and buckles of all kinds; gilt, plated and Japan wares; cannon, muskets, fire arms, etc.; chinaware, earthen and stone ware, porcelain and glass manufactures	25%
Woolen manufactures	25%
After three years	20%
Cotton manufactures, first three years	25%
After three years	20%

Umbrellas, parasols, women's bonnets, caps, fans, feather ornaments, etc.; men's hats and caps; painted floor cloths, cabinet wares, saddles, bridles harness and ready made clothing	30%
Boots, per pair	\$1.50
Cheese, per pound	9 cents
Chocolate, per pound	3 cents
Iron in bars and bolts, per 100 pounds	45 cents
Iron in sheets, rods and hoops, per 100 weight	\$2.50
Indigo, per pound	15 cents
Playing cards, per pack	30 cents
Lead in pigs, bars or sheets, per pound	1 cent
Red and white lead, per pound	3 cents
Molasses, per gallon	5 cents
Nails, per pound	3 cents
Salt, per bushel	20 cents
Shoes and slippers, per pair	25 cents

This was the first tariff looking towards Protection. It placed an average tariff on foreign goods at 20%. The making of pig and bar iron was regarded as an *established industry* when the first Tariff was made. So it was not placed on the list. These manufacturers now took the hint and crawled under the protection tent, and have been under ever since.

The measure was framed under the guidance of Henry Clay. It was the first enunciation of the "American System." The Southern members of Congress favored the Tariff of 1816, but New England opposed it. Clay believed in protecting infant industries, but does not seem to have favored protecting them longer than three years. After that time he maintained that an industry which could not exist, ought not to exist.

Daniel Webster said, "I am a little curious to know with what propriety of speech this *imitation of other nations* is denominated as an 'American' Policy." On

July 2, 1820, speaking in Faneuil Hall Webster declared a Protective Tariff to be "a policy that could not be followed without great *national injury*, nor abandoned without extensive *individual ruin*."

The dominant thought back of this beginning of the Protective Policy was to be "prepared for war." Our fathers could see nothing ahead but wars and conflicts between nations. And so they began to take steps to build up "home industries" in order to secure "industrial independence."

Protection seems to have been recognized and accepted as an "economic loss." But the patriotic people of the early days were willing to make the financial *sacrifice* in order to have their own industries, and thus be independent of other nations.

The idea that Protection is a gain, instead of a loss, to the entire nation, seems to have been developed later. When the fear of war was no longer adequate to maintain the Tariff, then a new "argument" had to be invented. But "national safety" was the only consideration that first fastened a Protective Tariff on a people whose only policy should have been Free Trade.

But they had never heard of anything but Protection. It seemed the "natural" order of things. Besides, the colonies had their Tariff Walls before the establishment of a Central Government. Each sought to "protect" itself against the other. The first "Tariff Wars" began then. And no argument can be advanced for Protection to the nation which will not apply to each state.

Franklin Pierce says, "Pennsylvania in 1785 was the first one of the states of the Federation to impose pro-

protective duties against sister states. The ancestors of the present millionaires of Pittsburg however were modest. They imposed duties of only $2\frac{1}{2}$ per cent; a hundred and twelve years later their descendants induced Congress to pass the Dingley Bill imposing duties all the way from 50 to 150 per cent to protect their 'infant industries' from foreign competition."

TARIFF OF 1824.

Approved, May 22, 1824, by James Monroe.

Tariff on woolen goods raised from	25 to 33 $\frac{1}{2}$ %
Raw wool raised from	15 to 30 %
Manufactures of cotton, flax, or hemp	25 %
Worsted goods and blankets	25 %
Brussels, Turkey, and Wilton carpets per sq. yd. .	50 cents
Venetian and ingrain carpets per sq. yd.	25 cents

TARIFF OF 1828.

Approved, May 19, 1828, by John Quincy Adams.

Iron in bars or bolts, made by rolling, per ton	\$37.00
Iron or steel wire, per pound, from	6 to 10 cents
Lead in pigs, bars or sheets, per pound	3 cents
Red or white lead, dry or ground in oil, per pound...	5 cents
Raw wool, per pound	4 cents
and in addition 40%, to steadily increase to	50%
Manufactures of wool (except carpets, blankets, etc.)	45%
Ready-made clothing	35%
On Brussels, Turkey and Wilton carpet, per sq. yd...	70 cents
Venetian and ingrain, per sq. yd.	40 cents
All other carpets of wool, flax, hemp or cotton, per sq. yd.	32 cents
Patent printed floor oil cloth, per sq. yd.	50 cents
Floor mattings, per sq. yd.	15 cents
Unmanufactured hemp, per ton	\$45.00
Cotton bagging, per sq. yd.	5 cents

Unmanufactured flax, per ton	\$35.00
Both hemp and flax to advance \$5.00 a year to, per ton, ...	\$60.00
Sail duck, 9 cents per sq. yd. to advance to	12½ cents
Molasses, per gallon	10 cents
Duty on indigo to steadily advance to, per pound ...	50 cents

This was called the "Tariff of Abominations." It was the manufacturers' own measure. It was denounced by all parties. It imposed an average tariff duty of 49%. *It was the highest known in this country before the McKinley act of 1890.* It was the first time *compound duties* were levied—specific and ad valorem combined.

This bill was the high mark of Protection. From this time on to 1861 the whole effort is to *reduce* the Tariff. Protection had been "*weighed in the balance and found wanting.*"

TARIFF OF 1832.

Approved, July 14, 1832, by Andrew Jackson.

Raw wool, worth less than 8 cents per pound	Free
Exceeding 8 cents per pound, 4 cents per pound, plus	40%
Worsted stuff goods, shawls and other manufactures of worsted	10%
Woolen yarns, 4 cents per pound and	50%
Gloves, binding, blankets, hosiery and carpet (ex- cept Brussels, etc.)	25%
Brussels, Wilton and treble ingrain carpets, per sq. yd.	63 cents
All other ingrain and Venetian carpeting, per sq. yd.	35 cents
Woolen blankets, worth less than 75 cents each	5%
Flannels, bocking, per sq. yd., etc.	16 cents
Merino shawls, and other manufactures of wood	50%
Ready-made clothing	50%
Manufactures of cotton	25%
Stamped, printed or painted floor oil cloth, per sq. yd.	43 cents

Bar and bolt iron rolled, per ton	\$30.00
Iron in pigs, per pound	$\frac{1}{2}$ cent
Vessels of cast iron, per pound	$1\frac{1}{2}$ cent
Iron or steel wire, per pound	5 to 9 cents
Wire covered with thread	12 cents
Axes, hatchets, scythes, spades, tolls, screws, etc...	30%
Steel, per pound	$1\frac{1}{2}$ cents

This Tariff bill came in response to popular indignation against the "Tariff of Abominations." It sought to restore the rates of 1824.

TARIFF OF 1833.

Approved, March 22, 1833, by Andrew Jackson.

THIS act sought by gradual reduction of 10% per year until all tariff rates had been reduced to 20%. Many modifications ensued, reduction was slow and difficult, but by 1842 they had reached 24%.

Long before this period both cotton and woolen manufacturers were recognized as being able to stand alone and compete with all the world, *without any protection whatever*. Expert cotton and woolen manufacturers so declared in 1824 and 1830. And so the "protective period" had passed both for American industries and from the American brain.

TARIFF OF 1842.

Approved August 30, 1842, by John Tyler.

THIS tariff made a thorough revision. It imposed an average duty of 32%. Thus far iron *rails* had been coming in free. They were now given a "protection" of 32%. This was the last of the Whig tariff acts. They were for Protection as a *temporary* measure. They

meant well, but the folly and swindle of Protection had now become apparent to the masses of the people. A new order of things was to follow.

WALKER REVENUE TARIFF.

Approved July 30, 1846, by James K. Polk.

WE NOW come to the new order of things. This was brought about by the "Walker Revenue Tariff." It was named after Robert J. Walker, Secretary of the Treasury, who framed the bill. He is the only man, not chairman of the Ways and Means Committee, that ever had a tariff bill named after him.

It is the most scientifically-constructed Tariff in our history—with the possible exception of the present Underwood Tariff. It was methodically worked out upon fundamental and patriotic principles: 1st. No more revenue was to be raised than was actually needed by the government. 2nd. Highest duties were to be imposed on luxuries. 3rd. The lowest rates possible were to be levied. 4th. No tariff was to be laid for Protection. 5th. All *specific* duties were to be abolished.

Schedule A.—Brandy, and other distilled spirits and spirituous beverages 100%

Schedule B.—Ornaments, sardines, refined camphor, cloves; articles of furniture; fruits preserved in sugar, brandy or molasses; dates, figs; cut glass; manufactures of cedar, rosewood, etc.; prunes, raisins, cigars, wines .. 40%

Schedule C.—Ale, beer and porter; German silver, ornaments, cosmetics, baskets, bracelets, braids, chains, suspenders, brooms and brushes; canes, hats, caps, muffs, gloves, stockings, shirts, drawers, carpets, rugs, cheese, clocks

- carriages, ready-made clothing and wearing apparel of every description; harness, cotton cords, cutlery, diamonds, gems and pearls, earthen, china and stone ware, furniture, glass tumblers, hats and bonnets; iron in bars, brooms, bolts, etc.; cast iron, scrap iron, jewelry, etc.; marble and marble paving tiles, rubber shoes, soap, sugar, syrup, manufactures of tobacco, umbrellas, etc... 30%
- Schedule D.—Borax; buttons; flannels; floor cloths; calomel, camphor; cotton laces, insertings, and trimmings; feather beds; unmanufactured jute; manufactures composed wholly of cotton, mohair, silk; china; floor matting, etc. 25%
- Schedule E.—Acids, bacon, bananas, barley, beef, blankets, lumber, timber, blue vitriol, woven shirts and drawers, furs, hats, leather, lead, linen, marble in the rough, musical instruments, oats and oatmeal, oils, opium, oranges, lemons and limes, roofing bricks and tiles, rhubarb, rice, Roman cement, rye and rye flour, window glass, etc. 20%
- Schedule F.—Arsenic; Peruvian bark; brimstone, crude in bulk; tow of flax or hemp; glaziers' diamonds; flax, unmanufactured; gold and silver leaf; steel in bars, casts, sheer, or German; Terne tin plates; tin in plates or sheets; tin plates, galvanized, zinc, in sheets 15%
- Schedule G.—Ammonia, bleaching powder; books, magazines, illustrated newspapers; building stones; cocoa; diamonds, gems and rubies in the rough; engravings; Fuller's earth; unmanufactured rubber; pumice; watches and parts of watches 10%
- Schedule H.—Old bells and bell metal; berries, nuts and vegetables used in dyeing; brass in pigs or bar; copper in pigs or bar; ivory; lasting for boots and shoes; ground matter; manufactures of mohair cloth; nickel, mother of

pearl; raw hides and skins of all kinds; nitrate of soda, tin in pigs, bars or blocks ... 5%

Schedule I.—Free List.

The average duties under the Walker Tariff were 25%. It remained in force till 1857. It was then reduced still lower. Protection in the United States was dead. It would never have been heard of again, except as a matter of ancient history, had it not been for the Civil War.

TARIFF OF 1857.

Approved, March 3, 1857, by James Buchanan.

THIS act reduced the average tariff rate to about 18%. The Walker Tariff was working satisfactorily. Even with its low rates, it was producing too much revenue.

In the House there were 83 Democrats, 108 Republicans, 43 "Know Nothings." The Senate was Democratic.

So popular had "free trade" become with the people of the United States that a goodly proportion of the Republicans voted for a still further reduction of the Tariff.

In his "Twenty Years in Congress," Blaine says: "Moreover the tariff of 1846 was yielding abundant revenue, and the business of the country was in such a flourishing condition at the time his (Polk's) administration was organized.

"Money became very abundant after the year 1849; large enterprises were undertaken; speculation was prevalent, and for a considerable period the prosperity of the country was general and apparently genuine.

After 1852 the Democrats had almost undisputed control of the government, and had gradually become a free trade party.

"The principles embodied in the tariff of 1846 seemed for the time to be so entirely *vindicated and approved* that resistance to it ceased, not only among the people but among protection economists and even among the manufacturers to a large extent.

"So general was the acquiescence that in 1856 a protective tariff was not even suggested *or even hinted* by any one of the three parties which presented presidential candidates.

"By this law the duties were placed lower than they had been at any time since the War of 1812. The act was well received by the people and was indeed concurred in by a considerable proportion of the Republican Party."

The act of 1857 was supported by a large number of Republican Senators from New England, including Hamilton Fish of New York, Sumner and Wilson of Massachusetts, Bell of New Hampshire, Allen of Rhode Island, Collamer and Foote of Vermont, Fessenden of Maine, Foster and Toucy of Connecticut.

Senator Wilson, of Massachusetts, speaking in the senate in favor of this bill said: "We of New England believe that hemp, flax, silk, lead, tin, copper, hides, linseed and other articles should be admitted duty free. We are for the reduction of the revenue *to the actual wants of an economical administration* of the government, for the depletion of the treasury *now full of hoarded gold.*"

In the "Tariff and the Trusts," is a brief summary of

conditions that obtain under "free trade." I here give some of the more important facts there cited:

The census of 1850 showed our national wealth to be \$7,136,000,000.

The census of 1860 showed it to have increased to \$16,160,000,000 an increase of 126%—*the greatest increase that has ever occurred in any ten years of our history.*

In 1850, the capital employed in manufactures was \$543,000,000 in round numbers.

In 1860, it had gone up to \$1,009,000,000, an increase of 89.4%.

In 1890, the capital employed in manufacturing was \$6,500,000,000.

In 1900, \$9,800,000,000, an increase of only 50.7%.

From 1850 to 1860, the increase in the products of manufacture was 85.1%.

From 1890 to 1900, was only 38.9%—less than half the amount.

Between 1850 and 1860 the railway mileage of the country increased from 9,000 to 30,000 miles, an increase of over 300%.

The imports and exports for this period per capita were as follows:

	Imports	Exports
1843-46	\$ 4.66	\$5.22
1847-50	6.33	6.32
1851-55	9.10	7.35
1856-60	10.41	9.45

The imports and exports in million dollars were:

	Imports	Exports
Annual average of the four years 1843-46....	92.7	100.
Annual average of the four years 1847-50....	138.3	136.8
Annual average of the five years 1851-55....	231.	186.2
Annual average of the five years 1856-60....	305.	278.2

From 1846 to 1860, according to Professor Taussig, the number of cotton spindles in the United States

practically *doubled*, increasing from 800,000 to 1,600,000.

It is not here contended that the reduction of the Tariff *caused* this marvelous industrial activity and prosperity. It simply *permitted* it by greatly diminishing the previous *restrictions* on Trade. It was like breaking the fetters of a giant in chains. An absolute Free Trade, thru Direct Taxation, would have shown still greater results; and a greater equity in the *distribution* of the enormous wealth produced.

THE WAR TARIFFS.

IN MARCH, 1861, was passed the first of the War Tariffs. They had for their purpose "revenue only." They invariably levied an internal revenue to balance the external revenue. In fact, they usually laid the internal revenue first.

(a) Internal Duties.

Pig iron.....	\$2.00 a ton
Railroad iron.....	\$3.00 a ton
Sugar	2 cents a pound
Salt	6 cents a 100wt.
Raw Cotton.....	2 cents a pound
This made an average for internal duties of	
15%	
General tax on all manufactured products	
5%	
But this was repeated in almost every stage of production.	

(b) External Duties—or Tariffs, 1862.

Average duties	37.0%
The tariff of 1864 increased this to an average rate of ..	
47.6%	
The tariff on foreign goods was understood to help <i>compensate</i>	
the manufacturers for the high internal duties which the	
war had levied upon them.	

Both internal and external duties were understood to

be temporary measures. What has happened since the war has been a reduction of internal revenue taxes, a placing of products *not* produced in this country on the Free List, and a gradual increase of tariff duties on foreign goods.

Referring to this war tariff in a speech in Congress in 1888, "Sun Set" Cox said: "The protectionists were not, however, in favor of reducing the taxation in the tariff, but they were in favor of a *hasty riddance* of the whole *internal-revenue* system and its Federal mode of collection. I regarded the tariff which we sought to revise as a monument of war necessity and of subsequent *treachery*. It was promised that it would be reformed after the war when the internal taxes were reduced on home manufactures."

TARIFF OF 1867.

Approved, March 2, 1867, by Andrew Johnson.

IN 1867, a coalition was formed between the wool manufacturers and the wool growers to work together in the securing of an increased tariff rate on both wool and woolen goods. Each agreed to help the other to secure any rate they would ask, provided they would return the compliment. Whatever rate was secured by the wool growers was to be multiplied by *four* on woolen goods.

This was to be given as a *compensatory* tariff. That is, it was to compensate, or make up to, the manufacturers for the tariff they had to pay on their raw materials. Then they were to have their own "protection" *in addition*. It might be explained here that the *compensatory tariff* is represented by the *specific duty* on

woolen goods. The manufacturers' *net* protection is represented by the ad valorem duty.

The convention met first at Syracuse, New York, 1865. It was called by woolen and carpet manufacturers. The "sheep growers" were a few breeders of blooded sheep. They laid the foundation upon which they have since been building. "Schedule K" is the finished product. A more criminal and heinous conspiracy could not well be conceived. Senator Dolliver, in his great speech on wool, gives quite a graphic account of this coalition.

After the Tariff Bill of 1867 had been *arranged*, John Sherman said: "Yes, we have reached an agreement *among ourselves*, but there is one party concerned who is not present, the consumer. HE PAYS ALL BILLS."

Wool was divided into three classes:

Class I.—CLOTHING WOOLS. All wools from sheep of merino blood, imported from Buenos Aires, New Zealand, Australia, Russia, Great Britain, etc.

Class II.—COMBING WOOLS. All combing wools of English blood, and all hair of the alpaca, goat, and other similar animals, Leicester, Copswold, Lincolnshire, down combing wools, etc.

Class III.—CARPET WOOLS. Wools imported from Turkey, Greece, Egypt, Syria, etc.

This classification was continued down to the Underwood Tariff.

TARIFF RATES ON WOOLS OF CLASS I.

Worth 32 cents a pound, or less, 10 cents, plus 11%.

Worth over 32 cents a pound, 12 cents a pound, plus 10%.

TARIFF RATES ON WOOLS OF CLASS II.

(Same as Class I.)

TARIFF RATES ON WOOLS OF CLASS III.

Worth 12 cents a pound, or less, 3 cents a pound.

Worth over 12 cents a pound, 6 cents a pound.

The Tariff of 1872 reduced this *total rate* 10%.

The Tariff of 1883 made 30 cents, instead of 32, the basis of comparison, and retained only the specific duties.

The McKinley Bill, the Dingley Bill, and the Payne Bill, each made a straight 11 cents per pound specific duty, without regard to value.

They did the same for wools under Class II., but made the rate 12 cents a pound, instead of 11 cents.

The McKinley Tariff put a tax of 32% on all wools of Class III., worth 13 cents a pound, or less; and a tariff of 50% on all wools of this class worth over 13 cents a pound.

The Dingley Tariff made 12 cents the basis of value, instead of 13, and levied 4 cents a pound on all wools of Class III., worth 12 cents a pound, or less; and 7 cents a pound on all wools worth more than 12 cents.

The same rates were made in the Payne Tariff.

The Wilson and the Underwood Bill put all wool on the Free List.

And so with the exception of *three years* under the Wilson Tariff of 1894, there has been an uninterrupted High Protective Tariff on wool and woollen goods since 1864, a period covering half a century.

The Tariff of 1867 practically doubled the rates on wool of 1864.

Woolen cloths, shawls, etc., 30 cents per pound plus 25%

Flannels, blankets, hats, knit goods, yarns, etc.—value

not exceeding 40 cents per pound 30 cents a pound

Above 40 cents per pound 40 cents a pound

Above 60 cents per pound 50 cents a pound

And in addition to the specific duties, an ad valorem

duty of 35%

Saxony, Wilton and Tournay velvet carpets, per

sq. yd. s.....70 cents

Brussels Carpet, per sq. yd. 44 cents

Patent velvet and tapestry velvet, per sq. yd. 40 cents

Tapestry brussels carpets	28 cents
Treble-ingrain, three-ply and worsted chain Venetian carpets	17 cents
Yarn Venetian and two-ply ingrain carpets	12 cents
And in addition an ad valorem duty of	35%
Hemp or jute carpeting, per sq. yd.	8 cents
Oil cloths for floors	35% to 60%
Women's and children's dress goods, per sq. yd.	6 cents plus 35%
Valued above 20 cents a sq. yd. per sq. yd.	8 cents plus 40%
Burlaps of flax, jute or hemp for bagging cotton.....	30%
Emery ore, per ton.....	\$6.00
Emery ore in grains.....	2 cents a pound
Tin plates or sheets.....	15%
Galvanized iron or tin plate.....	15%
Tartaric acid, per pound.....	15%
Gallic, or tannic acid, per pound.....	\$1.00

It was entitled "An act to *reduce* duties on imports and to reduce internal taxes for other purposes."

In "Tariff and Trusts," are two paragraphs applicable here.

"For nearly forty years Congress has been steadily selecting from the Act of 1864 every product which did not compete with a home product and repealing the duty thereon, while it has been steadily increasing duties on the importation of all products which came into competition with home products.

"To-day duties are imposed simply to create monopoly. The internal revenue taxes of the war were repealed because the citizen knew he was paying them, while the tariff, which takes his property so deftly that he does not appreciate it, has not only been continued but *increased*."

The Tariff Acts of 1883, 1890, and 1897 have steadily increased these rates until manufacturers now have a

net protection—over and above the tax on wool—of about 55%. Is it any wonder that many of them have become millionaires, while their employees—who have to pay the Tariff on the goods—have become paupers? In order to get such an extortionate “protection” they must tax the consuming public for woolen goods over 90%. On many articles it runs to 150%. There are some specific items on which the New York World maintains that the Tariff goes to 379%!

TARIFF OF 1870.

Approved, July 14, 1870, by Ulysses S. Grant.

Teas of all kinds, per pound	15	cents
Coffee of all kinds, per pound	3	cents
Ground or prepared cocoa	5	cents
Chocolate, per pound	7	cents
On all molasses, per gal.	5	cents
Raw sugar from No. 7 to No. 16, Dutch Standard, per pound	1½ to 3½	cents
On granulated, loaf and lump sugar, per pound	4	cents
Wines, per gal.	25 to 60	cents
Ground ginger, per pound	5	cents
Cinnamon and nutmegs, per pound	20	cents
Cloves, per pound	5	cents
Corset and corset patterns	35%	
Flax, not hackled or dress, per ton	\$20.00	
Flax, dressed, per ton	\$40.00	
Hemp, manila, etc., per ton	\$25.00	
Tow of flax or hemp, per ton	\$10.00	
Jute sunn, coir, etc., per ton	\$15.00	
Jute butts, per ton	\$ 6.00	
Cotton bagging or other manufactures, composed of hemp, jute, flax, gunny bags, per pound, from 2 to 3	cents	
Iron in pigs, per ton	\$ 7.00	
Wrought scrap-iron, per ton	\$ 8.00	
Hair cloth (seating), per yard, from	30 to 40	cents

Hair pins	50%
Silk buttons and ornaments	50%
Nickel, per pound	30 cents
Watches, cases, movements, etc.	25%
Live animals	20%
Oranges, lemons, grapes and pineapples	20%
Flaxseed and linseed oil, per gal.	30 cents
Congress put a tariff on steel rails of	\$28 a ton
This made a tariff of over	100%

It is no use to keep up jails and penitentiaries unless men who pass such laws are put in them.

Steel rails were soon selling in England at from \$28 to \$31 a ton. They continued to sell in this country at from \$61 to \$67 a ton. Some people think this is just plain thievery.

Nor was it the Tariff that reduced the prices of steel rails—they were reduced still more in England under “free trade.” It was the Bessemer process of reducing ores, and not a Protective Tariff, that reduced the price of steel rails. They were selling at \$150 a ton in England before this process was introduced. All the Tariff did was to prevent the people of this country from getting the full benefit of that great discovery.

It costs no more to produce steel rails in this country than it does in England—probably not so much. This we know that steel rails which sold in this country at \$28 a ton, were sold in England at \$20 a ton, according to Charles M. Schwab, when President of the Steel Trust.

The Tariff of 1883 reduced the rate on steel rails to \$17 a ton; in 1890, it was reduced to \$13.44 a ton; in 1897, to \$7.84. The Tariff of 1909 reduced it to \$3.50. The ad valorem rate under the Dingley bill

was about 35.5%. Under the Payne Tariff about 18.6%. The Underwood Tariff reduced the rate on steel rails to 10%, or about \$2 a ton.

The Tariff of 1870 was the first Tariff to have a formal "Free List." But it did not use these words. They were first used in the Tariff of 1883. But the "necessities of life" are not in it. If Protection be a good thing, why should there be a "Free List." And if it be a bad thing, why should not all articles be put in the "Free List?"

In 1862, the tariff on marble was raised to 40%; in 1864, to 80%; in 1870, to 100% and 150%. Our one and only source of marble was Vermont. So much the better for the Monopolists who controlled the source of supply.

In 1870, Joseph Wharton of Philadelphia secured a monopoly of the only known nickel mine in America. In order to develop this "infant industry," he induced Congress to give him a tariff of 30 cents a pound—he died a few years ago worth \$25,000,000. Can any one deny that Protection does "protect"—the Monopolists?

TARIFF OF 1872.

Approved, June 6, 1872, by Ulysses S. Grant.

Bituminous coal, per ton	75 cents
Salt in bags, bbls., etc., per 100 lbs.	12 cents
Potatoes, per bushel	15 cents
Tanned and dressed calf skins	25%
Sawed boards of white wood sycamore and bass wood, per 1000 feet	\$ 1.00
All other varieties of sawed lumber per 1000 feet ..	\$ 2.00
If planed and finished, both sides, per 1000 feet ..	\$ 3.50
Furniture, cabinet wares, etc.	35%
Wood casks, barrels, boxes	30%
Ground ginger, per pound	.03 cents

The law made a horizontal reduction of 10% on all raw wools, and manufactures of wool and cotton, India rubber, glassware, etc. It removed the duties on teas, coffee, wines, sugar, molasses and spices. That was putting on the Free List things which tend *not* to compete with home products.

ALL THE INTERNAL REVENUE DUTIES HAD
NOW BEEN REMOVED.

TARIFF OF 1883.

Approved, March 3, 1883, by Chester A. Arthur.

THIS was the first complete revision of the War Tariff of 1864.

It "revised" *upwards*—as usual.

This was the first Tariff to give the present arrangement of 14 schedules. They are numbered by letters, running from A to N. In addition comes the Free List. It was the first to use the words, "Free List."

It restored the tariff on sugar, the duty ranging from 1.4 to 3.5 cents per pound.

It was the first Tariff to put a big list of farm products in the tariff schedules. While they knew that Protection could not help the farmer, they also knew that the farmer's vote could help Protection.

It increased the duties on woolen dress goods.

It raised the duty on cotton, hosiery, trimmings, etc., from 35% to 49%.

It did the same with the finer grades of woolen dress goods.

It laid a duty of 75 cents a ton on iron ore.

It increased the duty on many forms of iron products.

It reduced the duty on pig iron from \$7 to \$6.72.

It lowered the duty on copper from 5 cents a pound to 4 cents.

This extortionate Tariff was one of the big factors in defeating the Republicans and electing Grover Cleveland President in 1884.

No Tariff was passed during his administration. Morrison of Illinois introduced a bill in the House proposing a horizontal reduction of 20%. It was defeated. The Democrats had a big majority in the House, but the Republicans controlled the Senate. This explains why the Cleveland Administration was unable to pass a Tariff Bill. In 1888, the Mills Bill passed the House, but was defeated in the Senate.

THE MILLS BILL.

The Mills Bill represented the rising tide of indignation against High Protection. It failed to pass the Senate and the movement was overwhelmed, only to reappear in the triumphant election of Cleveland in 1892. In many respects some of the greatest speeches ever made on the subject in Congress were made during the progress of the debate on this bill. This is particularly true of the speeches on the Democratic side.

In his tariff message—in many respects the most profound and extraordinary document in the whole literature of the tariff—Grover Cleveland said: “The tariff renders it possible for those of our people who are manufacturers of certain articles which are protected and taxed to sell them for a price equal to that demanded for the imported goods that have paid the customs duty. So that it happens that while comparatively a few use the imported articles, millions of our people who never used and never saw any of the foreign products purchase

and use the things of the same kind made in this country, and pay therefor nearly or quite the same enhanced price which the duty adds to the imported articles."

In order better to understand the exact temper of the times and the comparatively slight reductions composed in the Mills Bill, against which protectionists raised such a tremendous outcry, I will quote a few paragraphs from the famous speech made by Honorable S. S. Cox, formerly representative in Congress from Ohio and later from New York and better known as "Sun Set" Cox:

"Call this bill a free trade measure! Why, it leaves the average duty higher by 10 per cent than it was under the law of 1862, which was a thorough war measure. Before the recommendation of the Tariff Commission it should hide its head, for that commission recommended 20 per cent reduction, which would have left the average less than will be left if this bill becomes a law.

.....
 "There are various articles from which a revenue could be wholly or partially dispensed that would benefit the whole community, and with the least injury to our manufacturing interests on the protection theory.

"The amounts collected from these for the year ending June 30, 1887, are as follows:

Sugar	\$50,000,000
Tobacco	30,000,000
Alcohol used in the arts	12,000,000
Tin-plates	5,700,000
Low-grade wools	5,000,000
Chemicals, etc.	4,000,000
Flax, unmanufactured	2,400,000
Lumber	1,000,000
Salt	700,000

Coal and coke	600,000
Iron ores	700,000
Clays	85,000

"I should have been very willing, were there no other alternative, to take off from this list the revenue proportionably, or almost in any way, to prevent the menacing accumulations in the Treasury. From any of these articles, especially sugar, tobacco, lumber, wool, coal and salt, which are used by the masses more than almost any other, I would, in an emergent condition of our business, be willing to make reductions. Salt is a necessity for our dairymen, and is used largely by our meat and fish packers. Sugar is as necessary to a family as bread. Coal is indispensable to our homes and factories. Lumber should be free for building purposes, and we should as a sanitary and economic measure save our forests. Chemicals should be free—as free as the raw material of our woolen fabrics. Besides, the relief of chemicals would benefit our soap and other manufacturers. And alcohol should be free, when used in the arts and manufactures. Relief here would be a boon to many of our lesser industries. A great relief would be given also in the matter of clothing; because at least 50 per cent more for clothing and blankets is paid in this country than in other countries.

"Here, too, are the percentages of taxation on several articles which are necessities, and from which some selections for relief might be made:

	Per cent.
Tax on sugar	80
Tax on rice	112
Tax on salt	83
Tax on corn-starch	93
Tax on potatoes	45

Tax on woolen dress goods costing 22 cents a yard	71
Tax on common cloth	91
Tax on woolen hosiery	70
Tax on flannels	72
Tax on common woolen shawls	87
Tax on cotton hosiery	45
Tax on cotton bagging	54
Tax on plain earthenware	55
Tax on window-glass	86
Tax on plate-glass	147
Tax on steel rails	80

In Part V the reader will find a comparison of the rates proposed in the Mills Bill with the Tariffs which preceded and followed. Here was begun the agitation and the investigation which resulted in the Underwood Tariff twenty-five years later.

THE MCKINLEY TARIFF.

Approved, October 1, 1890, by Benjamin Harrison.

THE Tariff was the issue in the campaign of 1888. Harrison defeated Cleveland, the New York vote going to him.

Then came the McKinley Bill—the highest known up to that time.

William McKinley has been called the “The High Priest of Protection.” What would be better still, “The Priest of High Protection.” He accepted all its vagaries and crudities and inconsistencies, and seemingly without the shadow of a doubt. The harder they were to believe, the more joy he seemed to find in believing them.

Almost to the close of his life, William McKinley labored under the delusion that the more foreign goods

a people *consume* the less of home goods they will *produce* themselves; that the fact of being able to get a product cheaper abroad than you can get it at home, is proof positive that the wages of American labor would have to be reduced, or labor thrown out of employment; that all Trade is due to a difference in the *wages of labor* between the two countries; and the fact that one people could undersell another was to him evidence that its *wages were lower!*

He did not have sufficient imagination to conceive that the labor could be diverted into industries which are profitable; that any industry which is maintained only by a Tariff is maintained at a loss—existing simply as a blood-sucker, a parasite; and that two countries could have an extensive commerce between them and yet both pay not only *high wages*, but *the same wages*. Above all, it seems never to have dawned upon his unimaginative mind that Trade in itself will increase the wages of labor in any country engaging in it.

He was unable to conceive of how there could be such a thing as industry, or how labor could possibly find employment in this country, *without a Protective Tariff*. The greatness of the country and the tremendous energy of the people were all due to the fact of Protection. He believed that the foreigner paid the tax. Therefore, the Tariff is not a charge on the American people: the foreigner pays it. And, finally, he believed that by legislating in the interest of the producer he would in some way benefit the consumer.

In his report of the Ways and Means Committee, in presenting his Bill, he says: "We have not been so much concerned about the *prices* of articles we consume

as we have been to encourage a system of home production." Again he says: "We have not looked alone to the reduction of the revenue, but have kept steadily in view the interest of our *producing* classes."

The continued and repeated *failure* of a High Protective Tariff to give prosperity to the people in no wise diminished McKinley's faith in the fetish of Protection. The more it failed the more he demanded its rate should be *increased*. It originated in the midst of a world-wide industrial depression. He himself refers to "our people, *already suffering from low prices*." He makes reference to the appalling condition of *agriculture*. He said: "*That there is wide spread depression cannot be doubted*." And yet for fully 20 years High Protection had been practiced! If, in that time, a Protective Tariff had shown *only poverty and industrial strife*, when was it to change its effects and give *prosperity*?

McKinley's constant anxiety seemed to be for the wages of American labor. The Committee over which he presided sat for weeks hearing the "tales of woe" from "protected" industries and of the starvation wages of the laborers employed in these industries. The condition of labor was vastly worse than it was under the "free trade" Tariff of 1846.

McKinley insisted that the *slightest reduction* of the Tariff would produce a condition among laborers almost beyond the power of words to describe. If after 20 years of High Protective Tariff, American labor was found in hunger and rags, why was it supposed that it would ever reverse these effects and give high wages instead of low? BUT NONE OF THESE APPALLING FACTS AND CONDITIONS DAUNTED MCKINLEY.

Tho after more than 20 years of enormous and extortionate Tariff Taxation labor emerged in poverty and rags and fear, there was still some compensation. The denizens of tenements and shacks might look from their window, *if they had one*, and see magnificent palaces. Greater fortunes than the world had ever known had been amassed under a Protective Tariff. And since "protection" had done so much for the production of millionaires, McKinley thought it would surely turn in soon and help out the common people. He was not discouraged. He demanded more "protection." He was a fanatic on the subject. But he was *consistent*. If a little "protection" is a good thing, more would be still better. And so it was the *principle* itself that was wrong.

As a young man, he got his training in Congress under "Pig Iron" Kelly, of Pennsylvania, whose only concern about a Tariff was to have it high enough. It could not be too high. The only danger was in being too low. No Shylock ever fought more brutally or greedily than did Pig Iron Kelly for "protection." His whole method and manner were a typical illustration of the brute instincts from which Protection springs.

William McKinley was not a political economist. His propositions belong to the Mythical Age of Social Science. He was not an *analytical* reasoner. He knew nothing about the application of *Quantitative Analysis* to Economics. He had nothing to do with causes, nothing to do with *ultimate effects*. His seeming aspiration to become a master of phrases made *analysis of causes and results* impossible—and unnecessary. He knew nothing about Natural Law in the realm of human society.

His whole "argument" is filled with contradictions and inconsistencies. He seems never to have traced causes even to their "second remove." He seems never to have been concerned as to who paid the tax. Just show him *two or three corporations or individuals* who were benefited by the Tariff Tax and he was delighted. He asked for no further proof of its *beneficence*.

William McKinley, honest and patriotic, though deluded, stands as a type of the protectionist mind. After ages will point to him as the best representative of the old economic Mythology. The great speech which he made at Buffalo, just before the dastardly assassin shot him down, certainly shows a "change of heart."

To me that speech is evidence that this kind and generous man realized at last that his splendid personality had been used as an instrument, a cat's paw, by the Organized Greed of this country, to fasten upon the American people the most elaborate and oppressive system of taxation the world has ever known.

Blaine seems to have made a similar discovery in reference to himself. His opposition to the McKinley Bill and his advocacy of Reciprocity are evidences of the dawn of a new light.

We accept the honesty and sincerity of those who actually believe that a Protective Tariff is a good thing for *all* the people, the same as we accept the honesty and integrity of those who believed in chattel slavery, in the divine right of kings, in the power of amulets and charms, or in the theory that the earth is flat and is daily encircled by the sun.

In order to comprehend the outrages of the McKinley Tariff you must understand the motive, and the avowed

purpose, back of it. The bill was entitled an act: "*To reduce the revenue, etc.*" The treasury was *full to overflowing* from the excessive taxation of the past Tariffs. The revenue must be reduced. The country demanded it.

That was the problem put before the Committee that framed the McKinley Tariff. There were but two ways by which this could be done. One way was to reduce the burden of taxation by *reducing* the Tariff. That would have been the natural and just mode of procedure. But to reduce the Tariff would destroy the Protective System which had already put hundreds of millions of dollars into private pockets, and which it was designed should *continue* to do this in all the years to come.

The other way by which the *government's* income could be *decreased*—and private incomes greatly *increased*—through the Tariff—was to *raise the tariff rate*, instead of lowering it. By this means the government's revenues would be reduced, the Protective System would be continued, and an *increased* amount of gold made to flow into the private pockets. And the Committee of which Mr. McKinley was Chairman, was proud of the fact that they would probably reduce the revenues of the government \$60,000,000, and at the same time preserve and extend Protection, *by increasing the tariff rate*.

Mr. McKinley comprehended the principle upon which he was working. He fully realized the law that while the increased price of *foreign* goods—due to the Tariff—goes to the government, yet that the increased price of *home* goods—due to the Tariff—goes into private pockets. This can be seen from the following statement: "In every case of *increased* duty * * * * the ef-

fect will be to *reduce* rather than enlarge the revenue, because importations *will fall off*."

And so he fully comprehended the principle that *the higher the rate the less the revenue*. Hear him again: "It is not believed that the *increase of duty* on wools and woollen goods, and upon glass ware, will have the effect of *increasing* the revenue. That would, of course, follow if the importations of the last fiscal year were hereafter to be maintained, which, however, is altogether improbable. The result will be that importations will be *decreased*, and therefore the amount of revenue collected from these sources will be *diminished*."

Another method by which he proposed to *decrease* public revenue, and *increase* private revenue, was by taking the Tariff off of all foreign products which do not compete with home manufactures. He says: "It is wiser to tax those foreign products which seek a market here in competition with our own than to tax domestic products, or the noncompeting foreign products." Why? Because a tax on goods *not* produced in this country yields no income whatever to *private pockets*. It all goes to the government.

The thing that most concerned the framers of the McKinley Tariff was not public revenue but personal income. And so instead of making Protection "incidental" they made public revenue "incidental." Protection was "the real thing" with the framers of that measure.

McKinley comprehended clearly—contrary to beliefs which I long have held—the *two* streams of revenue which flow from a Tariff Tax on foreign goods. He knew that one of these streams flows into the public treasury, while the other stream—many times larger—

goes into private pockets. He also knew that the relative *amount* of these streams could be varied by the rate of the Tariff Tax, and that the higher this rate the larger the stream which will flow into private pockets.

And so he set out deliberately to *divert* a portion of the golden stream, *then going into the public treasury*, into private pockets. And this he knew could be done simply *by raising the tariff rate*. That is, the Ways and Means Committee which framed the McKinley Bill set out deliberately to *reduce* the government's revenues, not by *diminishing* the taxation of the people, but by *increasing* it.

Of course they knew that by this process the American people would be compelled to pay vastly more for the necessities of human life, and also that the *government* would get vastly *less* of what the people paid. But the joy of the thing to them, and the glory of the achievement, lay in the fact that it would increase by *hundreds of millions* the huge incomes which the Tariff would now pour into private pockets. And since that is the *only* object of a *Protective Tariff*, they had a right to rejoice.

Let us now follow in detail the carrying out of this infamous and treasonable plot against the rights, liberties, and welfare of the American people.

It raised the average duties above 50%.

It employed Compound Duties, both specific and ad val-
orum.

By this means, and by others, the actual rate paid by the people was concealed from them.

Upon hundreds of articles only specific duties—by the pound, yard, or gallon—were imposed.

Such duties always tend to put the highest rates on the cheapest goods.

It increased the tariff rates on iron, steel, copper, lead, woolen goods, cotton goods, food products, and nearly every important necessity of life.

The McKinley Tariff advanced the rates on the following farm products: horses, cattle, hogs, sheep, bacon, barley, beans, peas, beef, mutton, pork, buckwheat, butter, cheese, eggs, hay, hops, milk, poultry, flaxseed, vegetables, potatoes, flax, hemp, hides, wool, tobacco, and many other products. And yet in spite of this fact, the price of all these things continues steadily to *decline*.

It taxed the leading products at the following rates: corn and oats, 15 cents a bushel; corn meal, 20 cents a bushel; rye, 10 cents a bushel; wheat, 25 cents a bushel; wheat flour, 25%; apples, 25 cents per bushel; dried apples, 2 cents per pound; bacon and hams, 5 cents a pound; beef, mutton, pork and lard, 2 cents per pound.

The committee stated that they had advanced these rates, "with a view to save this entire market to the American farmer." It further declared that, "A critical examination of the subject will show that agriculture is suffering chiefly from a most *damaging foreign competition* in our home market."

To this absurd and utterly unwarranted proposition the Minority Report—signed by J. G. Carlisle, R. Q. Mills, Benton McMillin, C. R. Breckinridge, and Roswell P. Flower—made the following reply: "It is impossible to protect the farmer against foreign competition *in his home market* for he has no such

competition, *AND THE INSERTION AND RETENTION OF THESE ARTICLES IN A TARIFF BILL IS A DEVICE WHICH WILL DECEIVE NO ONE WHO GIVES A MOMENT'S THOUGHT TO THE SUBJECT.*"

The Committee then proceeded to give imports and exports of the articles with reference to which McKinley claimed foreign competition had been so injurious. They were given for the year 1889, and are as follows:

	EXPORTS.	IMPORTS.
Corn	69,592,929 bushels	2,388 bushels
Corn meal	312,186 barrels	396 barrels
Wheat	46,414,129 bushels	1,946 bushels
Oats	624,226 bushels	2,324 bushels
Rye	287,252 bushels	16 bushels
Wheat flour	9,374,803 barrels	1,155 barrels
Apples, green or ripe ...	942,406 barrels	None reported
Dried apples	22,101,579 pounds	None reported
Bacon and hams	400,224,646 pounds	272,130 pounds
Beef, mutton and pork ..	286,991,121 pounds	215,575 pounds
Lard	318,242,990 pounds	1,073 pounds
Tallow	77,844,555 pounds	34,931 pounds

Upon woolen cloth, worth between 30 and 40 cents a pound, the McKinley Tariff levied a duty of 38½ cents a pound, plus 40%.

The specific duty alone was more than the whole cost of the foreign articles without considering the 40% *in addition*.

The tariff on women's and children's dress goods was raised to 100%.

Woolen cloths, worth more than 40 cents a pound, had a duty of 44 cents per pound, *plus 50%*.

This made a duty on some forms of woolen cloth of 143%.

That would mean that a pound of cloth, whose foreign value was 41 cents would cost the consumer over \$1.

Dress goods, cotton warp, worth 15 cents a yard, or less, 7 cents a yard, plus 40%.

Worth over 15 cents a yard, 8 cents a yard, plus 50%.

If the warp contained any wool a duty of 12 cents a yard, plus 50%.

Ready-made clothing was taxed 49½ cents a pound, plus 60%. (That was about 80%.)

Upon coarse cheap woolen blankets there was a duty of 106%.

Upon low grades of woolen yarn, 112%.

Upon lower grades of woolen cloth, 125%.

Upon the lowest grades of worsted goods, 130%.

Upon coarse woolen shawls, worn by the poorest of our poor, 135%.

Upon cheapest qualities of knit goods, 138%.

Upon some of the cheaper grades of pearl buttons, 280%.

The duty of raw flax was increased from \$20 to \$42 a ton.

The duty on dressed flax was increased from \$40 to \$67.20 a ton.

The duty on dressed hemp was raised from \$25 to \$50 a ton.

All raw sugars were admitted free.

On refined sugar the former duty was retained: ½ cent per pound.

To all domestic sugar producers a *direct bounty* was given of 2 cents a pound.

This bounty was to extend from July 1, 1891 to July 1, 1905.

It was repealed by the Wilson Tariff of 1894. However, bounties were paid till July 1, 1897.

In the six years the bounty was in operation, the people of United States paid out of the Treasury in sugar bounties \$36,041,134.58. That is to say, we made them a *donation*, an enforced contribution, of \$36,000,000.

Of this huge sum \$33,637,240.14 went to the sugar growers who make up a fractional part of the people of Louisiana.

The object in giving this "encouragement" was to so build up the home production that it would supply the entire home market. The Minority Report pointed out that "If the system results as its advocates predict, the annual payment out of the Treasury will be \$61,528,426, even without any increase in the amount now consumed." Thus, said the Report, "The sugar industry is to become *an annual charge* on all the people who are engaged in *other* occupations, some of which are far more important, *AND ALL OF WHICH ARE FULLY AS MERITORIOUS AS THIS ONE.*"

It was also shown that the duty on horses in one year which were brought in from Mexico and used on Western farms and ranches would cost Western farmers, in one year, \$887,700, *or nearly three and a half times their value. AND THEY WOULD HAVE TO PAY FOR THE HORSES IN ADDITION.*

It is hardly necessary to say that the next Congress,

elected a month later, *was overwhelmingly Democratic*. This infamous Tariff—**A GREATER OUTRAGE THAN WHICH WAS NEVER PERPETRATED ON HUMAN RIGHTS**—defeated Harrison and again elected Cleveland in 1892, he getting one electoral vote even from Ohio.

With Cleveland's second advent into power, the Senate was composed of 38 Republicans, 47 Democrats, and 3 Populists. The House of Representatives was composed of 126 Republicans, 220 Democrats, and 8 Populists.

THE WILSON TARIFF.

Effective August 28, 1894, Grover Cleveland, President.

REPUBLICANS claim that the Wilson Tariff caused the "Panic of '93," a panic that *had* occurred a year before.

It was not a "free trade" Tariff, it was not a Tariff "for revenue only." It was a *protective* Tariff.

The author of the bill in the House rejected it after it returned from the Conference Committee, and Cleveland refused to sign it—not because it was so low, but because it was so high. And yet it has everywhere been hailed as a disastrous "free trade" Tariff.

The average duties for the Tariff of 1883 were 38%; for the War Tariff of 1864, 36%. Therefore, this so-called "free trade" Democratic Tariff, under Grover Cleveland, was actually **HIGHER THAN ALL PREVIOUS REPUBLICAN HIGH PROTECTION MEASURES—EXCEPT THE MCKINLEY BILL**.

Mr. Underwood places the average rate of the Payne

Bill at 40%. And so according to his figures the Wilson Tariff was 2% *higher* than the infamous Payne-Aldrich Tariff which even the best brains in the Republican party denounced because its rates were *too high*.

Mr. Underwood estimates the general average of the Wilson Tariff at 39%. And so according to his figures the Payne Bill was nearly 1% higher than was the "Cleveland Tariff." Or, rather, the Wilson Tariff was only 1% lower than the Payne-Aldrich. But that is surely not "ruinously" lower. And yet Republicans would have us believe that just that slight "shading" of a tax on the necessities of life makes all the difference between prosperity and bankruptcy!

If the Payne-Aldrich Tariff was High Protection—too high for the best blood of the party, then surely a reduction of less than 1% is not "free trade."

However, Mr. Underwood's estimate of the Payne Bill represents the average at the custom house. That gives no true conception of it, because many rates are *prohibitive*, and so do not appear in the general average. The Wilson Tariff, tho high, was much more uniform in its rates. And so while the *custom house* averages of the Wilson Tariff, the Dingley Tariff, and the Payne Tariff are about the same, with differences so slight as to require a microscope to see them; yet the *uniformity* of the Wilson Bill, in contrast with the wide sweeps which the other measures took—in order to give some special protection to favorites—shows it to be in reality a lower Tariff.

The important fact to be here considered is that while the Wilson Tariff was slightly lower than the High Protection rates in the Dingley and the Payne Bills,

yet it was a High Tariff instead of a Low Tariff. Its reductions were not as much as the public had a right to expect. The party that passed it was in exactly the position as was the party passing the Payne-Aldrich Bill. Both deserved the indignant rebuke of the people for failing to keep their pledges. And it is a pleasure to record that both got it!

The "Cleveland Tariff" was not a Tariff "for revenue only." It was a Protective Tariff, and a High Protective Tariff. It left the *principle* of Protection undenied and undisturbed. No matter whose the fault, whose the treachery, we are dealing simply with facts.

Why they did not abolish High Protection, is a different question. The fact is they did not. And so whatever of blame attaches to this measure, it is not because it *did* greatly reduce the Tariff but because it did *not*.

What shall we say, then, of the men in public life who have sought thus to misinform the people by calling the Wilson Tariff a "free trade" measure? If they did not know any better, then they are *mentally* incompetent to hold high public office. If they did know better, then they are *morally* incompetent.

The Wilson Tariff should have defeated those who were responsible for it—not because its rates were too low but because they were *too high*. However, no fault attached to Professor Wilson, the framer of the bill in the House; nor to President Cleveland. IT WAS THE ONE AMBITION OF CLEVELAND'S LIFE TO GIVE TO THE AMERICAN PEOPLE A JUST AND REASONABLE TARIFF LAW.

Raw wool.....	Free
Leading classes of woolen goods.....	50%

Cheaper woolen blankets.....	25%
Cheaper fabrics for men's and women's clothing.....	40%
Leading articles in men's and women's clothing.....	50%
(Same as McKinley rate.)	
Abolished specific duties on carpets, but preserved the McKinley ad valorem duty of.....	40%
On finest cotton goods, duties reduced from	50% to 40%
McKinley cotton rates of 40% reduced to.....	35%
Duty on knit goods.....	50%
(Lower than the McKinley Tariff but higher than the Tariff in 1883.)	
Some form of silk goods reduced from.....	60% to 50%
Other forms reduced from.....	50% to 45%
Duty on dressed flax reduced from 3 cents to 1½ cents per pound.	
Unbleached and unprinted cotton goods reduced from 2½ to 1 cent per yd.	
Bagging of jute, flax, or hemp.....	Free
Duty on coal reduced from 75 cents to.....	40 cents a ton
Duty on iron ore reduced from 75 cents to.....	40 cents a ton
Pig iron reduced from \$6.72 to.....	\$4 a ton
Steel rails reduced from \$13.44 to.....	\$7.84 a ton
Tin plate reduced one-half, from.....	2% to 1½ cents
(Still higher than the rate previous to 1890.)	
High grades of china ware reduced from.....	60% to 35%
Cheaper quality from.....	50% to 30%
Glassware left practically unchanged.....	40%
Raw sugar, rate about 1 cent a pound—about one-half the duty previous to 1890. Bounty abolished.	
Refined sugar.....	½ of 1 cent per lb.
Candy and confectionery.....	35%

Speaking of tariff on sugar, Professor Taussig says: "It is probable that the processes of refining are carried on at least as cheaply in the United States as in any foreign country, and that even without any protection at all the sugar-refining industry could maintain itself, and the sugar monopoly make handsome profits. With a barrier against foreign competitors such as the tariff

of 1890 gave, the profits were enormous. It was inevitable that great efforts should be made to preserve them."

Again Professor Taussig says: "In not a few cases, the duties, while lower than those enacted in the McKinley act of 1890, were still *higher* than under the tariff act of 1883. As far as it went, it *began* a policy of lower duties; but most of the steps in this direction were feeble and faltering."

"The act of 1894 was defended and attacked on the same superficial grounds; and it happened to suffer from the contingencies of the moment. It went into effect shortly *after* an acute commercial crisis, and in the worst stage of a period of severe depression. The crisis and the depression were due, in this case as in all others, *to a long and complex set of causes*, some of them still obscure even to the best informed and most skilled observers.

"That the tariff act played any serious part in bringing them about, would not be maintained by any cool and competent critic. But the great mass of the public judged otherwise. The act had been followed by hard times; at best, it had done nothing to *remedy* them. Half-hearted in its provisions, unlucky in the time of its enactment, it could make no warm friends, and earn no general approval."

Nothing could be more idiotic than the claim that the "Panic of 1893" was caused by a Tariff Bill passed August 28, 1894. Senator Dolliver, Republican Senator from Iowa, spoke to this effect: "It is hard to understand how a Tariff could have produced a panic eighteen months *before it was enacted*."

No *reduction* in the exorbitant taxation of the peo-

ple on the common necessities of life—even if it had been made—could possibly cause a panic. The truth is that the “Panic of ’93” followed in the wake of a terrible Industrial Depression, and that this depression began immediately upon the passage of the *McKinley Bill*.

Scarcely 30 days had passed after the passage of this most infamous, excessive, and extortionate measure of private taxation, before the New York Stock Exchange began to take measures to prevent *bank failures*. They began failing at once. And they kept on failing as time advanced. The years under the McKinley Tariff were years of want and privation, of business disasters and falling prices. They were among the worst years for the laboring classes the country has ever known. Read the newspapers of the times, read the industrial history as told by the unemployed laborers of that period, and then say whether a colossal and thievish system of Tariff Taxation is favorable to prosperity!

In fact, the Industrial depression began even *before* the passage of the McKinley Bill. The pathetic truth remains that the American people, with peerless patience and resolution, sustained the great mountain of taxation as long as they could endure it. They now lie prostrate, crushed to the earth by the mighty burden. This measure was “the straw that broke the camel’s back.”

This long industrial depression ended in a panic, and the panic reached its climax in 1893. From that time on conditions slowly but steadily improved. While the Wilson Bill did not greatly aid them, it at least did not retard the coming of better conditions. And could this Tariff have had a longer period of trial, it would have

proved so satisfactory that a *lower* Tariff—instead of a higher one—would have taken its place.

A Panic is one thing, an Industrial Depression quite another. Panics are related directly to *money*, to the volume and control of the money of the nation. No Tariff could *produce* a panic and no Tariff could *prevent* one. While a Tariff may cause “hard times”—and has caused their occurrence again and again in this country—it can not cause a panic.

Every panic in this country for the last 50 years occurred under a *High Protective Tariff*. Panics occur not only under Protective Tariffs, and rightly so, but even in times of comparative prosperity; as was the case of the “Panic of 1907” under the Dingley Tariff. And so panics are always *financial*, not industrial, and are related vitally to the volume and control of money.

But they tell us that the prices of all commodities declined under the Wilson Tariff. This is largely true. Prices of most commodities did. But it is not the whole truth. The *whole* truth is that the prices of *all* commodities, particularly of farm products, *had been declining* for twenty years!

Prices reached their highest mark about 1873. *Each successive year found them lower*. They reached their lowest point between 1893 and 1896. Many articles, however, did not reach their lowest point until 1900. And this *general decline of prices* took place, not only in the United States, but thruout the civilized world. They all began to decline between 1870 and 1875. And somewhere between 1893 and 1900 all prices began steadily to advance—*everywhere*, all over the earth.

Taking *five-year periods*, the price of wool began de-

clining in 1865. It rose in price between 1870 and '75. From that time on it declined *rapidly* to 1895. It made a slight decline to 1900. Then advanced to 1910. With the exception of three years, *wool had a continuous protection of nearly 50%*. Under the Wilson Tariff, when it was on the free list, Ohio fleece, medium, declined in price *3 cents a pound*. That was Democratic "free trade" for you. But under the McKinley Tariff it declined *14 cents a pound*. And that was High Protection for you.

In 1870 wheat was \$1.15 a bushel. For *25 years* it continued steadily to decline. Bar iron began its decline in 1865 and for 30 years went *down* in price. It made but a slight decline between 1895 and 1900. The next five years it rose rapidly in price. The next five years it *declined* almost as fast—all the time under a Protective Tariff.

Taking the prices of all articles, their decline began in 1875. They reached their lowest point in 1900. The "price level" for all articles for 1912 was only slightly *below* their level in 1860. They reached 40 points *above* this level in 1870, crossed it in 1883, and went to nearly 40 points *below* by 1900. Since then they have advanced slightly faster than they declined.

Under "all articles" the Government includes 142 products. And so I might go on with the detail of the price-history of scores of articles. But enough has been given to illustrate the great truth that THE DECLINING OF PRICES BEGAN SOMEWHERE BETWEEN 1865 AND 1875—fully *20 years* before the passage of the "Cleveland Tariff."

Therefore, the man who seeks to convey the impression

that the prices of farm products, and of other products, did not *begin* to decline until *after* the passage of the Wilson Tariff law, is either an ignoramus as to our industrial history, or a demagogue in the field of politics. Either alternative renders him unfit to hold public office.

DINGLEY TARIFF.

Approved July 24, 1897, by William McKinley.

IT IS not necessary to follow our tariff history farther by schedules. The Tariff was but slightly in issue in the great and epoch-making campaign of 1896—**THE MOST INTELLECTUAL POLITICAL CAMPAIGN IN OUR HISTORY.** For once political speakers on both sides stopped telling humorous stories about pups born blind, but changing their vote after they "got their eyes open," and tried to get down to facts and figures. The issue was Bimetallism vs. Monometallism. William Jennings Bryan was the peerless leader of the one, William McKinley was the leader of the other. The Gold Standard won. The people went down again in their fight against Plutocracy and Vested Interests.

Perhaps the best general statement that can be made is that the Dingley Tariff reenacted *and perpetuated* the McKinley Tariff, and in many features made a positive *extension* of High Protection. According to Taussig's History, it increased the rates on many lines of woollen goods, slightly lowered the rates on cotton goods, and *preserved* the rates in the Wilson Tariff *on Metals*.

The Dingley Tariff so increased the tariff rates on sugar over those in the Wilson Bill as to cause sugar

stock to go up with a bound from 110 to 140, "putting \$13,000,000 into the pockets of the stockholders." Havemeyer, President of the Sugar Trust, said, "Our company has made considerable money out of the McKinley Bill." It must have made considerable more out of the Dingley Bill.

In summing up his chapter on this *repetition and perpetuation* of the outrage of the McKinley Tariff on the people, and speculating on the future of Protection in this country, Professor Taussig says: "The question for the future will be, even more than it has been in the past, not whether the United States shall be a *manufacturing* country, but in what *directions* her manufactures shall grow,—whether in those where aid and protection against foreign competition are constantly sought, or in those where *natural resources and mechanical skill* enable foreign competition not only to be met, but to be overcome *on its own ground*."

PAYNE TARIFF.

Approved, August 5, 1909, by William H. Taft.

BOTH parties in the campaign of 1908 promised a "revision" of the Tariff. The Democratic Party promised a revision *downwards*. The Republican Party promised a revision—but did not say in which *direction*. However, the candidate, William H. Taft, announced during the campaign that the revision would be *downward*.

It is true that the Payne-Aldrich Bill did "revise" the Tariff. It kept its promise that far. But in which direction? Did it revise down? Or did it revise *up*?

The Insurgent Movement, representing the statesmanship of the party,—so far as it had any—arose from the conviction that the Payne Tariff *raised* the rates instead of lowering them.

Unless the evidence was overwhelming it is not likely that ambitious men would thus hazard their political futures by breaking with their party. While they admitted that the Payne Bill lowered more rates than it raised; their contention was that it raised the rates on the products most consumed by the common people. Read the masterly speeches of La Follette, Cummins, Dolliver, Clapp, Murdock and others, and you will be convinced of this fact.

And the language which these stalwart men employed in denouncing the infamy, treachery, and bad faith of the Payne-Aldrich Bill, and the motives and methods back of it, ought to be adequate in itself *to completely abolish the whole Protective System*. Of course, they contended that it is not the *principle* itself but its *abuse* that they protested against. The whole truth is that the principle itself is the abuse. No man can advance an argument in favor of Moderate Protection which will not apply equally well, *and better*, to High Protection.

The usual results followed the passage of this High Tariff bill. It was the High Protective Tariff measure of 1883 which defeated the party in 1884, electing Cleveland president, and giving the Democrats control of the House. High Protection in the McKinley bill of 1890 defeated the party overwhelmingly in the Congressional elections a month later—changing a Republican majority of 7 in the House to a Democratic majority of 148. The people's disapprobation *continued* and in

1892 defeated Harrison and again elected Cleveland president.

Nothing but the Philippine War saved the Republican Party from a similar defeat as a punishment for the outrage of the Dingley Tariff. War always distracts attention from local conditions.

But the Payne Tariff was not so fortunate. There was nothing to distract attention from its many infamies, and committed under a pledge to revise downwards. With the first congressional election scores of the men who voted for the measure were defeated and the Democrats given an overwhelming majority in the House. Then came the Presidential election of 1912. The Democrats were given a majority in both House and Senate, and Woodrow Wilson received the nearest unanimous vote in the Electoral College ever given to any man since Washington; while President Taft—the man who signed the Payne Tariff—carried but *two states* in the Union, Utah and Vermont.

And so all the facts seem to indicate that the American people have too much intelligence to be duped into the idea that they can tax themselves into prosperity—instead of poverty—when they get a chance to really understand the question.

The issue has always been so befogged with words, half-truths, and catch-phrases as to disguise its true character. Every time the American people got a chance to hit Protection—undisguised by any other issue—they have hit it hard. NO FREE PEOPLE COULD POSSIBLY PUT THEIR VOTES TO WORSE USE THAN THE MAINTENANCE OF A PROTECTIVE TARIFF.

THE UNDERWOOD-SIMMS TARIFF.

Approved October 8, 1913, by Woodrow Wilson.

THE Tariff was the dominant issue, and almost the only issue, in the campaign of 1912. The Democrats went before the country on the splendid record which they had made in Congress, and particularly upon the Tariff Bill which they presented, and which President Taft *twice vetoed*. As said before, they won an overwhelming victory, getting entire control of the Administration at Washington.

President Wilson—one of the most eminently-qualified and highly-endowed Executives that ever sat in the chair—at once convened Congress in extra session for the Revision of the Tariff, and for its revision *downwards*—in accordance with the party's pledge to the people.

The Underwood-Simms Bill was the result. It probably made the most complete and thorough investigation ever made as to actual industrial conditions, the general state of prices, the natural facilities for the production of different articles, and the probable effect of each reduction.

Five great principles governed the framing of this measure. First, it is to be a tariff "for revenue only"—no rates are to be levied for the purpose of Protection. *Second*, the bill is to be framed in the interest of the *Consumer*, and not in the interest of the *Producer*. *Third*, so far as possible, the highest rates are to be levied on luxuries and the commodities purchased by the rich. *Fourth*, so far as is practical, *raw materials*, and all food supplies, are to be placed on the Free List.

There is to be a "free market basket." *Fifth*, some recognition must be made of existing conditions, in order that the transition from an abnormal to a normal production shall be attained with as little inconvenience and financial loss as possible—no "legitimate industry" is to suffer.

It was the first Tariff since 1857 that had not been dictated, and many of the schedules *entirely written*, by those most interested in plundering the citizens of the Republic. There was practically no lobby at Washington while this Bill was under discussion in the House. The lobby in the Senate was broken up by the vigorous action of President Wilson. And so it was a measure less influenced by sectional and class bias than any Tariff since 1860.

It is not here contended that the Underwood Tariff is absolutely just and fair and wholly without sectional influence. It is not. No Tariff can be. It does not come within the scope of human intelligence to give a balanced and perfect tariff measure, such a one as will levy the burden with equal and impartial equity upon all.

Whenever the American people want the revenues of the Government raised in such a way as will meet the requirements of Equity, they will have to abolish the Tariff entirely, and adopt some form of Direct Taxation. Nearly all the objections made against the Underwood Tariff on the grounds of sectional bias, class interest, etc. are objections that tell against this whole system of taxation.

The Underwood Bill is a product of reason, and reason of the highest order. It represents systematic

thought. The *purpose* for which the measure was framed seems never to have been lost sight of for a single moment. It is a rational revenue measure. The reason may not always be satisfactory to all parts of the country. That is utterly impossible. But the reason is there. Rational minds, seeking only for the truth, cannot fail to find it.

Most of the criticism that has been made against this measure has been from the standpoint of Protection. But it is not a Protectionist Bill. It was framed "for revenue only." It did not seek to yield Protection to certain classes and industries, but sought specifically to *avoid* doing this very thing—because the Democratic Party is opposed to Class Legislation. It is opposed to taking money out of the pockets of the many in order to put it into the pockets of the privileged few.

And so I submit to my readers that if the principle of Protection be sound, if it be right, fair, and just; then the Underwood Bill is sadly defective. If the Protective principle really accords with the will of the people, then they have turned down by their overwhelming vote the best Protective Tariff ever framed—the Payne-Aldrich Bill. We say this without fear of successful contradiction. But the people gave to the party *opposing* this scheme of private taxation the largest majority which any party has had since the war.

It was the best *Protective* Tariff because it yielded more "protection" than any law ever placed on our statute book. That is to say, the Payne-Aldrich Tariff took *more money* out of the pockets of all the people to give to *some of the people*—no matter what the excuse—than any previous law. In fact, for every one dollar

that it took from the people for the government it took about seven dollars *for private pockets*. That is Protection.

And yet that is the very system of robbery and plunder which the people rejected at the polls. The commission given by the people to the Democratic Party was to revise the Tariff—and to revise it downward. It was a colossal undertaking. All are agreed to that. There are some four thousand nine hundred articles entering into the daily consumption of the people upon the list for Tariff Taxation. They affect the life, wealth, and welfare of 95,000,000 of people, living under the most complex civilization the human race has yet produced.

The real work of the Ways and Means Committee, under the guidance of Chairman Underwood, began two years ago. In fact, it dates on back to the framing of the great Mills Bill in 1888. Many Members of that Committee have given years of thought and research to the Tariff. The distinguished members of the Committee that framed the Underwood Tariff are easily the peers, in scholarship, statesmanship, and expert knowledge of any similar committee in the whole history of the Republic. And so they were amply equipped for the colossal task.

Their work was thorough in scope and detail. It was not a piece-quilt revision by schedules, but a complete revision of the entire system of raising revenue for the Federal Government. Having marked out *the general plan*, the Committee then proceeded to make such reduction of each schedule, and of each paragraph, as seemed best to conform to the general plan.

And be it never forgotten that the framers of the

Underwood Bill did not start with ideal conditions. They had to start with conditions as they found them, abnormal and distorted thru decades of class legislation in behalf of special interests. They had to start with the highest and most infamous Tariff Law in the whole infamous history of tariff legislation. Absolute justice was impossible. But the results obtained are perhaps the nearest approach to a fair and equitable tariff measure that has ever been framed.

It is not here claimed that the Underwood Tariff is absolutely fair and just. No tariff measure ever has been or ever will be. Why? Because the Tariff, as a mode of taxation, is not just. It is an Indirect System of taxation, and is therefore notoriously unjust. Practically all statesmen and economists are agreed on that point. But the Committee was not responsible for the system itself.

What I do claim is that, starting with this unjust and unfair method of taxation, and with abnormal and unjust conditions, the Ways and Means Committee has produced a measure that is a monument to their integrity, patriotism, and intelligence. The success of the leadership of Chairman Underwood is almost without a parallel in our congressional history.

The framers of the Underwood Tariff have done something still better. They have introduced a new method of taxation—the Income Tax. And so they have taken the first step that has ever been taken towards a more just and equitable way of raising revenue for the Federal Government. This is the second measure of the kind that has been enacted by the Democratic Party.

Great are the contrasts between a Tariff Tax and an

Income Tax. One is a tax on Want, the other is a tax on Wealth. One is a tax on Necessities, the other is a tax on Possessions. In short, one is a tax on Expenditures, the other is a tax on Incomes. Had the Underwood Bill no other merit, the fact that it contains A *GRADUATED INCOME TAX* of itself would commend it to the conscience and gratitude of the American people.

Best Tariff since 1846 aside from the Income Tax—which I regard as the most important and *significant* piece of legislation in reference to the common people that has been enacted since the founding of the Republic—it can be said for the Underwood Tariff that it has fewer imperfections, fewer injustices and discriminations than any tariff measure since the Walker Tariff of 1846, and in many respects is even superior to that measure. The rates are probably lower.

It reduced the average rate of every schedule, except two—Tobacco and Sundries. These it slightly raised. The reason for raising the first is apparent, the effort being to decrease the tax on necessities and increase it on luxuries. The raise in the Sundries Schedule was made on luxuries and articles purchased mostly by the rich. On many articles of this schedule it made big *reductions*. It also restored articles to this schedule which the Payne-Aldrich Tariff had placed on the free list.

As given by Mr. Underwood, the average rates in the Payne Bill for 1912 are 40.12%. The average rates in the Underwood Bill are 26%. This is only 1% higher than the average rate in the Walker Tariff. If the many articles which this bill puts on the Free List and

which the Walker Bill taxed were taken into consideration, it would probably be found that the Underwood Tariff taxes the American people less than did that great pioneer measure in the field of reduced taxation and "Tariff Reform."

Below is a comparative statement of the average rates under each schedule in the Payne Tariff and the Underwood Tariff:

	PAYNE TARIFF.	UNDER- WOOD TARIFF.
Schedule A.—Chemicals, oils, and paints..	25.91%	19.64%
Schedule B.—Earths, earthenware and glassware	50.72%	33.17%
Schedule C.—Metals, and manufactures of,	34.35%	20.19%
Schedule D.—Wool, and manufactures of,	12.46%	3.59%
Schedule E.—Sugar, molasses, and manu- factures of	48.18%	35.93%
(After three years sugar goes on the Free List.)		
Schedule F.—Tobacco and manufactures of	82.18%	84.99%
Schedule G.—Agricultural products and provisions	29.01%	16.87%
Schedule H.—Spirits, wines and other bev- erages	83.98%	83.30%
Schedule I.—Cotton manufactures.....	45.51%	30.48%
Schedule J.—Flax, hemp, and jute, and manufactures of	45.14%	26.06%
(Raw flax, hemp and jute on the Free List.)		
Schedule K.—Wool and manufactures of..	55.98%	18.50%
Schedule L.—Silks and silk goods.....	51.54%	43.98%
Schedule M.—Pulp, papers and books...	21.41%	11.85%
Schedule N.—Sundries	24.72%	33.26%

Perhaps the most satisfactory method of giving the reader a general conception of the reductions made in this bill is to quote the direct language of Mr. Under-

wood as he presented the measure to the House on April 23, 1913. (See Congressional Record of April 24, 1913, page 358.) While some changes were afterwards made by the Senate, yet they were all in the line of still greater reductions. The italics are mine.

"The Democratic Party stands for a tariff for revenue only, with emphasis upon the word 'only.' We do not propose to tax one man for the benefit of another, except for the necessary revenue that we must raise to administer this government economically.

"Then how do we arrive at a basis in writing a Revenue Tariff Bill? We adopt *the competitive theory*. We say that no revenue can be produced at the custom house unless there is some *competition* between the products of foreign countries and domestic products; that if you put the wall so high that you close the door to importation *no revenue can be raised*, and that if you want to raise revenue at the custom house you must admit some importations before the tax will fall upon them and revenue be derived."

"You [speaking to the Republican side] have for fifty years played favorites. You have given to your chosen minions the power to tax the American people by building prohibitive Tariff Walls, and you have opened the gates of those walls to get revenue from those for whom *you did not care*. In this bill we have not been able at one fell swoop to wipe out all iniquities, the injustices, and the favoritism that you have ingrafted on the body politic in five decades. But so far as this committee and our party is concerned we have played favorites with no man. No favored manufacturer has sat behind the closed doors of the Ways and Means Committee to dic-

tate the taxes that *he* should be allowed to levy on the American people."

"The real question that we have to consider is that of the rights and interests of the *consuming* masses of the American people. The question of industry in this country is, and from our standpoint must always be, seconded to the right and necessities of the great American consuming public.

"So far as the people were concerned, the main reason why a revision of the customs laws was both demanded and expected was because of the *increased cost of living* since the enactment of the Dingley Tariff in 1897. During that period, I find from statistics that the value of farm products had increased 93%; food, 47%; clothing, 36%; metal and implements, 48%; drugs and chemicals, 24%; house-furnishing goods, 24%; and all commodities covered by the present law have increased on an average 47%.

"I do not contend, nor would it be fair to say, that this increase in values is *wholly* due to the tariff. In some cases it is and in others it is not. But it is safe to say that *a large portion* of the increased cost of living to the American citizen has grown directly out of the system of taxation levied to protect the great *manufacturing interests* of this country."

"Although we have reduced the tariff in the interest of the consumer in this bill, it would be untrue to say that the effect of this reduction is going to be *immediate*. But I do fully believe that within a reasonable time, when present stocks of goods are sold out, the American people will receive a real reduction in the cost of living, if this bill is enacted into law."

"Now, I would like the gentlemen of that side of the House (the Republican side), who have maintained this *indefensible system* of taxing the poor for five decades, to listen to the other side of the story. On common soap you placed a tax of 20%. We have lowered the tax to 5%.

"You taxed the furniture of the poor man's house 35%. We have lowered it to 15%.

"You taxed bread and biscuit 20%. We place them on the Free List.

"On cotton clothing you taxed the people of this country 50%. We have reduced it to 30%.

"On the flannels that protect them against the cold winter storms you taxed the people of the United States over 93%. We have reduced the tax to 25% and 35%.

"The tax on women's and children's dress goods under your system of levying a tax for the benefit of the *manufacturer*, was about 100%. We have lowered that to 35%.

"You taxed the shoes of the people of the United States, after giving the shoemaker free raw material—and stating at the time you gave it that he did not need the protection—you gave him 10% and we give free shoes to the people of America."

"On the entire chemical schedule the tax was 25.91%. Our taxes levied on that schedule are 19.64%, or a reduction in the chemical schedule of 24% below the Payne law.

"On earthenware and glass ware, you levied a tax of about 51%. We levy a tax of 33%, a reduction below the Payne bill of 35%.

"On metals and manufactures of metals, you levied a

tax of 34%. We levy a tax of 20%, a reduction below the Payne Bill of 41%.

"On wood and the manufactures of wood, you levied a tax of 12% and we levy a tax of 3½%, a reduction of 71%. We place most of it on the free list, in order that American workman may have lumber with which to build his own home.

"You have levied a tax on sugar of 48%. We have reduced that tax to 35% for the next three years, or a reduction of 25%; and at the end of the three years, we intend, if this bill becomes a law, TO PLACE IT ON THE FREE LIST. So that the one commodity above all others that most directly reflects the taxes levied at the custom house no longer goes on the table of the consumer bearing the marks of *50 years of oppressive taxation* that our friends on that side of the House have taught the American consuming public to realize when they open their home door.

"As to tobacco and the manufactures thereof, we consider them as luxuries, or in the nature of luxuries, and good revenue producers, and so made no vital changes in the schedule.

"On agricultural products and provisions we have reduced the tax from 29% to 17%, a reduction of 42%.

"On spirits, wines, and other beverages we have left the taxes as they are in the present law.

"On cotton manufactures you taxed the public about 46%: We reduced the average tax to 30%, making a reduction of 33% below the Payne Bill.

"On flax, hemp, and jute and their manufactures we have reduced the tax from 45% to 26%, a reduction of

42% below the Payne Bill. (Flax, hemp and tow were afterwards put on the Free List.)

"On wool and manufactures of wool, you taxed the public nearly 56%. We tax them 18½%, a reduction in favor of the American people of 67% below the Payne Bill.

"On silk goods the tax was about 52%. We tax it 44%, or a reduction of 15%.

"On paper and books you taxed them 21%. We tax them 12%, or a reduction of 45%."

Speaking on the subject of the Income Tax, Mr. Underwood said: "You say, gentlemen of the Republican Party, that we levied this income tax because we could not raise the revenue *at the customs*. Ah, my friends, you are so blind that you cannot see the trend of the times. You are so reactionary that you cannot realize that this country of ours is moving on, not only in industrial growth but in the ideas and thoughts and the rights of men.

"Wedded to your idols, you thought we levied this income tax because we had to. Why, Mr. Chairman, we could have found this \$100,000,000 at the customs if we had so desired; but the time has come in this country when the great *untaxed wealth* of America must and shall bear its fair share of the burden of running the Government of the United States.

"We remove the taxes at the custom house on necessities *purposely* to levy a tax *on wealth*. I wish my friends on the other side to clearly understand this.

"When you levy a tax on *consumption* the man of moderate means pays as much taxes on the clothes he wears and the food he consumes as the multi-millionaire,

and up to this time—except when the exigencies of war, as you say, require otherwise—you have *exempted* the great wealth of this country, notwithstanding the fact that we build a fleet and maintain an Army to protect that wealth against foreign foes or domestic trouble.

“Yet a Republican Committee, facing the hour of a change in the fiscal system of our country, still proclaim themselves on record as wedded to their idols and unwilling to tax the money of the rich.”

Perhaps I cannot better close this History than by quoting the last words in the speech by Mr. Underwood in reporting the bill from the Conference Committee to the House for final passage, September 30, 1913.

“In conclusion I wish to say that after nearly three years of battle—because the battle started two years before a Republican President left the White House—the Democratic Party to-day is prepared to keep its pledge to the American people; and no matter what criticism our adversaries may make of this bill, no matter whether they believe it is wise or workable, there is no man who can stand on the floor of this House or elsewhere and deny the fact that in the passage of this bill the representatives of the American people, constituting the Democratic Party in the two branches of Congress of the United States, *have kept their pledge* in reference to a reduction of taxation which they made to the American people four years and two years ago.

“I do not believe there is any danger of this bill working any injury to the great producing interests of the United States. I believe that in the past they have built their business on a scaffold. They were surrounded by artificial conditions. This bill will force them to

modify and change those artificial conditions, to bring their business down to a sound and safe level.

"I believe that the country has not waited for the passage of this bill to accomplish that result. Seeing that the inevitable was coming, I believe the great business interests of the country have already prepared themselves to meet the new conditions that will be presented to them under this bill and that immediately after its passage *industrial and financial conditions in the United States will move onward, and that an era of prosperity and progress is ahead of us.*

"If it does come, and my expectations in respect to the passage of this bill are met *THEN IT IS MY BELIEF THAT THE ENACTMENT OF THIS LAW WILL MARK THE END OF THE PRINCIPLE OF A PROTECTIVE TARIFF FOR PERSONAL GREED IN THIS COUNTRY.*"

IMPORTANT ARTICLES ON THE FREE LIST.

A.	C.
Various acids and chemicals.	Cash registers.
Agate.	Cream separators.
Wood alcohol.	Coal, coal tar.
Animals for breeding purposes.	Cobalt and cobalt ore.
B.	Coffee.
Bagging for cotton, gunny cloth, etc.	Copper ore, copperas, etc.
Biscuits, bread and wafers.	Corn, corn meal.
Bolting cloths.	Cotton, and cotton waste.
Books, under certain conditions.	D.
Household effects of emigrants.	Various drugs.
Bullion, gold or silver.	E.
	Emery ore.
	F.
	Felt for sheathing vessels.
	Fresh water fish.

Flax straw.

Fruits or berries.

G.

Glass enamel, white.

Guano, manures, etc.

Gutta-percha, crude.

H.

Hides.

Hoop or band iron.

I.

Ice.

India rubber.

Indigo.

Iron ore.

L.

Lard.

Many forms of leather goods.

Lemon juice, lime juice, etc.

M.

Meats: Fresh beef, veal, mutton, lamb, and pork, bacon and hams, etc.

Milk and cream.

Minerals.

N.

Cut nails and spikes of iron or steel.

Horseshoe nails, hobnails, etc.

Wire nails, horse shoes, etc.

Tacks.

Needles, hand, sewing, and darning.

O.

Oatmeal and rolled oats.

Oils, cotton seed, codliver oil, etc., including kerosene, benzine, gasoline, lubricating oils, etc.

Ores of gold, silver or nickel.

P.

Mother of pearl, and shells.

Phosphates.

Phosphorus.

Potatoes.

Q.

Quinine.

R.

Radium.

Railway bars, T rails, etc.

Rye, and rye flour.

S.

Salt.

Sewing machines.

Shoe machinery.

Shotgun barrels.

Silk cocoons.

Raw silk.

Stone and sand.

Sulphur.

Sumac.

Swine.

T.

Type-setting machine.

Type writers.

Tar and oil-spreading machinery.

Tallow.

Tapioca.

Tea and tea plants.

Teeth.

Tin ore.

Tungsten-bearing ores.

W.

Wheat and wheat flour.

Wood: logs, timber, round, unmanufactured, hewn or sawed, sided or squared.

Wood pulp.

Works of art.

*PART V.*TARIFF RATES ON 142 ARTICLES FOR THE
PAST 30 YEARS, 1883-1913.

THE purpose of this table is to make a comparative study of Tariff Rates on the leading articles entering into the daily consumption of the people.

When two rates are given, the first rate represents that given in the Bill, and is usually a specific duty.

The second rate represents the average rates *as shown by the custom house*. When but *one* rate is given, and is not marked "Equivalent rate of duty," the reader is to understand that no specific rate was levied, and the rate given is the rate in the Bill.

	ACT OF 1883	MILLS BILL 1888	ACT OF 1890	ACT OF 1894	ACT OF 1897	ACT OF 1909	ACT OF 1918
SCHEDULE A.—CHEMICALS.							
Flaxseed or flaxseed oil	25c gal.	44%	32c gal.	20c gal.	20c gal.	15c gal.	10c gal.
Equivalent rate of duty	74%	28%	75%	53%	53%	25%	13%
Stoe bleaching	25%	28%	25%	20%	25%	25%	15%
Varnishes, 5% alcohol	\$1.32 gal.		\$1.32 gal.	\$1.32 gal.	\$1.32 gal.	\$1.32 gal.	\$1.32 gal.
Equivalent rate of duty	+40 %		+35%	+25%	+35%	+35%	+15%
Pertumery and cologne	\$2.00 gal.		\$2 gal.	\$2 gal.	\$2 gal.	60c lb.	40c lb.
Equivalent rate of duty	+50%		+50%	+50%	+45%	+50%	+74%
Red lead	52%		52%	52.4%	66%	73%	74%
White lead	91%		91%	1 1/4 c lb.	2 1/2 c lb.	2 1/2 c lb.	25%
Equivalent rate of duty	3c lb.	45%	3c lb.	1 1/4 c lb.	2 1/2 c lb.	2 1/2 c lb.	25%
Boric acid	50%	39%	50%	35%	48%	38%	35%
Equivalent rate of duty	5c lb.	Free	5c lb.	3c lb.	5c lb.	8c lb.	1/2 c lb.
Cream of tartar	76%		95%	76%	140%	79%	31%
Equivalent rate of duty	6c lb.	31%	6c lb.	20%	6c lb.	5c lb.	5 1/4 c lb.
Refined borax	5c lb.		5c lb.	2c lb.	5c lb.	25%	1 1/2%
Crude borax	3c lb.		3c lb.	2c lb.	5c lb.	2c lb.	1/2 c lb.
SCHEDULE B.—EARTHENWARE.							
Glass bottles and ware	45%		60%	40%	60%	60%	45%
Window glass	2 1/2 c lb.		2 1/2 c lb.	2c lb.	2 1/2 c lb.	2 1/2 c lb.	1 1/2 c lb.
Equivalent rate of duty	135%	189%	125%	106%	87%	118%	56%
Tiles, unglazed	20%	20%	25%	25%	4c sq. ft.	4c sq. ft.	1 1/4 c sq. ft.
Equivalent rate of duty	30%	20%	25%	25%	50%	70%	25%
Stone, chinaware and crockery	55%	40%	55%	30%	55%	55%	85%
Equivalent rate of duty	50c sq. ft.	37%	50c sq. ft.	35c sq. ft.	35c sq. ft.	35c sq. ft.	13c sq. ft.
Sawed or dressed marble over 2 inches thick	52%	37%	52%	38%	112%	135%	35%
Equivalent rate of duty				85c cu. ft.	\$1.10 cu. ft.	\$1 cu. ft.	75c cu. ft.
Mirrors, largest size	60c sq. ft.	47%	60c sq. ft.	47%	107%	61%	45%
Equivalent rate of duty	45%	37%	60c sq. ft.	35c sq. ft.	38c sq. ft.	25c sq. ft.	13c sq. ft.
Cement, Roman, etc.	20%	50%	24%	24%	76%	84%	23%
			24%	24%	24%	31%	Free

	ACT OF 1883	MILLS BILL 1888	ACT OF 1890	ACT OF 1894	ACT OF 1897	ACT OF 1909	ACT OF 1913
SCHEDULE C.—METALS.							
Iron ore	75c ton 43%	43%	75c ton 43%	40c ton 25%	40c ton 20%	15c ton 15%	Free
Equivalent rate of duty		43%				15%	Free
Pig iron, ...	26%	24%	26%	16%	28%	16%	Free
Equivalent rate of duty							Free
Bar iron, ...	36%	32%	36%	17%	14%	11%	5%
Equivalent rate of duty							
Sheets of iron, steel, copper, ...	54%	49%	49%	34%	40%	27%	15%
Equivalent rate of duty							
Beams, girders and joists, ...	103%	50%	74%	50%	36%	23%	12%
Equivalent rate of duty							
Slabs, blooms, etc., ...	35%	35%	35%	23%	15%	23%	Free
Equivalent rate of duty							
Boiler plate, ...	95%	95%	49%	35%	43%	42%	12%
Equivalent rate of duty							
Hoop, band, or scroll, etc., ...	53%	90%	49%	61%	23%	38%	10%
Equivalent rate of duty	3c lb.		3c lb.	2c lb.	2c lb.	1 1/4 c lb.	15%
Iron and steel wire	38%	38%	45%	40%	43%	38%	
Equivalent rate of duty							
Articles of wire, ...	56%	56%	49%	54%	44%	40%	15%
Equivalent rate of duty							
Wire rope and strand, ...	62%	60%	57%	40%	57%	50%	30%
Equivalent rate of duty							
Chains, ...	35%	61%	78%	30%	47%	48%	20%
Equivalent rate of duty							
Pan knives, ...	50%	50%	80%	52%	79%	77%	40%
Equivalent rate of duty							
Knives and cutlery, ...	35%	35%	52%	41%	50%	42%	27%
Equivalent rate of duty							
Files, ...	67%	35%	67%	57%	68%	60%	25%
Equivalent rate of duty							
Hand saws, ...	40%	30%	40%	25%	30%	25%	12%
Equivalent rate of duty	6c lb.		5c lb.	3c lb.	4c lb.	3c lb.	25%
Screws, over 2 inches	133%	133%	110%	67%	63%	56%	25%
Equivalent rate of duty							
Pins, hat pins, hair pins, etc., ...							

	ACT OF 1883	MILLS BILL 1888	ACT OF 1890	ACT OF 1894	ACT OF 1897	ACT OF 1909	ACT OF 1913
Equivalent rate of duty	30%	30%	30%	25%	35%	35%	20%
Watch movements, ...							
Equivalent rate of duty	25%	25%	25%	25%	53%	48%	30%
Watch cases, ...							
Equivalent rate of duty	25%	25%	25%	25%	40%	40%	30%
Machinery, nspf., ...							
Equivalent rate of duty	45%	40%	45%	35%	45%	45%	25%
Copper ware, ...							
Equivalent rate of duty	35%	30%	35%	35%	45%	45%	25%
Tin and aluminum ware, ...							
Equivalent rate of duty	45%	40%	45%	35%	45%	45%	25%
Lead in pigs	2c lb.	30%	45%	1c lb.	2½ c lb.	2½ c lb.	25%
Spikes of iron or steel	49%	30%	49%	54%	78%	94%	25%
Equivalent rate of duty	1½ c lb.	89%	2c lb.	25%	1c lb.	4c lb.	Free
Nails, 1 to 2 inches	119%		107%	25%	48%	Free	Free
Equivalent rate of duty	1½ c lb.	36%	2½ c lb.	25%	1½ c lb.	4c lb.	Free
Horse shoe nails	58%		36%	25%	17%	1½ c lb.	Free
Galvanized iron, steel sheets, ...	4c lb.	23%	4c lb.	30%	2½ c lb.	1½ c lb.	Free
Equivalent rate of duty	36%		36%	30%	35%		
.....	31%	29%	40%	11%	22%	32%	20%
SCHEDULE D.—WOOD.							
Sawed lumber, finished and grooved	\$3.50 per 1000 ft.		\$3.50 per 1000 ft.	Free	\$3.50 per 1000 ft.	\$2.36½ per 1000 ft.	Free
House, or cabinet furniture	36%	30%	36%	25%	35%	35%	15%
Unfinished sawed lumber	20%	Free	10%	Free	15%	15%	10%
Equivalent rate of duty	21%		15%	20%	20%	20%	10%
Empty casks, barrels and packing boxes	30%	30%	30%	20%	30%	30%	15%
SCHEDULE E.—SUGAR.							
Refined sugar, above 16	3 to 3.5c lb.	65%	½ c lb.	¼ of 1c + 40%	\$1.95 per 100 lb.	\$1.90 per 100 lb.	36%
Dutch Standard			18%	43%			
Equivalent rate of duty	82%						
Raw sugar, not above 16							

	ACT OF 1883	MILLS BILL 1888	ACT OF 1890	ACT OF 1894	ACT OF 1897	ACT OF 1909	ACT OF 1913
Dutch Standard.							
Equivalent rate of duty	\$2.75 lb.	52%	Free	40%	56%	48%	36%
Melasses, above 68°	64 gal.	52%	Free	4c gal.	6c gal.	6c gal.	4½c gal.
Equivalent rate of duty	3c gal.	21%	Free	4c gal.	19%	15%	12%
Candy and confectionery	31%	120%	50%	1c lb. + 15%	4c lb. + 15%	4c lb. + 15%	2c lb.
Equivalent rate of duty	10c lb.		120%	55%	67%	53%	30%
Maple sugar and syrup	120%		2c lb.	40%	4c lb.	4c lb.	3c lb.
Equivalent rate of duty			bounty	40%	69%	49%	39%
SCHEDULE F.—TOBACCO.							
Wrapper tobacco, stemmed	\$1 per lb.		\$2.75 lb.	\$2.75 lb.	\$2.50 lb.	\$1.85 lb.	\$1.85 lb.
Equivalent rate of duty	89%	89%	238%	179%	240%	164%	169%
Filler tobacco, stemmed	40c lb.		50c lb.	50c lb.	50c lb.	50c lb.	50c lb.
Equivalent rate of duty	76%	76%	95%	95%	74%	61%	63%
Cigars and cigarettes	\$2.50 lb.	80%	\$4.50 lb.	14 lb. + 34%	\$4.50 lb.	\$4.50 lb.	\$4.50 lb.
Equivalent rate of duty	+35%		+25%	+34%	+35%	+35%	+35%
	80%		125%	113%	93%	55%	53%
SCHEDULE G.—FARM PRODUCTS.							
Wheat	20c bu.		15c bu.	20%	25c bu.	25c bu.	Free
Equivalent rate of duty	16%	16%	39%	30%	36%	39%	Free
Oats	10c bu.		15c bu.	20%	15c bu.	15c bu.	6c bu.
Equivalent rate of duty	24%	24%	85%	20%	31%	33%	17%
Barley malt	20c bu		45c bu.	40%	45c bu.	45c bu.	25c bu.
Equivalent rate of duty	16%	16%	36%	49%	41%	33%	39%
Hay	\$2 ton		\$4 ton	\$3 ton	\$4 ton	\$4 ton	42 ton
Equivalent rate of duty	21%	21%	43%	23%	51%	43%	31%
Rice, cleaned	2½c lb.		2c lb.	14c lb.	2c lb.	2c lb.	1c lb.
Equivalent rate of duty	125%	112%	15c bu.	84%	70%	54%	33%
Corn			22%	73%	15c bu.	15c bu.	Free
Equivalent rate of duty	15%	15%	13%	20%	31%	17%	Free
Potatoes	15c bu.		head	15c bu.	15c bu.	15c bu.	Free
Equivalent rate of duty	21%	31%	113%	31%	31%	17%	Free
Hogs	20%	20%	\$1.50 per head	\$1.50 per head	\$1.50 per head	\$1.50 per head	Free
Equivalent rate of duty	20%	20%	53%	20%			

	ACT OF 1883	MILLS BILL 1888	ACT OF 1890	ACT OF 1894	ACT OF 1897	ACT OF 1903	ACT OF 1913
Cattle, over 1 year old	20%	20%	\$10 per head	30%	27½%		Free
Equivalent rate of duty	20%	20%	63%	30%	27%	27%	Free
Fleur	20c lb.	20%	25%	20%	25%	25%	Free
Equivalent rate of duty	20%	20%	40c bu.	20c bu.	40c bu.	40c bu.	20c bu.
Onions	10%	Free	51%	28%	53%	46%	26%
Equivalent rate of duty	2c lb.		2c lb.	2c lb.	2½c lb.	2½c lb.	8%
Cocoa and Chocolate							
Bacon and hams	2c lb.		5c lb.		to 50%	to 50%	Free
SCHEDULE H. ALCOHOLIC BEVER- AGES.							
Brandy and other spirits	\$2 gal.	234%	\$2.50 gal.	\$1.80 gal.	\$2.25 gal.	\$2.60 gal.	\$2.60 gal.
Equivalent rate of duty	234%	151%	298%	135%	132%	135%	149%
Bay rum	\$1 gal.		\$1.50 gal.	\$1 gal.	\$1.50 gal.	\$1.75 gal.	\$1.75 gal.
Equivalent rate of duty	151%		327%	189%	186%	186%	178%
Champagnes and sparkling wines,							
Equivalent rate of duty	47%	47%	54%	51%	55%	58%	62%
SCHEDULE I.—COTTON FABRICS.							
Cotton cloth, bleached	5c sq. yd.	40%	4½c sq. yd.	2½c sq. yd.	1½c sq. yd.	7c sq. yd.	27½%
Equivalent rate of duty	56%	40%	64%	41%	38%	43%	26%
Handkerchiefs and mufflers,							
Equivalent rate of duty	35%	38%	40%	40%	58%	59%	35%
Ready-made clothing and wearing ap- parel,							
Equivalent rate of duty	35%	40%	50%	40%	50%	50%	30%
Men's and boy's cotton gloves,							
Equivalent rate of duty				50%	60%	89%	35%
Spool and embroidery cotton thread,							
Equivalent rate of duty	56%	40%	56%	53c.	27%	22%	15%
Shirt collars and cuffs,							
Equivalent rate of duty	35%	35%	63%	40%	51%	64%	36%
Plushes, velvets, etc.,							
Equivalent rate of duty	40%	48%	73%	47%	62%	51%	40%
Curtains, covers, chenilles,							

ACT OF 1883	MILLS BILL 1888	ACT OF 1890	ACT OF 1894	ACT OF 1897	ACT OF 1899	ACT OF 1912
40%	40%	60%	40%	50%	50%	35%
Equivalent rate of duty						
Shirts, drawers, underwear,						
Equivalent rate of duty	35%	35%	50%	61%	60%	30%
Stockings, hose, etc.,						
Equivalent rate of duty	72%	40%	50%	60%	75%	40%
Beltings, bindings, bands, etc.,						
Equivalent rate of duty	40%	60%	50%	61%	60%	25%
Shoe and corset strings,						
Equivalent rate of duty	35%	57%	45%	51%	54%	15%
Lace curtains, pillow shams, bed sets,						
Equivalent rate of duty	35%	40%	35%	55%	52%	44%
Equivalent rate of duty						
Water proof cloth, India rubber, etc.,						
Equivalent rate of duty	35%	40%	35%	45%	45%	30%
Calico, highest price						
6c sq. yd.	40%	5 1/2 c sq. yd.	3 1/2 c sq. yd.	10c sq. yd. +20% 44%	10c sq. yd. +50% 9c sq. yd.	25%
35%						
40%						
Shirts, woven fabrics and articles.	25%	55%	50%	52%	52%	40%
Jute yarns	15%	35%	30%	35%	35%	20%
Oil cloths for floors	25%	57%	40%	47%	44%	20%
Twines and cords	25%	23%	32%	44%	31%	20%
Flax, not dressed		\$22.40 ton	Free	\$22.45 ton	\$22.40 ton	Free
Equivalent rate of duty			Free	8%	8%	Free
Flax, "dressed line"		\$67.20 ton	\$32.60 ton	\$67.20 ton	\$67.20 ton	Free
Equivalent rate of duty			7%	15%	15%	Free
Tow of hemp or flax		\$11.20 ton	Free	\$20 ton	\$20 ton	Free
Equivalent rate of duty			Free	11%	11%	Free
Hemp, not hackled		\$25 ton	Free	\$22.10 ton	\$22.10 ton	Free
Equivalent rate of duty			Free	12%	10%	Free
Hemp, "line of hemp"		\$50 ton	\$32.40 ton	\$40 ton	\$45 ton	Free
Equivalent rate of duty			9%	16%	19%	Free
Flax, hemp, and ramie yarns		45%	35%	37%	41%	15%
Floor matting, Japan matting, etc.	15%					2 1/2 c sq. yd.

	ACT OF 1883	MILLS BILL 1888	ACT OF 1890	ACT OF 1894	ACT OF 1897	ACT OF 1909	ACT OF 1913
Equivalent rate of duty	40%	25%	55%	Free	42%	51%	30%
Linen handkerchiefs				40%	55%	55%	40%
Carpets, mats and rugs	16%	16%	16%	20%	64%	55%	30%
Equivalent rate of duty				30c doz.	40c doz.	40c doz.	30%
Linen collars and cuffs				+30%	+20%	+20%	30%
Equivalent rate of duty	40%	25%	68%	57%	51%	49%	30%
Bags or sacks, plain	40%	Free	45%	Free	33%	29%	10%
Gill nettings, webs, seines	25%	25%	144%	40%	113%	59%	25%
SCHEDULE K.—WOOL MANUFACTURES							
Raw wool (See table on page 369),							
Equivalent rate of duty				Free	33%	79%	Free
Woolen yarns	70%	40%	105%	35%	96%	94%	18%
Woolen cloth	91%	40%	115%	48%	98%	94%	35%
Woolen blankets	72%	40%	104%	29%	88%	73%	25%
Flannels for underwear	122%	40%	103%	48%	107%	103%	30%
Women's and children's dress goods	9c sq. yd.	40%	12c sq. yd.		55%	11c sq. yd.	35%
Equivalent rate of duty	+40%		+50%			+55%	
Ready-made clothing and wearing apparel	83%	40%	104%	49%	102%	102%	35%
Equivalent rate of duty	40c lb.	45%	50c lb.		44c lb.	44c lb.	35%
Webbings, beltings, ribbons, etc.	+35%		+80%		+60%	+60%	35%
Equivalent rate of duty	76%	50%	80%	47%	32%	79%	35%
Equivalent rate of duty	30c lb.		50c lb.	50%	50c lb.	50c lb.	35%
Equivalent rate of duty	+50%		+80%		+60%	+60%	35%
Flushes and other pile fabrics	67%	40%	34%	50%	43%	32%	35%
Ambruson, Arminster, moquettes, and chinelle carpets	70%	40%	105%	50%	102%	102%	35%
Equivalent rate of duty	+30%		60c sq. yd.	40%	+40%	+40%	35%
Saxony, Wilton and Tourney	45c sq. yd.	40%	61%	40%	69%	64%	30%
Equivalent rate of duty	+30%		60c sq. yd.	40%	+40%	+40%	30%
Brussels carpet	30c sq. yd.	40%	89%	40%	74%	69%	30%
Equivalent rate of duty	+30%		+40%	40%	44c sq. yd.	44c sq. yd.	25%
Equivalent rate of duty			+40%		+40%	+40%	

	ACT OF 1883	MILLS BILL 1888	ACT OF 1890	ACT OF 1894	ACT OF 1897	ACT OF 1899	ACT OF 1913
Equivalent rate of duty	59%		81%	40%	79%	89%	35%
Velvet and tapestry velvet	25c sq. yd. +30%	40%	40c sq. yd. +40%	40%	40c sq. yd. +40%	40c sq. yd. +40%	30%
Equivalent rate of duty	50%		73%	40%	64%	65%	30%
Tapestry Brussels	20c sq. yd. +30%	40%	28c sq. yd. +40%	42.5%	28c sq. yd. +40%	28c sq. yd. +40%	30%
Equivalent rate of duty	57%		79%	43%	61%	88%	30%
Ingrain and Venetian carpets, Three-ply. 12c sq. yd. +30%	12c sq. yd. +30%	40%	19c sq. yd. +40%	32.5%	22c sq. yd. +40%	22c sq. yd. +40%	30%
Equivalent rate of duty	44%		63%	32.5%	68%	61%	30%
Rugs and carpet woven whole	46%	40%	61%	40%	90c sq. yd. +40%	90c sq. yd. +40%	50%
Equivalent rate of duty	46%		61%	40%	83%	59%	50%
Druggists and beekings	15c sq. yd. +30%	40%	22c sq. yd. +40%	30%	22c sq. yd. +40%	22c sq. yd. +40%	50%
Equivalent rate of duty	59%	40%	83%	30%	74%	69%	30%
SCHEDULE L.—SILK GOODS.							
Sewing silk, floss, etc., ...							
Equivalent rate of duty	30%	30%	30%	30%	30%	25%	15%
Velvets, plushes and chinelles, ...							
Equivalent rate of duty	50%	50%	73%	59%	59%	54%	50%
Laces, handkerchiefs and mufflers, ...							
Equivalent rate of duty	50%	50%	60%	50%	59%	50%	40%
Clothing and wearing apparel, ...							
Equivalent rate of duty	50%	50%	60%	50%	57%	60%	50%
Dresses and piece goods, ...							
Equivalent rate of duty	50%	50%	50%	45%			
SCHEDULE M.—PAPER AND BOOKS.							
Roofing felt, ...							
Equivalent rate of duty	20%	10%	30%	10%	10%	10%	8%
Printing paper	20%	15%	20%	18%	15%	16%	15%
Writing paper	25%	25%	35%	30%	34%	45%	35%

	ACT OF 1883	MILLS BILL 1888	ACT OF 1890	ACT OF 1894	ACT OF 1897	ACT OF 1909	ACT OF 1913
SCHEDULES N.—SUNDRIES.							
Brooms	25%	20%	40%	20%	40%	40%	15%
Brushes and feather dusters	30%	20%	40%	35%	40%	40%	35%
Gun powder, explosives, etc. 20 cents or less lb.	6c lb 31%	31%	5c lb. 26%	5c lb. 29%	4c lb. 32%	2c lb. 18%	½c lb. Free
Matches	31%	35%	10c gross 34%	20%	8c gross 31%	8c gross 27%	¾c AL 14%
Equivalent rate of duty	35%			20%			
Equivalent rate of duty				6c sq. yd.	10c sq. yd.	8c sq. yd.	6c sq. yd.
Hair cloth known as Crinoline	30%	30%	28%	15%	40%	19%	12%
Equivalent rate of duty	30c sq. yd.	23%		20c sq. yd.	20c sq. yd.	20c sq. yd.	15c sq. yd.
Hair cloth known as hair seating	23%		23%	17%	13%	14%	11%
Equivalent rate of duty							
Fur hats, bonnets, etc. for men, women and children	30%	30%	55%	40%	52%	52%	45%
Jewelry	35%	35%	50%	35%	60%	76%	60%
Cut diamond not set	10%	10%	10%	25%	10%	10%	20%
Pearls	10%	10%	10%	10%	10%	10%	20%
Laces and lace window curtains,							
Equivalent rate of duty				50%	60%	62%	60%
Leather gloves, ladies and children	50%	40%	65%	35%	82%	44%	31%
Manufactures of India rubber	30%	30%	30%	25%	30%	35%	10%
Pearl and shell buttons	35%	25%	143%	84%	51%	40%	48%
Clay pipes and smokers' articles	35%	35%	50%	10%	53%	52%	20%
Umbrellas and parasols	50%	50%	58%	45%	50%	50%	35%
Harness and saddlery and manufactures of	30%	30%	35%	30%	45%	25%	Free
All fans except palm leaf				50%	50%	50%	50%
Boots and shoes	30%	30%	25%	20%	25%	15%	Free

PART VI.

ABOLITION OF PROTECTION IN ENGLAND.

CHAPTER I.

ONE of the most brilliant and heroic periods in the world's history, and second only to the French Revolution, was the abolition of the Corn Laws of England under the leadership of Richard Cobden and John Bright in 1846.

For years a war was waged against a Protective Tariff not only on manufactured products, but also on wheat, corn, meat, and other food products. The moving spirit was Richard Cobden, one of the greatest intellectual leaders that English history has produced. Cobden's appeal was always to the intellect of men. He employed only great fundamental principles in his arguments. His followers, the tens of thousands of mill hands and farm tenants, were political economists. They knew the fundamentals of their proposed reform. Representatives from the House of Lords and the House of Commons were unable to cope with them on the stump.

Cobden began his reform by the education of the people. He was in no hurry for action. He knew the action must come when the people should become sufficiently informed to see that a Protective Tariff exists only for their plunder. In his speeches, Cobden entertained the masses, not by cheap political jokes, but by presentation of the scientific principles of Free Trade. And the work was done so well that in all the years

since the privileged classes of England have not been able to overthrow it and reestablish Protection.

Protection in England pertained not so much to the products of the factory as to the products of the farm. As a rule, the manufacturers were for Free Trade—at least they soon joined the Free Traders as against the land owners. They discovered that to shut farm products out shut their own products in. The fact that you cannot shut out foreign products without at the same time shutting your own products in, was recognized even in the "Speech from the Throne" in 1843. Queen Victoria said: "Her Majesty fears that it must be in part attributed to the reduced consumption of articles caused by that depression of the manufacturing industry of the country which has so long prevailed and which her Majesty has so deeply lamented."

The Protective Tariff of England was for the benefit and enrichment of the land owners of England. And that meant the dukes, earls, lords, barons, and other representatives of England's nobility, aristocracy, and privileged classes.

Being the owners of practically all the land of England, they were able to form a Monopoly, and thus take full advantage of the Tariff. In fact, their ownership of the land was a monopoly to start with. And so conditions in England were just the reverse of what they have been in the United States. There the Tariff existed for the benefit of the land owners. Here it exists for the benefit of manufacturers and to the detriment of farmers, laborers, and all the rest of society.

And while it is true that in this country we have put high tariffs on farm products as well as upon manu-

factured products, yet—as has been repeatedly pointed out—it has not increased the price of farm products—at least to any appreciable extent. And for the reason that the ownership of land in this country is too widely *diffused* to make the formation of a monopoly possible.

The arguments employed in England were exactly the same as those that have been employed in this country. Not a patentable improvement has been made on that ancient rubbish in all these years. And the conditions that existed under a Protective Tariff in England were the same as the conditions that have continued to exist—and to increasingly exist—under a Protective Tariff in the United States.

On the one side was vast wealth, on the other vast want. The wage workers of England, under a Protective Tariff, were constantly at the verge of bare subsistence—just as they have been in this country. Tens of thousands of them were in conditions of absolute penury and want. They were actually starving. And this was true not only of the employees of the factories, but also of tenants and wage workers of the farms. The great landlords were “protected,” but their employees and tenants, and the whole agricultural population, lived constantly in actual want. None of the increased price they got for their products, because of the Tariff, went to their employees; just as none of the increased price which the manufacturers get for their products go to their employees.

Mr. Pierce tells us that: “In Manchester alone 116 mills had stopped work, two thousand families were reduced to such want as to have pawned even their beds, twelve thousand families were receiving poor relief and

thousands subsisted on charity. Out of 50 mills in Bolton 30 were idle and 6,995 persons, whose average earnings were only 13d. a week, were aided in one month by the Poor Protection Society. Similar conditions prevailed throughout all the cities in England, and while the working classes were on the verge of starvation, British corn was 65s. a quarter and the duty on foreign wheat was 24s. 8d. per quarter."

No people ever suffered more than did the commons of England under a Protective Tariff. The period has been designated as "The Hungry Forties." Famine followed famine, and yet in spite of it all they persisted that a Tariff on food products would increase the people's capacity to buy food. They said, "No matter how cheap a thing may be you cannot get it unless you have the money; and no matter how dear it may be you can get it if you have the money"—hence a Protective Tariff. Splendid reasoning! American wheat, and corn, and live stock knocked in vain for entrance at English ports. The people inside were starving, and yet they feared that a "flood" of American food products would bankrupt the country! They seemed not to have possessed any logic in those days. But of course that was over fifty years ago.

The potato crop failed in Ireland again and again, but a high Tariff on potatoes existed for the "protection" of the starving Irish people! And even these people themselves, whom a Protective Tariff had plundered into starvation and want, believed that a *reduction* in the price of things they had to buy would be to their own detriment. Here again we see the victims of Protection believing themselves to be its beneficiaries.

It is not the purpose here to attempt even a sketch of the story of the repeal of the Corn Laws of England, valuable indeed as such a sketch would be. Nevertheless, it is a story fraught with countless lessons for the American people. If anything is yet needed to drive from the reader's brain the last vestige of the superstition that a people can be enriched by their own taxation, he will find it in persuing the pages of this eventful period of English history.

As a result of the long campaign of education in the principles of political economy and Free Trade which Cobden and his followers had conducted, Lord John Russell in a letter to his London constituents in 1845 wrote as follows: "I used to be of the opinion that corn was an exception to the general rules of political economy." He had supposed that while there should be Free Trade in everything else, there ought to be a Protective Tariff on food stuffs. He had now changed his mind. He concluded his letter by saying: "Let us, then, unite to put an end to a system which has proved to be the blight of commerce, the bane of agriculture, the source of bitter divisions among classes, the cause of penury, fever, mortality and crime among the people."

The reader is referred to "Ridpath's Universal History" for a most dramatic account of the Repeal of the Corn Laws of England. The philosophy of the movement and the conditions which caused it are there most graphically stated. He is also referred to a Chapter in "The Tariff and The Trusts," by Franklin Pierce, under the heading "How England Got Free Trade." Here I will also suggest to the reader a book recently published in England under the title, "The Hungry

Forties." This book represents letters and interviews of the "oldest inhabitants" whose memory goes back to the direful days in England when she had a Protective Tariff. It is edited by a daughter of Richard Cobden, Mrs. Cobden Unwin. It is the best detailed history of the conditions of the common people of England that has ever been written.

Ridpath thus presents the terrible conditions which existed under a Protective Tariff in England and which in themselves were the most effective argument of Free Trade: "Circumstances favored, as they have rarely favored, the cause of the reforming party. That most unanswerable of all arguments, human misery, came to the aid of the propaganda. Wretchedness, woe, want, starvation, despair, uttered their voices, and the cry at length reach the profoundest recesses of prejudice and conservatism. It reverberated through the Kingdom. The towns were shaken at first and then the countryside began to heave and swell. It was not as we have said the voice of man, but the voice of hunger, of thirst, the clamor of women and children for bread. * * * Even the great landowner secure in his estates with his multiplied tenantry, and his herds of Teeswater bullocks, must hear the cry in his fastness, and tremble at the possible consequences."

As showing how Protection so increased the price of grain and food stuff as to render their purchase impossible, and therefore how Free Trade would bring relief, Ridpath says further: "The grains which all the world stood ready to pour into the harbors of starving Ireland were excluded therefrom by the Corn Laws of England. Even if not excluded, the price was so exorbitantly high

as to be beyond the reach of the Irish peasantry. The Corn Law thus stood, like the tree of Tantalus, with its boughs hanging low and laden with abundance over the heads of the Irish people, but ever beyond their reach. Grain must take the place of the potato, or the Irish must starve. But grain cannot be substituted as the food of the people so long as present prices are maintained. The present prices are the result of the Corn Laws. Therefore, the Corn Laws must be abolished, and that speedily, for starvation is an exigency which, if not met *at once*, need not be met at all."

And now a word as to what we mean by "free trade" as applied to England. It does not mean Free Trade as defined in this book—meaning thereby the abolition of all indirect taxation and the raising of government revenue by some form of direct taxation. But it does mean the complete abolition of Protection. England is practically the only country on earth that has no Protective Tariff. She raises a portion of her revenues by taxing trade—and no trade can be free which is taxed. Yet she levies it on but few products and these such as do not compete with home productions.

Furthermore, instead of moving back to Protection, England is now moving towards Absolute Free Trade by beginning the taxation of the *land values* of the great estates owned by the privileged classes. And land value taxation makes possible Absolute Free Trade. Thus does England lead the world in the march towards industrial justice.

The same gratifying results which followed the complete abolition of Protection in England will also follow its complete abolition in this country. If the reader will

take the time to read the great Tariff Debate which occurred during the '80's in the "North American Review," between Blaine and Gladstone; the great Commoner of England, he will probably be no less startled than delighted with the results which followed the abolition of a Protective Tariff in England. Gladstone showed that the wages of English labor increased 100%. And what to me is of vastly greater significance is the fact that the quantity of food which the toilers of England were now enabled to consume was doubled!

Every Protectionist speaker in the Underwood Tariff Debate, who touched on the subject, was compelled to admit that the wages of English labor, a "free trade" country, are higher than in any protectionist country of Europe. Thus, so far as Europe is concerned, the highest wages occur under Free Trade and the lowest wages under a Protective Tariff. Russia probably has the highest Protective Tariff and pays the lowest wages.

But of course these speakers also pointed out the fact that in general the wages of English labor are not as high as the wages of American labor. But this proves nothing. The important thing is, What effect did the abolition of protection have upon *English* wages? And the answer is, They were doubled. If Tariff were the *only* factor bearing on the distribution of wealth, then the comparison between English and American labor might have at least some significance. But the Tariff is only one of many factors.

The *first* factor bearing on the wages of labor is the *amount* of wealth produced each day per capita—owing to the productiveness of the land and natural resources, the skill of the labor, and the extent to which it uses

vast and complete machinery. The *second* factor is the extent to which land and natural resources are monopolized. And the *third* factor is a Protective Tariff.

As to the first, the productiveness of American labor is on the average almost *three times* that of the same class of workers in England, or any other country on earth. As to the second factor, the monopoly of land has gone much farther in England, and in all the rest of Europe, than it has in the United States, and so can extort from labor a larger share of all that labor produces. This is a new country with only a little more than a 100 years of political history. We started here with a *vast continent of open opportunities*. But have we kept them open? The march of the monopoly of natural resources has gone forward at a rate that will soon make of us a people of landlords and serfs—as they are in England. This much, then, is established: So far as England is concerned, the repeal of the Tariff practically doubled the purchasing power of the wages of her labor, and made a most significant improvement in the general condition of the people.

But it is asked, "Is there not still great poverty in England?" There is. No enlightened Free Trader claims that a Protective Tariff will abolish poverty. All he claims is that it will *lessen* it. No enlightened Free Trader claims that the abolition of Protection will give to labor all that labor should receive. What he does claim is that it will greatly *increase* the wages of labor, *by increasing their purchasing power*—thru the decrease in the price of the things he has to buy; furthermore, that it is *the first step*, and a necessary step,

in the abolition of every form of social injustice. The abolition of Protection must come first. Only by a tax on monopoly of natural resources and public franchises can we hope to abolish poverty. And the future must choose between this method and Socialism. It will be one or the other.

And so poverty still exists in England, not because a Protective Tariff was abolished, but in spite of this fact. England is now moving on towards the realization of Equality of Opportunity and the establishment of equal and exact justice. Under the peerless leadership of Premier Asquith and Lloyd George, she has already won some great victories for humanity and has still greater victories yet to win.

England is now working along fundamental lines towards the attainment of industrial justice. Her policy will restore the land to the people, giving back to the Commons of England that which *war* and *conquest* took from them. The day may not be far distant when a man born on English soil shall no longer be "an outlaw in the land of his birth."

Statistics coming from there, until interrupted by war, showed a marvelous improvement in the general condition of the people. One item of statistics maintains that three years ago the percentage of the unemployed in this country was about 7.4%, while in England it was only 2.4%.

In his famous speech at Reading, England, the great Chancellor of the Exchequer, David Lloyd George, said: "WE MEAN TO LIFT THE DARK SHADOW OF POVERTY FROM THE HOMES OF THE WORKERS OF GREAT BRITAIN AND TO REMOVE THE DREAD OF THE WORK HOUSE FROM OLD AGE."

CHAPTER II.

HISTORY OF PRICES FROM 1850-1912.



A—Wheat. B—International Rates on 45 Leading Articles. C—Bar Iron. D—All Articles. E—Wool. F—Pig Iron. G—Cotton. H—Cotton Sheetting. A—The Wheat line has been dropped 18 points in order to get it in the space allotted to this schedule.

The table above shows the rise and fall of prices from 1850-1912. They have been arranged in five-year periods.

To make a general summary all prices show an upward tendency from 1850-1865 in the United States. Then beginning with '65, '70, or '75 at the latest, all prices go down. Each succeeding year tends to find them lower than the previous year. And they keep on going

down to the year 1895 or 1900. And so it is true that prices did decline under the "Cleveland Tariff." But the whole truth is that they had been declining for twenty-five or thirty years before this tariff was passed.

Somewhere between 1896 and 1900 the prices of practically all articles began to rise. The table does not show the beginning of rising prices before 1900, with the exception of pig-iron and wheat. As a matter of fact nearly all articles began the upward grade in '96 or '97.

The year 1896 marks low tide for nearly all productions. Then began the rise. And so prices had been falling for twenty-five or thirty years before the enactment of the Democratic Tariff, but began the ascent under that measure.

The lower line traces the rise and fall in the price of cotton-sheeting. It begins in 1850 with an average price of $7\frac{1}{2}$ cents. The second line traces the price of raw cotton, which began in 1850 at about 12 cents per pound. It reached its highest point in 1865, going to \$1.02 a pound—if my memory be correct. Taking the average for the five years, it rose to only 60 cents a pound. It reached its lowest level in 1895, when it began steadily to rise.

The third line traces the price history of pig-iron, which reached its highest mark in 1870 and then steadily declined to 1895, since when it has been steadily rising.

The fourth line traces the price history of wool, using Ohio fleece, medium, as the standard of comparison. It rose steadily to 1865, declined to 1870, then rose to 1875, and then steadily declined, reaching its lowest level in 1900. As a matter of fact, it began rising about

1896 or '97. Wool declined but three cents a pound during the three years it was on the "free list" under the Wilson Tariff of 1894, while it declined about 14 cents a pound under the McKinley Tariff. During all the years from 1867 wool was favored with a high duty. And yet it steadily declined; showing that a Tariff could not hold up its price.

The fifth line exhibits the price levels of bar-iron. The table shows that it reached its highest mark in 1865. And from that time on steadily declined to the year 1900. It is important to note at this point that the Dingley Tariff simply continued the rates in the metals schedule of the Wilson Tariff.

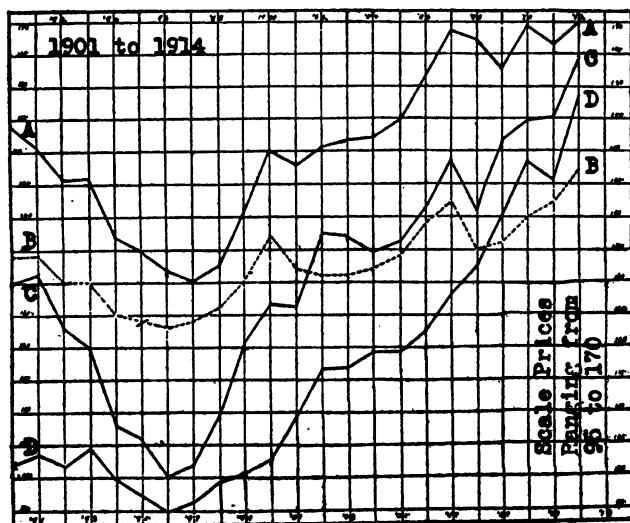
Under the heading "all articles" the government placed about 150 of the more useful things entering into the daily consumption of the people. The table shows that these reached their highest mark in 1870. They continued steady to 1875, declined to 1880, ran level to 1885 and then steadily declined to 1900. They may have reached their lowest point before this year, but taking the five-year average they were lower in 1900 than in 1895.

The line showing the price history of wheat does not begin till 1870. It was impossible to trace the price of wheat farther back. To get the exact price of wheat twenty must be added to its position on the map. It started in 1870 at about \$1.15. It went as low as 60 cents a bushel about 1893. Its rise began in 1895 or '96.

The heavy line crossing the center of the map indicates price level of "all articles" running back from the year 1912. And so starting with their price in 1912 as the basis, we see them dropping about 38 points be-

low this line in 1900. They cross it about 1883. And so the average price of "all articles" was the same in 1883 as it was in 1912. They had declined forty points since 1870. They started in 1860 about five points higher than they were in 1912. This line, better than any other, shows the mighty sweep in the rise and fall of prices from 1860 to 1912. And the adjoining table shows that prices have continued to rise since 1912.

All this has reference to prices within the borders of the United States. How can we account for that astounding decline in the prices of all articles in the United States for the 25 or 30 years previous to 1896? Furthermore, how can we account for the steady rise of prices since that time?



A—Manufactured Products. B—International Products. C—Raw Material. D—Food Products.

To get a wider grasp of the problem as to the cause of the general rise and fall of prices we need to inquire whether this was a condition peculiar only to the United States, or whether the general decline of the one period, and the general rise during the other, existed throughout the world.

The broken line on the map is a reproduction of Mulhall's international prices. This represents the price level of 45 leading articles. It shows a slight decline in the world's prices from 1855 to 1865. At this point they begin a rapid decline and go steadily down to the year 1895. This line of international prices runs practically parallel with the line representing the prices of "all articles," starting from the basis of 1912—the heaviest line on the map.

Mulhall's line of international prices ends in 1895. In order to give the reader the story of international prices since that time, I have pieced the line out to 1912 by the use of Sauerbeck's index numbers.

**PRICE OF FOODS, RAW MATERIALS AND
MANUFACTURED PRODUCTS FROM
1890-1912.**

The table on the opposite page traces the prices of food, raw materials and manufacturing products from 1890 to 1912. In addition is given the line showing the international prices for the same period. This is the third line on the map from the bottom. It is taken from Sauerbeck's table.

The lowest line traces the price of foods. The second line traces the price of raw material. The fourth line traces the price of manufactured products, numbering some 250. The broken line represents Sauerbeck's table of international prices.

CHAPTER III.

A SCIENTIFIC? TARIFF BOARD.

THERE can be no such thing as "scientific" tariff for the simple reason that the Tariff is unscientific. Science consists in learning the laws which govern any given class phenomena, in order to *apply* them. Trade is a natural phenomenon. It is floated by the tides and currents of the natural universe. It is governed by natural laws. But the only object of a Protective Tariff is to obstruct and *prevent* Trade. And so it works against natural law and has no other purpose than to obstruct and *suspend* its operation. Thus does it represent Superstition instead of Science.

Long before a man could gain sufficient knowledge of the different sections of the country and of the different industries, with their marvelous inter-relations, in order to make an equitable and fair adjustment of the Tariff, he would know enough to know THAT IT CANNOT BE DONE. A man with sufficient sense of justice to levy a Tariff impartially—without discrimination as to classes, would have too much justice to levy a Tariff at all. He would know that it is Class Legislation to start with.

Instead of being Progressive, the position of the Progressive Party on the Tariff represents a *retrogressive* Movement. It is a reversion instead of an advance; and for the reason that it proposes to make Protection a *permanent* policy of this Republic. No policy, no political economist of note—save John Stuart—ever defended

it even as a temporary policy. He did think that in a new country, under certain conditions, it could be employed as a temporary measure—for about three years—to give a start to “Infant Industries.”

The founders of the system in this country never defended it upon any other ground than that of giving our “young industries” a chance to start. They never contemplated it as a permanent policy—never. The first Republican Congress—elected in 1856—instead of being Protectionist, reduced the Walker Tariff of 1846—a distinctively “free trade,” Tariff “for revenue only” measure—from 25% to about 18%. Blaine says that no candidate for President that year mentioned Protection, and that even the manufacturers had ceased to ask for it.

And so a Protective Tariff was never contemplated—save as a temporary measure. Three Republican Presidents—Grant, Garfield, and Arthur—recommended a return to a “revenue basis.” It was Wall Street that fastened Protection on the Party as a permanent policy. It was never the idea of the thinkers of that great movement which had Emancipation as its goal. Their purpose was to *break* the chains and not to rivet fetters more tightly.

In another way is the position of the Progressive party—AS TO THE TARIFF—most unprogressive, and reversional, and retrogressive. It proposes to take the Tariff “out of politics.” That is to say, out of the hands of the people’s Representatives in Congress, and so out of their own hands. Instead, it proposes that the tariff rates shall be adjusted by a so-called “Scientific” Tariff Board, independent of the will and influence of Congress.

And yet the Tariff is a System of Taxation. It taxes the people. It is the most extensive and detailed system of taxation the world ever saw. No despot, no warrior, no plunderer of the oppressed ever devised a system of taxation so complete, so extensive, so detailed, as is our Tariff.

But the people's fight against being taxed by others or against their will, and for the right to be taxed only by their own representatives in parliament assembled is one of the brightest and bloodiest pages in the struggle for freedom. The right of the people to levy their own taxes upon themselves, and the denial of the right to be taxed save only by their own representatives, cost millions of human lives to obtain. But the victory was won—the most precious of all the blood-bought victories that struggling humanity has gained.

And now comes along a party, calling itself progressive, which proposes to the people that they relinquish a right, bought at so dear a price, take it out of the hands of their representatives in the House and Senate, and give it to an appointive board—RESPONSIBLE TO NOBODY. Think of it! Do you believe that such a proposition was inspired by enlightened patriots?

Rather let us say that ardent and earnest patriots, desiring only their country's good, were hoodwinked, duped, and deceived by the cunning and sophistry of Greed. It is Wall Street's last move. It knows that left to the people, PROTECTION IS DOOMED. And so its only hope is to get it away from the people, to get it out of their hands, by taking it "out of politics."

And this becomes the more significant when we realize that a Protective Tariff is not a system of Public Taxa-

tion, for the support of public servants and public enterprises; but a system of Private Taxation, for the support and maintenance of private individuals and of private enterprises.

CHAPTER IV.

EIGHT MONTHS AFTER.

IT IS now only about eight months since the Underwood Tariff Bill was enacted into law. And so it is entirely too soon to know anything as to the detail of its working. So many adjustments and reactions will have to take place that its full effect upon industrial conditions cannot possibly be known under two years, and four would be better. In human society Cause and Effect are widely separated. Industrial forces work slowly.

However, it is interesting to note that, up to date, the general industrial depression, the nation-wide panic, and the closing down of factories and mines, so loudly predicted, has not occurred. And this in spite of the fact that Wall Street has conducted such a systematized campaign of "calamity howling" as the country never experienced before. The Interests well know that they are engaged in a life-and-death struggle, and that unless they can defeat the present Administration, their control of the industries and destiny of the American people will be lost forever.

It seems reasonable to say, however, that had it not been for the great foresight of President Wilson in urging the immediate enactment of the Banking and Currency Law, a "hand-picked and ready to order"

panic would now be devastating the country from ocean to ocean. This was one of the most comprehensive pieces of constructive legislation in modern times. This new Banking and Currency law so decentralizes and *diffuses* the control of the money of the nation that the creation of a panic by Wall Street Kings of Finance is almost an impossibility.

This great measure has probably saved the country from a deliberately-created panic, because never before did the Money Power and the Organized Greed of the nation work to defeat an Administration as they are working now. Nor can any man foresee what the ultimate effects will be. If they have lost control of the volume of money, they still have control of the railroads. And thru the railroads they can exert a greater influence on industrial conditions than can the combined power of Congress and the President—until this power shall be curtailed.

But even if an industrial depression should come upon us, no honest and enlightened citizen would attribute it to the Tariff. He would know that while every industrial depression of the past was caused by the increase in some form of taxation, yet that no people were ever impoverished, and no panic was ever produced, by a *decrease* of taxation. Whatever else might be the cause, he would know that the reduction of the Tariff was not the cause.

If you found a man staggering beneath a great burden, and tho you removed a small part of it, still the man finally fell prostrate to the earth; would you assume that it was because you lightened his load, or in spite of this fact? You would probably say two things: First,

that you did not take enough off. Second, that you did not take it off soon enough. You waited too long. His strength had been exhausted before the relief came.

And so of the Tariff. Over and above their normal market price, a Protective Tariff adds two billion dollars to the cost of the necessities of life to the American people every year. And that is the great load they have been carrying year after year and decade after decade. If we removed a portion of that colossal burden, and still the crash came; the only *rational* explanation would be that it came not because we had lightened the load, but in spite of this fact. We would say, first, that we did not remove enough of the burden. And, second, that we did not remove it soon enough. We waited too long. So it was in the days of the French Revolution. The relief finally came—but it came too late.

Quite frequently we are told that times are hard. And so they are, and so they have been for several decades. And worst of all, they will steadily grow harder—unless vastly more is done than has been done. The Underwood Tariff will give some relief. Best of all, *it starts us in the right direction*. But it does not even hope to abolish poverty, and solve the problem of “the association of great want with vast wealth.” There is a struggle that has been going on for centuries in the Old World. It is now beginning to be felt all too keenly in the New World.

And so times are hard. They have been hard for the past ten, twenty, thirty, and more, years—all under a Protective Tariff. Read the story of strikes and lock-outs and industrial wars. Read the long list every year during all that time of commercial failures and bank-

ruptcies. Read of the millions donated every year to poverty. Read of the terrible privation and want and hunger that has been existing for decades in all the large cities. These things are with us now, have been with us in the past, and will *continue* to be with us—until the American people have so completely disgorged all the ideas and sentiments favorable to a Protective Tariff as to seek for the true solution of the problem. So long as their belief in the superstition of protection exists, no great improvement of conditions need be anticipated. And that for the reason that it keeps us looking in the wrong direction for relief. That which has been a deadly foe to our welfare we have regarded as a friend. It has *caused* many of the wrongs we expect it to right!

Nevertheless, even such a moderate reduction of the Tariff as is represented in the Underwood Bill cannot fail, in time, to reduce the cost of living and greatly improve the general condition of the people. But such a result cannot be expected to follow immediately. Furthermore, it can have but little effect in reducing the cost of *food* products, because it had but little to do with their increase of price. Its influence consisted in being a mighty factor in *concentrating population* in the cities. In this way the Tariff was a factor in causing the failure of food products to keep pace with the increase of population. Thus far its enactment has exerted much influence in keeping prices of food products *from rising still higher*.

The most direct effect of the Underwood Tariff must necessarily be in reducing the cost of *manufactured* products to the American people. And in this direction

its influence is already felt, although the great manufacturing trusts are doing their utmost to hold prices up, and thus give the people the impression that the Tariff has nothing to do with the high cost of living. And they have succeeded to some extent. But they cannot resist the pressure much longer. Prices of manufactured products ought to come down and will come down. Woolen and cotton goods, clothing and farm machinery, ought to be among the first to feel the beneficial effects of the Underwood Tariff. All the rest must follow in time, unless the Interests can so play upon the prejudices of the people as to have this Tariff repealed before it has broken down all the barriers to its full operation.

If a reduction of forty or forty-five per cent, and in the case of woolen goods of 67%, does not reduce the prices of these products, then we must infer one of two things: Either that the Tariff has no influence on prices, or else that the Trusts are still all powerful in holding prices up. If the Tariff has no influence on *prices* then it has no influence on anything, and should be removed as so much useless rubbish. The only way a Tariff can possibly work is to increase prices. If it does not do this it does nothing, and we have been fighting all these years for and against a delusive phantom.

Beyond the Tariff lies the Trust. It exists for no other purpose than to "fix" prices, and thus extort from the American people every dollar they can possibly pay for the common necessities of life. With this monstrous iniquity we have yet to deal. That by reducing the Tariff we shall greatly undermine the Trust, there

can be no doubt. That high Tariff Wall has "protected" it *from foreign competition*. And the only way it can escape the effects on prices of the lowering of that Tariff Wall will be to form International Trusts. And this has been done in several enterprises belonging to Big Business.

However, the other source of the origin and power of the Trusts still remains. And so long as this great defect in American industrial institutions remains, the Trust in some form will continue to exist. The present Administration will greatly diminish the Trust's power to control prices, by removing its legal and political *privileges*. But the industrial factors which make its existence possible will probably remain for a still later revolution.

So far as can be ascertained from reliable sources, mills, factories, and mines are in a prosperous condition. If old factories have closed here and there, it is nothing unusual. New ones have taken their places. Factories have started up under the Underwood Tariff that have not been running for ten years. Everywhere are the evidences of general prosperity. The number of the unemployed is no greater now than it has been for years past.

True it is that there are hundreds of men out of employment. But this is always so under any Administration. Many times under the Taft and Roosevelt Administrations was the number of the unemployed far *greater*. "Even in the most prosperous times," says a high authority, "there are no less than 3,000,000 wage-workers out of employment." And with the slightest disturbance this runs up even to 10,000,000! There has never

been a break in the "bread line" of New York City during all the years and decades of a Protective Tariff. Sunday and weekday, winter and summer, year in and year out, decade after decade, that line continues unbroken. Sometimes it extends for squares—men standing in line to get a free cup of coffee and a sandwich!

Several lines of industry have depended upon a Tariff Bonus, and so have had such abnormal and arbitrary stimulation that some disturbance resulting from the reactions was inevitable. Those branches of manufacture which can exist only by the aid of a Protective Tariff will cease—and ought to cease. They exist only at the expense of other industries. No industry is "legitimate" which is dependent for its existence on a bonus. In fact, it is not an industry but a *parasite*, living upon the life-blood of normal industries. And yet before the labor and capital invested in these can be *diverted* into legitimate channels of production, some hardship must be experienced.

As quoted before, Webster very wisely declared Protection to be "a policy that could not be followed without great *national injury*, nor abandoned without extensive *individual ruin*." Senator La Follette has spoken to the same effect. Speaking of the *immediate* effects of the Underwood Bill, he said: "Our industries will of necessity feel the strain of readjustment to a healthy basis, a basis of *actual values*. Thru this period we must pass to secure industrial peace and real industrial prosperity." Think of what it cost the country to get out from under the burden of chattel slavery. So we cannot hope to escape the abnormal influence of a Protective Tariff without some suffering and privation. And

the sooner it comes the sooner it will be over. However, the Underwood Tariff made such a moderate revision as to do little more—if it did so much—as to cut out the Tariff Graft which has been flowing into private pockets, leaving legitimate profits undisturbed.

In connection with the Underwood Tariff, the American people should never for a moment forget that there goes with it a Graduated Income Tax. In many respects, this is the most significant measure touching the general welfare of the people that has been enacted since the founding of the Republic. It has for its purpose the taxing of what Roosevelt significantly called our "Swollen Fortunes." It is the first step towards taxing those huge streams of wealth that for decades have been pouring into the pockets of Privilege, and which thus far have practically escaped taxation—at least so far as the Federal Government is concerned. Had the Wilson Administration done nothing else, the Income Tax alone should entitle it to the gratitude and loyal support of the American people.

CHAPTER V.

FUTURE OF TARIFFS AND TRADE.

NO MATTER what the immediate future, it is unthinkable that a plundering Protective Tariff can be fastened forever on the minds and industries of the American people. It is unthinkable that the Tariff Barons can so impose on the credulity of the people as to allow said Tariff Barons to go on forever in their game of adding an annual toll of some TWO BILLION DOLLARS to the cost of the necessities of life. Its extortions and iniquities, its utter falsehood, sham, and hypocrisy of themselves, will create a force which will overthrow it. If these fail, then its continuance will but hasten the uprising of a *Socialist Revolution* which will sweep it and the whole existing order in one common ruin.

Protection must and will be abolished. The only question is: When? Defeat of the Underwood Tariff can delay, but cannot prevent, its ultimate and final destruction. As a system, Protection is doomed in the United States.

The fact that in the last Presidential election the man who signed the Payne-Aldrich High Protection Bill carried but two states in the Union—Utah and Vermont; the fact that a tariff measure which declared against the whole protective principle itself, maintaining that a Tariff should be levied “for revenue only,” should so overwhelmingly triumph in Congress, cannot fail to greatly impress the tariff sentiment of the whole civilized world. The Underwood Tariff marks the dawn of a new era, not only for us, but for all peoples—everywhere.

Already its influence is being felt in Canada. The rejection by the Canadian people of our neighborly offer of Reciprocity was as pathetic as it was regrettable. But it was not tried out squarely on the issue. Race hatreds, partisan prejudice, patriotic bias, and political fanaticism—all played their part.

But when our neighbors of the North come to realize that we were dead in earnest, as shown by the passage of the Underwood Tariff; when they come to realize that the same speeches that were made in their Parliament as to the injury it would be to *them* and of the advantage to us, were also made in our Congress—with the terms reversed, new trains of thought will be set up and a revision of former opinions will be inevitable. The speeches made against the measure in either National Legislature could have been used in the other by a simple substitution of names. And seeing all this, they must exclaim with the more enlightened on this side the line: "WHAT FOOLS THESE MORTALS BE!"

The influence of the Underwood Tariff is being felt for good in France, Germany, Australia, New Zealand, and in all High Protection countries everywhere. The result must be a gradual breaking down of the "protection" superstition all over the earth, the superstition that a people can be enriched by increasing to themselves the price of the things they have to buy.

All this tends to Universal Trade, and with Universal Trade must come Universal Peace between all nations. The greatest foe of War is Trade. All historians and sociologists are agreed upon that.

Protective Tariffs rightly and logically belong to war and to a military regime, because their only purpose is

to obstruct and prevent commercial exchanges between nations; while the right of Freedom of Trade belongs to peace and to an *industrial* regime. War and Monarchy go hand in hand, while Peace, Democracy and Trade are inseparably associated.

The result of an international policy of Universal Free Trade will be that all the products of labor will tend to flow from places of least value to places of greatest value. And that is equivalent to saying that they will flow from where they are least needed to where they are most needed.

In other words, the people of every section of the globe will produce the things which they can produce to the best advantage and trade these for those necessities which they produce to the least advantage—or not at all.

Thus will all the products of labor be sold in the highest market—consequently *at the highest price*. And think what that would mean to the toiling millions of humanity all over the earth. And to this must be added the reverse—but parallel—saving, according to each, by being permitted to *buy* where he can buy the *cheapest*.

That would mean a tremendous expansion in the bulk and volume of the world's international trade.

And to that there would be not the slightest objection: Since each nation is the gainer thereby—otherwise it would not trade. But ultimate International Trade will be less instead of more—at least in bulk.

With a just solution of industrial problems inside the bounds of every nation—and every nation has essentially *the same problems* and particularly with a just solution of the Railroad and Transportation Problems and of the Land Question, a new current will be set up in the Social

Organism which will flow in just the *opposite* direction. It will tend to *diminish* international trade—instead of increasing it.

And it will not only diminish the volume of foreign commerce but also of the *domestic* commerce of each nation. The huge sums now paid for *freight*, the millions and hundreds of millions of dollars thus annually expended, will be much less—perhaps only a half or a tenth. And think of what that would mean to toiling humanity.

Of more importance even than to secure a *reduction* of the freight rate is the securing of an *equitable* freight rate. And by equitable rate, I mean a *uniform* freight rate, thus cutting out “the long and short haul.” A separate charge should be made for the “cartage.” It costs just so much to load and unload it, no matter where. That is practically a “fixed charge.” And so that should be kept wholly separate from cost of transportation. Loading goods on or off a car is one thing, *hauling them across the country* is quite another.

Having separated these two things, then the freight rate should be made absolutely *uniform* for things of the same class. It should cost twice as much to haul a given quantity of freight two miles as to haul it one, twice as much to haul it 200 miles as 100 miles, and twice as much to haul it 2000 as to haul it 1000 miles.

It might be wise, and just, to divide the country into two or three zones, in order to make some provision for great inequalities in the physical conditions under which railroads must haul—such as the contrast between the Plains and the Rocky Mountains. But even if this were found necessary, the principle of making the rate absolutely uniform thruout each zone could be preserved.

What has the securing of a uniform railroad rate to do with the industries and with the foreign and domestic commerce of the nation? Simply this. As the result of securing a fair and equitable freight rate manufacturing industries would spring up all over the country. They would no longer be centralized in the East as they now are. Such a railroad regulation would *diffuse industries thruout the land*. Each local community would tend to work up its own raw materials—secured from farm or forest, quarry or mine—into finished manufactured products.

Think what a saving in freight rates to the people of that community. They must produce the equivalent of what they consume. In most cases they produce *the identical things* which they consume, tho in a unmanufactured form; like producing wheat and consuming flour. Now the only question is, shall they produce it, manufacture it, and consume it themselves; or shall they produce it, send it away to be manufactured, and then bring it back to be consumed—paying the freight on it *both ways*?

Why should a steer be hauled hundreds of miles from Colorado to Kansas City to be butchered, and then hauled back again to be eaten? Surely "butchering" a beef is not so much of "a lost art" that there are not thousands of men who could do it in Colorado! And the same holds of wheat and flour. Think of the hundreds and thousands of miles that wheat is now hauled to be ground into flour and then hauled back again to be baked into bread.

There are small water mills scattered all over Pennsylvania, and similar states, that can grind as good flour

as they can produce at Minneapolis and do it cheaper than they can possibly do it out there. And yet these mills have been standing idle all these years. Why? Because of railroad discrimination in rates, because of a lack of uniformity and equity in freight charges. And so I might go on with the illustrations.

A uniform freight rate would give real "protection" to each town and community. It would throw about it the circumference, and protection, of *space*. The local community would always have the advantage in this that its competitors would have the additional *freight* charges. So, likewise, would it be "protected" in its sales in a neighboring town. When its competitors can haul a thousand miles with no more freight than it can haul a hundred miles, it has no advantage. Local manufacturing establishments cannot start up.

But with a uniform freight rate they will spring up all over the country. Each community will tend to produce raw materials, manufacture them into finished products, and consume most of them without scarcely ever seeing the cars. And then only for short hauls. And think of the *intellectual* development which would result from this "diversity of industries" in each community.

The railroad is the "strategic point" in the Industrial Problem. And with such a basis it would become a mighty factor in diffusing population. Hundreds of small cities, towns, hamlets and country communities would take courage. The amount of internal commerce and transportation would be reduced to a minimum. Freight charges represent a dead loss; because *transporting* goods in no wise improves the *form* or the *quality*. It simply changes their location.

The law of Free Trade would still allow each community to produce only what it can produce to the best advantage. The things which it could buy cheaper than it could produce, it would buy; and it would be free to buy. If it *could* buy certain things cheaper than it could produce them, it would be because it could get more of the particular thing desired by producing something else—and trading it.

Thus would each nation, each community, and each individual toiler—whether with brain or hand—be producing along the lines of best advantage. And thus also would the millions and millions of tons of matter now hauled by the railroads be greatly reduced. Everything is now worked to increase the volume of internal commerce, *in order to make money for the railroads.*

The same principle would work in all nations. Products can be produced more universally than is generally supposed. With the channels of trade thrown wide open so that products can flow freely towards the point of “greatest attraction”—highest price, a general *equilibrium* will result. Each nation, each community and each individual will produce that which it can produce to the best advantage. And this of itself will multiply the production of wealth by each community and each individual.

The same hauling of products hundreds of miles to be put in a manufactured form occurs internationally as well as nationally. Some products are hauled half around the globe in a crude form, and then hauled back for consumption in a finished form—back to the very point from which they started. Thus is the “cost of production” of the necessities of life increased to hu-

manity from a fourth to a half, and in many cases 100%. In fact, on scores and hundreds of articles the cost of transportation is more than the total labor cost of production. Much of this—perhaps most of it—represents waste and is a dead loss to humanity. Much of it could be produced, manufactured and consumed in the same community—and will be some day. And in this way alone can the burden of toil be reduced one-half.

In a book by Peter Kropotkin, the great Russian thinker and reformer, under the title, "Field, Factory and Workshop," I found an idea that is fraught with great significance to humanity. It is this: The specialization of talents and occupations will soon reach its limit and the pendulum will swing the other way. It is to the detriment of a man that he make a mere machine out of himself. Specialization carried too far always means a one-sided development.

Realizing this fact, the man of the future will be something more than a doctor or a lawyer or a writer. Every man will have his workshop. Every man will have his garden. Every man will produce some form of live stock; chickens, pigs, cows—something. And he will use these not simply as modes of entertainment, but will entertain himself by producing useful things. In this way will every man become an industrial worker, and to some extent at least be a self-supporting industrial unit.

There is no lawyer who cannot appear to better advantage in court after he has spent an hour or two hoeing in his garden. Man has a muscular system as well as a nervous system. He must use both. He can-

not specialize too far with either without its being to his disadvantage. No man can get a clear conception of truth who never used tools, who never measured and weighed and compared physical things. It is impossible. No man devoid of mechanical ideas and conceptions can hope to grasp the true conception of justice. Manual training in our schools should be regarded not as secondary but as primary. It should not be used to supplement the text book—the text book should be used to supplement it.

And the result of this industrial activity on the part of each individual, viewed merely as a necessity of personal development, will be to lessen the necessity for dooming the multitudes of humanity to be specialists as the wealth-producers and burden-bearers of the world. All will become, to some extent at least, self-supporting—and they will be self-supporting by actually producing for themselves a part of the things they consume.

Nor can the intellectual development of the race go on much farther until this fact is realized. It will improve the race *physically* a hundred fold—and it is almost safe to say, a thousand fold.

These, then, are some of the lines that Trade and Industry will take in the future. As for Protective Tariffs, they will be referred to in the histories of the future simply to illustrate the colossal superstitions which the ancestors of the race were capable of believing. Free Trade alone can make humanity free.

When unlimited liberty of Competition, Production and Exchange are attained, Monopoly will have been strangled to its death and wars will become only a horrible memory. Even the building of navies, the moulding

of cannon and the invention of machinery whose only purpose is to destroy humanity will be lost in the glorious thought of Exchange—the exchange of service for service, of genius for genius, of wealth for wealth.

There is no more reason why there should not be Free Trade between the states of Europe than between the 48 states of our Republic. Why not? Some of the “nations” over there, with Tariff Walls, are not so large as some of our counties. There is no more reason why they should have a Protective Tariff than that each county, as well as each state, should have a Protective Tariff.

In addition to the saving of human lives and human destinies, think of the saving to toiling humanity of the taxes that go to keeping up armies, navies and fortifications.

This, then, is something of what Free Trade would mean to humanity. Ingersoll well said, “Liberty is not only the means to the end. It is the end itself. To be free is to be happy.” And no one can have happiness without first having freedom. Whoever works for the cause of Free Trade is thus working for the cause of Humanity. All who love their fellows, and really desire to make the world better, should enlist under the banner of Absolute and Universal Free Trade. No other cause is quite so worthy of love and sacrifice.

The book is completed. The ardent ambition and zealous hope of boyhood days to strike a blow against this monster of superstition and injustice has lived on amidst all the changes and vicissitudes of adult life.

Emerson says: “To believe that what is true for you is true for all men—that is genius.” Free Trade is true

for me. Its equity and beauty have transformed my life. It is no less applicable to *love* and *duty* than to *wealth* and *labor*. It rests on the idea of equivalence, and equivalence is at the foundation of the universe. *No one should receive* without giving. And the thing given must always equal the thing got.

The cause will win. Free Trade will triumph all over the earth.

APPENDIX A.

THE TARIFF ON WOOL.

(Three articles in reply to the speech made by the Honorable Frank B. Willis of Ohio in reference to the tariff on wool, made in the debate on the Underwood Bill. These articles appeared in the "Marion, Ohio, Tribune" and the "Johnstown (Pa.) Democrat." They were afterwards read into the Congressional Record by the Honorable Warren Worth Bailey of Pennsylvania.)

"WHENEVER the duties have been below 11 cents a pound on wool of the first class, FLOCKS HAVE ALWAYS DECREASED. On the other hand, when the duties have been AS AT PRESENT (11 cents a pound or higher) THEY HAVE ALWAYS INCREASED."—Hon. Frank B. Willis.

Having shown in recent articles that the repeated reductions and declines in the number of sheep in the United States cannot possibly be traced to repeated reductions in the tariff on wool—as Congressman Willis alleges, since there has been practically but one such reduction in all the years since the Civil War; and having shown, therefore, that the decline of the wool industry has occurred, not only under the one Democratic tariff in 53 years of history, but also under the supposed "fostering care" of every High Protective Tariff that the Republican party has passed; it now remains to point out more fully the repeated declines in the number of sheep, and to show that these declines were some-

times even greater under a Protective Tariff than they were under Democratic "free wool."

Having excepted this one and only Democratic tariff law in a half-century of history, Truth requires us to say that **FOR 45 YEARS THE RATE ON WOOL HAS BEEN PRACTICALLY UNCHANGED.** And that rate has been 10 cents or 12 cents a pound on wool of the first class below or above 32 cents a pound—merino sheep—until the McKinley act of 1890 made a general average of the two and fixed a straight rate of 11 cents a pound on wools of the first class, and 12 cents a pound on Combing wools. On washed wools the rate is doubled. On scoured wools the rate is **MULTIPLIED BY THREE.** And that is the tariff as it stands today. (See table on page 369.)

Stated in its simplest form, the utterly absurd and unfounded proposition of the Honorable Frank B. Willis is this: **A DECREASE OF JUST ONE PENNY ON THE POUND** will destroy the sheep industry, while an increase of **ONLY ONE CENT** in the tariff rate will build it up. Such a proposition is almost too absurd for serious consideration. Especially is this true when the fact is kept in mind that the price of wool often varies 5, 10, 15, 25 and even 30 cents a pound **IN A SINGLE YEAR.** It seldom varies less than three cents. Ohio wool, medium, was 10 cents a pound **LESS** in 1911 than it was in 1909—the year the Payne-Aldrich bill was passed. From 1872 to 1876, the price of this same wool declined 35 cents a pound. And yet here comes along a so-called "statesman" who declares, even in the halls of Congress: **A REDUCTION OF JUST ONE PENNY ON THE POUND WILL DESTROY THE SHEEP-GROWING INDUSTRY.**

TARIFF OF 1867.

Mr. Willis begins the "proof" of this most extraordinary proposition way back in 1867. He has taken the pains to review the wool industry under each successive tariff. It is really "worth while" to follow him. He tells us that during "the last four years" of the tariff of 1867, the number of sheep increased 25%. That is a good showing. We are willing to call it 30%. In 1879, there were in the United States 38,134,000 sheep. By 1883 they had increased 11,113,000. But why deal only with "the last four years" of this act? It was in existence 16 years. Why were these last years more important than the first years? We think we can tell you why. It was because under the first years of the act sheep did not increase. **THEY DECREASED**, and at a terrific rate.

In 1867 (See Yearbook Department of Agriculture, 1911, Page 637) there were 39,388,000 sheep. That act at least doubled the previous tariff rate. On wools of the first class, worth 32 cents or less, there was a duty of 10 cents a pound, plus 11%. That was equal to a specific duty of 13 cents a pound. On wools of higher value, there was a duty of 12 cents a pound, plus 10%. And that would equal a specific rate of at least 15 cents a pound, or an ad valorem rate of nearly 50%. What more could the sheep ask than that? And yet **IN JUST FIVE YEARS** they decreased 7,796,000. There were that many less, not more. Congressman Willis tells us that when wool is 11 cents a pound "**FLOCKS HAVE ALWAYS INCREASED.**" Here was a **MINIMUM** rate of 13 cents a pound. And still they **DECREASED** 7,796,000—a decrease of nearly 20%. Again we ask,

Why did sheep decrease instead of increase? There had been no "tinkering" with the tariff. The rate on wool had not been reduced. It had been increased—DOUBLED.

We would also like to know why the Honorable Mr. Willis did not tell his constituents about this enormous slump in sheep. Perhaps it was because it occurred under a Republican tariff, **AND THE HIGHEST IN OUR HISTORY**. Since he called attention to "the last four years" when the number of sheep increased 30%, why was he silent on a decrease of 20%—**UNDER AN INCREASED RATE?** We think we know why, but will not mention it.

TARIFF OF 1872.

And now what are the exact facts in reference to these "last four years" as compared to the first five years? The facts are really astounding to a protectionist. They show that the tariff was not higher, but lower. Congress passed a law in 1872 which made a horizontal reduction of 10% on wool. And now comes a most amazing and perplexing fact. Under the highest wool tariff in our history the number of sheep **DECREASED 7,706,000**. While under a 10% reduction of this same tariff, the number of sheep increased 11,113,000. **WHAT MIGHT THEY NOT HAVE INCREASED HAD THE REDUCTION BEEN STILL GREATER?** Nor is that all. **TWELVE YEARS AFTER THE TARIFF OF 1867 HAD DOUBLED THE RATE ON WOOL, THERE WERE FEWER SHEEP IN THE UNITED STATES THAN WHEN THE ACT WAS PASSED.**

TARIFF OF 1883.

Mr. Willis tells us that under the Republican Tariff

Law of 1883, the number of sheep decreased 16%. And the estimate seems correct. In 1883 there were 49,237,000 sheep. There were only 44,336,000 in 1890. That made a decrease of 4,901,000 sheep in six years. Why did they decrease? What caused it? Here is the explanation which Mr. Willis gives. "During the last four years of the tariff of 1867 the duty on wool was 12½ cents a pound, while under the act of 1883 it was only 10 cents a pound." Our only objection to that statement is that it is not true. The tariff was not 12½ cents under that act, or any other. NO SUCH RATE WAS EVER LEVIED. Both laws contained both rates—a 10 cent duty and a 12 cent duty.

How did he get these rates? He got them by first changing the basis of comparison, and then taking *only one rate under each*. He compared the highest rate under the one with the lowest rate under the other. And yet, as a matter of fact, BOTH LAWS CONTAINED BOTH RATES. Why, then, did this Honorable gentleman mention only one rate under each? Such an act was either gross carelessness or gross criminality. Did he not intend that his constituents should infer that under the tariff of '76 Clothing wools paid 12½ cents a pound, while under the act of '83 these same wools paid only 10 cents a pound? And if so, *then what other purpose could he have had but to deceive the people?*

The tariff of 1883 did just *two things*: It took off the additional ad valorem duty of 10% on one grade of first class wool, and 11% on the other. That was a REDUCTION. Second, it reduced the minimum of the wool that should bear a duty of 12 cents a pound, re-

ducing it from 32 cents to 30. And that was virtually an INCREASE. Under the act of 1867, wool worth 31 cents a pound, would have paid a duty of 10 cents a pound. Under the act of 1883 it would have paid a duty of 12 cents. And so the tariff of 1883 made practically no reduction in the duties on wool. It could scarcely have exceeded a quarter of a cent on the pound. Clothing wools were still divided into two classes. One was taxed at 10 cents and the other at 12—as under the previous measure. And yet Congressman Willis tells us that sheep decreased, and they decreased 16%. Why did they decline? They decreased 4,901,000. What caused it?

IT COULD NOT HAVE BEEN CAUSED BY THE TARIFF. Mr. Willis sought, BY CHANGING THE BASIS OF COMPARISON, to give the impression that there was a reduction of $2\frac{1}{2}$ cents a pound. We have shown that if there was any reduction at all, made by the tariff of 1883, it could not have been half this amount—OR EVEN ONE FOURTH OF IT. Furthermore, if we granted the whole of his false and fraudulent claim, IT COULD NOT POSSIBLY HAVE CAUSED THIS DECLINE. We entered this period with the price of Ohio fleece, medium, at 45 cents a pound. During this period it dropped as low as 31 cents. Could a tariff reduction of $2\frac{1}{2}$ cents a pound cause a price reduction of 14 cents? What shall we say of the intelligence of men who do such reasoning as this? If they do not know better, then they are *mentally* incapable. If they do know better, then they are *morally* incapable. Think of it. A REDUCTION OF $2\frac{1}{2}$ CENTS IN THE TARIFF ON WOOL—WHICH

NEVER OCCURRED—CAUSES A DECLINE IN PRICE OF 14 CENTS!**TARIFF OF 1890.**

Let us pass on. Mr. Willis tells us that the McKinley tariff made a straight rate of 11 cents a pound on wool, which it did, and as a *result* "the number of sheep increased 10%." His joy at finding sheep increase once more carried him beyond the facts. There were 44,336,000 sheep in 1890. There were only 712,000 more in 1894. And that we submit is not an increase of 10%. It is even less than 2%. That is not so much. We have seen sheep increase 30% when the tariff had been reduced by 10%. We have seen them decrease 20% after the tariff had been *doubled*—and under the highest wool tariff in our history. And so Mr. Willis was lucky to get off with an increase of even 1.6%. So far as the tariff has anything whatever to do with the sheep industry, the law would seem to be: **TO INCREASE THE TARIFF—DECREASES THE SHEEP, TO DECREASE THE TARIFF—INCREASES THE SHEEP.**

And so when the McKinley tariff struck a general average between the 10 cent and 12 cent rates, calling it 11 cents a pound, it really must have reduced the previous rate—judging by the past. This much is certain: **IT REDUCED THE SHEEP.** The first year following the passage of this bill the number of sheep **DECREASED** 905,000. And the fourth year under this law showed a decrease of 2,226,000. It probably took the sheep some time to get used to the new rate. They had to become acclimated. In fact, **THEY NEVER DID GET USED TO IT.** They kept right on going

down even after it had been repealed. And when, later on, its duties were restored and they seemed to be standing it all right, they suddenly started on a worse decline than ever. This much has been established in 45 years of High Protection, that whatever else may be a good thing for sheep, a Protective Tariff is not. THE SHEEP DISCOVERED THAT LONG AGO. But Congressman Willis has not. However, it is worth while to notice that while a sheep has wool on its back, it has none over its eyes. And that is more than we can say for him.

• TARIFF 1894.

He tells us that the Wilson Tariff of 1894 put wool on the free list, which it did, and that as a result the number of sheep declined 21%. We insist that it is only 18%—*not so much as when the act of '67 doubled the rate.* There were 45,048,000 sheep in 1894. There were only 36,819,000 in 1897,—a decrease of 8,229,000. BUT WHERE IS THE PROOF THAT IT WAS CAUSED BY REDUCING THE TARIFF? Where is the proof that they would not have decreased had wool not have been placed on the free list? We have seen sheep decline when the tariff was raised. We have seen them decline when the tariff was lowered. We have seen them decline when the tariff was unchanged. The whole truth seems to be that the sheep industry in the United States is in the “declining” business. Civilization is against the sheep.

Practically every Republican and Progressive speaker in the recent Congressional debate called attention to the fact that the number of sheep declined under the Democratic tariff. We admit it. And while sorry for

it, yet it cheers us up to have a protectionist speaker get even one fact. We also admit that it is "unusual" for sheep to decrease. They had not decreased more than twenty times before the Democrats put wool on the free list.

Strange, however, that none of them called attention to the fact that they decreased 7,796,000 under the tariff of 1867; that they decreased 905,000 the first year after the enactment of the McKinley bill; that the last year under that tariff saw a decrease of 2,226,000; that in the last two years they have decreased, under the Payne-Aldrich tariff, 4,854,000; and that from 1903 to 1905 the number of sheep decreased 18,793,000—more than double the decrease *when wool was on the free list*.

DECLINE IN PRICE.

They did not fail to mention a decline of 8,229,000 under a Democratic tariff. It was the one thing they could not forget. But they did forget to mention a decrease in two years of 18,795,000 under the Dingley tariff and 4,854,000 in the last two years under the Payne-Aldrich tariff. They did not forget to mention the fact that Ohio fleece, medium, declined 3 cents on the pound, when wool was on the free list. But they did forget to mention that it declined 14 cents under the McKinley tariff.

Here then is a most extraordinary fact. A reduction of 11 cents a pound in the tariff on wool reduces it but three cents, while an increase in the tariff rate, made by the McKinley bill, reduces it 14 cents on the pound. How can their constituents depend upon them for reliable information, when they forget to mention truths of such significance as these. They also forgot to men-

tion the fact that the price of wool declined 10 cents a pound under the Payne-Aldrich law, and 35 cents a pound under the tariff of 1867.

But why should men who are fighting for a falsehood, fighting for a colossal lie, fighting for the most gigantic superstition and delusion that was ever imposed on the credulity of the human race—why should they be expected to mention such facts as these, especially when such facts **KNOCK THEIR WHOLE THEORY INTO ATOMS?**

TABLE SHOWING TARIFF RATES ON WOOL FROM 1867 TO 1913.

	CLASS I. <i>Clothing Wools.</i>	CLASS II. <i>Combing Wools.</i>	CLASS III. <i>Clothing Wools.</i>
Act of March 2, 1867.	32 cents or less per lb. 10 cents lb., plus 11%. Over 32 cents per lb. 12 cents per lb., plus 10%.	Same as Class I.	12 cents or less, 3 cents per lb. Over 12 cents per lb., 6 cents.
Act of June 6, 1872.	10% reduction.	10% reduction.	10% reduction.
Act of March 3, 1883.	30 cents or less, 10 cents. Over 30 cents lb., 12 cents.	Same as Class I.	12 cents or less, 2½. Over 12 cents, 5 cents.
McKinley Bill.	11 cents lb.	12 cents lb.	Wool and camel's hair, 13 cents or less, 32%. Over 13 cents per lb., 50%.
"Cleveland Tariff."	Free.	Free.	Free.
Dingley Bill.	11 cents per lb.	12 cents per lb.	Wool and camel's hair, 12 cents or less per lb., 4 cents per lb., Over 12 cents per lb., 7 cents per lb.
Payne-Aldrich Bill.	11 cents per lb.	12 cents per lb.	Wool and camel's hair. (Same as Dingley Act.)
Underwood Bill.	Free.	Free.	Free.

APPENDIX B.

A DECLINING INDUSTRY.

Sheep-growing—for the primary purpose of producing wool, with mutton only a bi-product—is a declining industry in the United States. THE FORCES OF CIVILIZATION ARE AGAINST IT. The same story has been repeated in every land and under every civilization. We have already shown that the Tariff cannot maintain it. And even if it could, it would do so *AT AN ECONOMIC LOSS TO THE COUNTRY*. But this is not a matter for alarm or even of regret. THE DECLINE OF AN INDUSTRY, thru the advance of civilization, DOES NOT MEAN A DECLINE IN THE PRODUCTION OF WEALTH. The very reverse is true. It simply means that THE PRESSURE OF POPULATION HAS DEVELOPED A MORE PROFITABLE USE OF LAND.

We have shown that the number of sheep has repeatedly INCREASED after the tariff had been lowered. We have shown that their number has repeatedly DECREASED after the tariff had been raised. To quote but two instances, we saw them decline 18,795,000 under the Dingley Tariff—which took wool off the free list; and we saw them increase 11,113,000 after the act of 1872 had reduced the tariff by 10%. And yet, with the exception of three years when the Democrats put wool on the free list, the whole truth is that FOR 45 YEARS THE TARIFF ON WOOL HAS REMAINED PRACTICALLY UNCHANGED, And in refer-

ence to those three "Democratic years," it must be said that NEITHER THE DECLINE IN THE NUMBER OF SHEEP NOR IN THE PRICE OF WOOL WAS AS GREAT AS UNDER PROTECTION. And so it has not been for lack of "protection" that the sheep industry has declined.

Twelve years after the act of 1867 had doubled the tariff on wool there were fewer sheep in the country than when the act was passed. There were 18,793,000 fewer sheep in 1905 than in 1903. There were 4,854,000 fewer sheep in 1912 than in 1910. And after a lapse of 30 years, the averages for the five years ending in 1900 showed fewer sheep than for the four years ending in 1870. During that time the population had doubled. What hope for the sheep industry?

While there have been many slumps in the sheep industry, yet the whole period shows an actual increase in the number of sheep. *But that increase has not kept pace with the increase of population.* Let us take the average per year for the four years ending in 1870 as the basis and divide the rest of the time into five-year periods. The average for the first period shows 39,238,000 sheep. Giving only the even millions the number of sheep for the successive periods are as follows: 33, 37, 38, 45, 44, 39, 55, 54 and for the years 1911-12, 53 millions. The high-water mark in the production of sheep was in 1903 when their number rose to nearly 64,000,000. Two years later they had actually decreased 18,793,000. Then their number rose to 57,216,000 in 1910. Since then they have been steadily declining. The period ending in 1900 shows fewer sheep than the one ending in 1870. But taken as a whole

the number of sheep has increased about 40% during these 45 years under consideration. There were just 12,977,000 more sheep in 1912 than in 1867.

While there has been a slight increase in the actual number of sheep, there has also been a relative decrease—RELATIVE TO POPULATION. The population in 1867 was 36,211,000. The number of sheep was 39,385,000. At that time there were more sheep than people. There was a fraction over one sheep for each inhabitant, about 1.08. In 1912 there were 52,362,000 sheep and 95,000,000 people. And so after 45 years of "protection" there are only about half as many sheep as there are people. An equal division of sheep now would give only .55 of a sheep for each inhabitant. In other words, they have declined one-half relative to population. While the number of sheep have increased 40% the population has increased 193%. While the number of sheep has been multiplied by 1.4, the population has been multiplied by 2.9. *The increase in the number of sheep falls far short of keeping pace with the increase in the number of people.*

We shall find the same startling facts if we compare the increase in the number of sheep with the increase in other farm animals. In 1867 there were 9,096,000 milch cows in this country. They had increased to 21,268,000 by 1912. That is an increase of 133%. Hogs increased during this same period from 24,769,000 to 58,241,000—an increase of 135%. While hogs and cows have not kept pace with population, they have increased nearly three times faster than sheep. Horses increased from 6,232,000 to 20,766,000—an increase of 220%. And so horses have increased five times faster than

sheep. Let us take the case of cattle. They have increased from 12,786,000 to 43,399,000—an increase of 240%. They have increased six times faster than sheep. The case with reference to mules is still stronger. During the past 45 years their number has increased from 945,000 to 4,215,000. That makes an increase of 445%. And so mules have increased 11 times faster than sheep and two times faster than people.

How stands the case with reference to the price of wool? In spite of the fact that there was a Protective Tariff on wool that often approached 50%, yet from 1872 to 1896, THE PRICE OF WOOL STEADILY DECLINED THE SAME AS DID THE PRICE OF ALL OTHER PRODUCTS OF FARM AND FACTORY. The average price of wool for the four years ending in 1867 was 47 cents a pound. Taking this as the basis, and following in five-year periods, the successive prices were as follows: 56, 40, 39, 36, 27, 27, 31, 37 and for 1911-12, 32 cents. Judging from the delusive arguments of protectionists, *one would infer that the Wilson Bill was passed in 1872 and had been in existence ever since.*

THE FOE OF THE SHEEP—THE PLOW.

There is a fact bearing on the sheep-growing industry that is mightier than the Tariff. It is the fact of Civilization. It is the fact of Progress. It is the fact of the advance of human society from the Pastoral stage into the Agricultural stage. AND SO THE FOE OF THE SHEEP IS NOT THE TARIFF BUT THE PLOW.

Sheep-raising is one of the most ancient of human industries. It dates far back in history when mankind lived by "following flocks and herds." We read about

this ancient industry in the Bible in connection with "those that dwelt in tents." It had its origin in the dim dawn of time as mankind were emerging from Savagery into Barbarism.

Under Savagery mankind lived directly from nature as hunters, fishermen, etc. The club and spear were their first implements. These were used not only in their warfare with fellow human beings but also with wild animals. Not only food but clothing, and even shelter, depended upon the fortunes of the chase. The walls and doors of the wigwam were furnished with the skins and furs of savage beasts.

Gradually there came the idea of the Domestication of wild animals. They were to be made to do the will and supply the wants of the human race. And among the earliest of domestic animals was the sheep. It furnished food and drink and clothing and even shelter. Great have been the contributions which the wool and meat and milk of the sheep have made to mankind. The memories of the herdsmen's life hover about all our ancient traditions. They come from all climes and races—the black, the brown, the white. Countless were the contests and struggles to get possession of the best pasture lands. And this gradual transition from Hunting to Herding marks the advance from Savagery into Barbarism. And it was a mighty step-forward.

The third stage of development brought Agriculture. And with this came Civilization. Gradually there developed the idea of planting seeds, of cultivating the ground, and of domesticating trees and plants. The basis of agriculture is the Plow. *The Plow and the Pen are the mighty factors of civilization.* However, herd-

ing long continued side by side with farming and fruit-raising. Domestic animals still depended upon wild grasses and so required herding. Nor had the avocation of the hunter entirely ceased. But with the idea of constructing so common a thing as a fence and the production of food not only for people but also for domestic animals, still greater changes followed. Here was another advance towards freedom from an immediate and slavish dependence upon the vicissitudes of nature. And this advanced step—in which food was grown not only for people but for domestic animals—marks a tragic fact in the future destiny of the sheep.

History shows that while it remained profitable to support the horse and the cow and the pig with the plow, it was not profitable thus to support the sheep. Thus were sheep, seemingly by an edict of nature, excluded from the advance of civilization, and confined largely to pastoral lands and peoples. The sheep and the plow were not to travel together like the other domestic animals. There seemed a direct and deadly conflict between them in an effort to get possession of the fields. And so it has developed, thru centuries of this struggle, that it is not profitable to preserve plow-lands for sheep-lands. The plow represents a higher use of land—A MORE INTENSIVE CULTIVATION.

Fate has thus decreed that sheep are to occupy only such lands as are not arable—plowable. The story told in every land and in the development of every nation is this: SHEEP HAVE ALWAYS PRECEDED THE PLOW, AND THE PLOW HAS EVER DRIVEN THEM RELENTLESSLY ONWARD—ONWARD TOWARDS THE HILLS, THE MOUNTAINS, THE

ARID PLAINS, AND THE DESERTS. They always follow the pioneer into New Worlds. They tend ever to be confined with him on the fringes of Civilization. And with him they are driven ever onward towards the Pacific—the Pacific of Oblivion. Just as the industry of the plowman drives out that of the hunter, so does the plow drive out the sheep.

And so the only permanently abiding places for the sheep are those which the plow cannot enter. **THERE THEY HAVE REMAINED FOR CENTURIES AND WILL EVER REMAIN.** But to devote arable lands to this industry, and in competition with those which have *no other uses*, is to violate a fundamental law of Political Economy and devote a portion of the earth to a low-grade production when it is capable of a higher and more profitable production.

The part which sheep play in the great Drama of Civilization is that of the "Curtain Riser." And they have played their historic part in this country. They are the pioneer scavengers. They clean out the fence corners and sprout the stumps. They help the woodsman to prepare the ground for the plow. And then when the plow comes, the fields that once knew them, know them no more. They move onward into the open, unfenced plains and the uncleared forests. In those sections which the plow cannot reach they will remain. But from those sections which it can reach they will be slowly but surely driven out—never again to return.

But in presenting this historic drama of the function and fate of the sheep, we are considering it wholly from the standpoint of being a producer of wool—with mutton as only a by-product. The growing of wool belongs

“to the desert and waste places” of the earth. But when we reverse the purpose of sheep raising and make *mutton* the primary thing and wool as a by-product, then opposite results will follow. **IT IS PROFITABLE TO SUPPORT MEAT-PRODUCING ANIMALS WITH THE PLOW.**

And so when the transition is made from wool-sheep—that is, sheep of merino strain—to mutton-sheep, the antagonism between the sheep and the plow will disappear. Food supplies will be enormously increased. The quantity of wool produced will be nearly as great—perhaps greater. Here lies the hope, and the only hope, of a declining industry. The Tariff cannot save it. *It must conform to the requirements of civilized life or go the way of all other ancient industries.*

APPENDIX C.

FREE TRADE AND THE EUROPEAN WAR.

THE Tariff emerges from the press at the opening of the greatest armed conflict of which history gives record. In fact, it has already become a universal, world-wide war, including all Europe and the Orient. It is almost a physical impossibility for any nation beyond the water not to be drawn into it. Even the United States must display superb moral courage and master diplomacy to keep out.

And yet it is a war apparently without a cause. All other wars have had at least assigned causes. This one has none. Each nation maintains that it is fighting in self-defense. Each blames the other. Thus are millions and millions of poor, oppressed, suffering human beings who have absolutely no cause for quarrel, drawn into deadly conflict with each other. They never wronged each other. They never saw each other. They are all the common victims of a common system of oppression and serfdom. They should be joined in a common cause against a common oppressor instead of destroying each other.

The reader at once asks: "But what has a Protective Tariff to do with the cause of this World War?" Very much, as we shall see.

All wars have as their dominant motive the desire to live from the labor of others. The aggrandisement of labor, the robbery of those who toil, is the goal of all conquests.



THE MASSES MUST BEAR THE BURDEN
Coffman in the New York Evening Journal

So dependent, and interdependent, has the world become that each nation simply must have the products of other nations. The present stage of civilization is impossible without International Trade.

And there are but two ways by which the products of other nations can be obtained. One way is to *fight* for them. The other way is to *trade* for them. Not daring to do the one openly, because of fear of public sentiment; and not desiring to do the other, because it necessitates an equivalent product given in exchange, military nations wage war under the guise and pretense of desiring to trade.



WHAT ARE THEY CHEERING FOR?
Cesaire in the New York Sun.

But if they really desire to trade, why do they not tear down their Tariff Walls and make an open declaration for Free Trade? That is, if they really want to trade. Of course if they simply want to plunder under the pretense of trading, that is different. Open plunder is no longer tolerable. It must be done now, if done at all, under the disguise of commerce.

The awful carnage in this World War is simply a struggle of the Old with the New. It is the old ideas of Political Government struggling with the coming of the new Industrial Government. It is the effort of Political government to confine Industrial government within its own borders. In short, it is a struggle between Militarism and Industrialism, between Domination and Freedom, between Caste and Equality, between Special Privilege and Open Opportunity.

To state the issue still more concretely, Political Governments must necessarily have definite, fixed and exact boundaries. Industrial Government on the other hand, thru the open Channels of trade, encompasses the whole round earth. Included within the wide domains of its Universal Empire are all the human beings in all of the "four corners" of the earth who are engaged in the production of wealth. And it is against the spread of this Universal Industrial Empire that the World War in Europe is being waged.

Only the development of modern biology has made possible the realization of the fact that there is an Industrial Government as well as a Political Government. In other words, when we go deep into the Science of Society we discover that this thing called Government has two branches,—a Political branch and an Industrial branch. Furthermore, the Industrial branch



THE BEAST IN MAN
Donahey in the Cleveland Plain Dealer

is the more important and when mankind becomes really enlightened we will realize that the highest use of the Political branch of government is to defend and extend the Industrial branch.

The Political branch of government, by means of Protective Tariffs, is seeking to confine the operations of the Industrial branch within its own narrow borders. The dominant thought of Militaryism is the supremacy of Political Government. The dominant thought of Industrialism is the supremacy of Industrial Government. Hence the conflict in Europe.

This World War which is destroying humanity in vast multitudes, is the inevitable and unavoidable effect or resultant of two opposing forces. It comes as the result of the effort of that thing called Government, on the one hand, to confine Trade within its borders; and of the effort of Trade, on the other hand, to extend far beyond these borders. The extension of Trade is a positive, vital physical necessity. The only way it can be extended, under the old imperialistic idea, is to extend the borders themselves. This brings war. And so the only way to abolish war is to abolish this infamous, war-breeding theory of Protection and substitute Free Trade. Furthermore, wars will continue—no matter what the immediate outcome of the present international conflict—so long as Protective Tariffs seek to confine the world-pervading tendencies of the Industrial Government within the narrow limits of Political Government. Free Trade is the only basis for permanent peace.

This will hold no matter how wide war and conquest may carry the bounds of some particular political government. Peace never came by an extension of political



THE WOLF AT THE DOOR
Kessler in the New York Evening Sun

boundaries—and never will. It never came to any country except thru Trade. This is true even of the United States. It was the extension of Free Trade between all the states that made the Union possible.

Break down the stupid Tariff Walls between the various states of Europe by a declaration for Absolute Free Trade, and Trade—the one only emissary of Peace—will flow out with the products of the people's toil "to all the ends of the earth"—soon to flow back again with the products of all nations and climes given in exchange. But when the only recognized method of extending Trade is to extend territory—the political area, war is inevitable.

Russia, a military and autocratic despotism, and therefore dominated by the crude ideas and ignoble sentiments of Militarism as against the enlightened, humane and equitable sentiments of Industrialism, has been fighting for an extension of territory in order to extend her trade. She wants a port on the Mediterranean in order to put her in contact and direct connection with the channels of international trade.

Had she been dominated by industrial ideas instead of military and autocracy, she would have known that Free Trade would open to her every port on the Mediterranean and on every sea of the whole round earth.

A century or so ago Russia was a small, inland country. Go back to the days of Peter the Great and see the small area with which she started. With fire and sword she carved out territory to the north, taking it away from Sweden. This gave her ports on the Baltic Sea, and thru these egress into the Atlantic ocean. In the same way she reached the Far East,

**THE ROAD TO YESTERDAY****Marcus in the New York Times**

obtaining access to the Pacific Ocean. Then she pushed southward to the Black Sea.

But the ports of exit and entry for her products are frozen up in winter. Could she get thru to the Mediterranean, she would have an open port the year 'round. But to get it and still maintain her Protective System, she must carve her way thru by wholesale murder and slaughter. Hundreds of thousands of lives must be sacrificed in war, millions of lives thruout centuries of time must be crushed and despoiled by taxation resulting from war, for what? For that which could be obtained without the loss of a single life or the levying of a single dollar in taxation. But this could be obtained only thru the abolition of tariffs and the substitution of Free Trade.

And the same explanation holds as to Germany, England, France, and all the other nations engaged in this world-wide war. Each is seeking for an extension of trade or to prevent a neighbor from extending her trade. If not for this, then to wield "influence" over the trade of different countries—to deny the "open door" policy.

For years we have been hearing about "spheres of influence." These are political ideas not industrial. They belong to Militarism and are contrary to the requirements of Industrialism.

Trade that takes place under the "influence" of armies and navies is not Trade at all, but extortion, robbery—plunder. When a man makes an agreement to give up something for something else while a loaded gun is being pointed at him, it is not Trade. To constitute Trade one must be equally free to accept or reject.



NINETEEN CENTURIES AFTER CHRIST

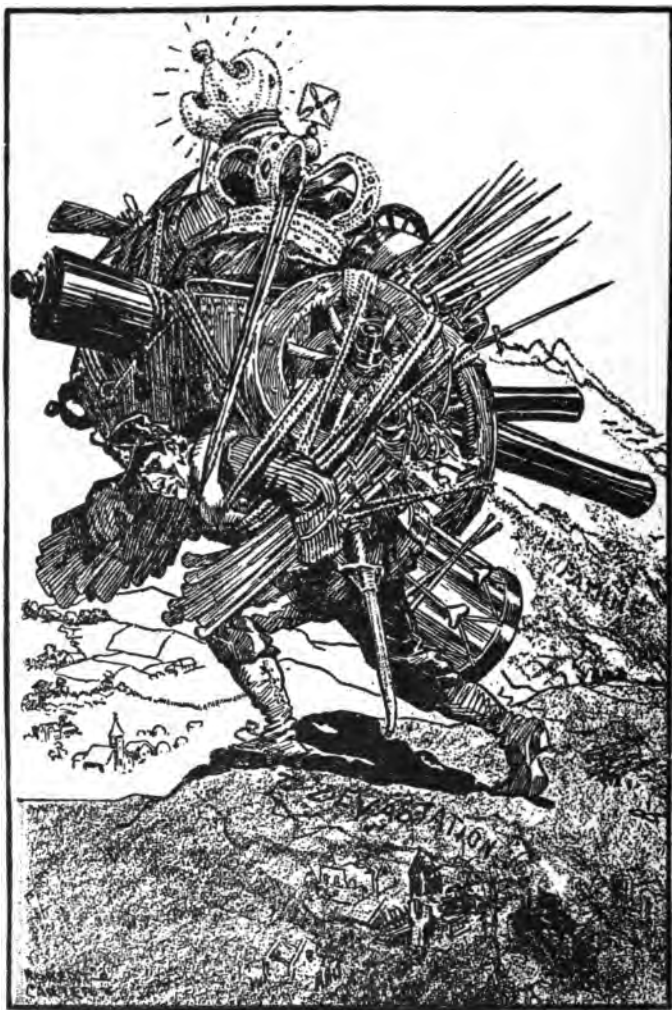
Harding in the Brooklyn Daily Eagle

Exchanges, so-called, which take place in the Far East—or anywhere—within the range of a pointed cannon, or in the presence of a foreign standing army, do not represent Trade. Far from it. They are simply a disguised form of open, highway robbery. And modern navies and armies are now playing no other part than that of pirates and buccaneers on sea and land.

When by the presence and power of arms the dominant nation prevents purchasers and traders from other lands to enter, so that the people within the zone of German, or English, or French influence must take what the dominant nation may choose to offer, that is not Trade but Robbery.

In a complete robbery the conquering power would give *nothing* in return. That was the ancient method of conquerors. But that crude system of robbery is passed. It is too apparent. At least *something* must be given a people in return for their products. Under modern military adjustments the robbery is only *partial*. But it is robbery just the same. The people who thus part with the products of their toil under foreign influence get only a part of the value of their goods in return. The rest goes as tribute, plunder, spoils to the conquering nation.

The sad truth is that mankind has not yet attained either the mental or the moral development which makes a conception of all the conditions and requirements of trade possible. We still conceive of theft rather than of trade. Every restraint of trade is a restraint of personal freedom. Every Protective Tariff is a denial of the property rights of the human race: the right to sell our products wherever we can sell to the best advantage, the right to buy from whomsoever we can buy the cheapest.



THE ARMY WORM
Carter in the New York Sun

Trade, equity and freedom are inseparable. And so also are Protection and robbery.

It is generally admitted that it would be all right if all the nations of Europe would adopt Free Trade, but it is argued that for just one nation to adopt it would be disastrous. To which there are many answers. One of them is that England has had no Protective Tariff since 1846. And she has been a tremendous gainer.

Another answer is that even if other nations should actually *increase* their tariffs, and to a prohibitive rate, no harm would be done. They could not sell to the one nation when their tariffs made it impossible for it to sell to them. Even if they should decide to "dump" their goods on it, no harm would come. If they would only "dump" enough on this nation, its people would not have to work at all.

And the change in its system of taxation from an indirect tariff tax on the necessities of life to some form of direct taxation—say a Graduated Income Tax or a Monopoly Tax—would benefit its people a hundred fold more than any increase of trade could benefit them—even if all other nations did declare for Free Trade. It is the change in the mode of taxation that means the most to humanity.

And wonderful intellectual and moral benefits to that people would result from the perception of the wisdom and justice of Free Trade. It would be such an intellectual and moral awakening as would usher in an era surpassing the Renaissance. The example would, in time, make all Europe free.

Furthermore, governments are always seeking in war to seize ports of entry. Why? In order to seize the



BLESS YOU, MY CHILDREN !
Rehse in the New York World

revenues. But suppose a nation did not raise its revenues by taxing its commerce but by some form of Direct Taxation. Then there would be no revenues to administer.

Then the conquering nation would have to levy a direct tax. A direct tax would not be tolerated. The people would know the exact amount which they paid. They would choose death instead—and wisely so. A Tariff Tax is a secret tax. By means of it, the conqueror can rob the people, not only without their knowing of how much they are being robbed, but without their knowing that they are being robbed at all. This change would be a tremendous factor in preventing wars.

In this argument practically no reference is made to the tremendous industrial gains which would come to the common people by declaring for Absolute Free Trade. There would be a saving of millions and billions of dollars to the common people in taxes every year by passing from indirect methods of taxation into some form of direct taxation, thus reaching the great untaxed and ill-gotten wealth of the ruling classes.

Free Trade is referred to simply as a preventive of war. Under Absolute Free Trade war would be impossible. The motive for war would be gone. Whoever advocates a Protective Tariff, in any country, advocates that which tends to war and to warlike equipments. Armaments in themselves are war—potential war. Whoever advocates Free Trade advocates that which will soon disarm the world and promote universal peace and friendship between all nations.

No minister of the gospel can be a consistent follower of the Prince of Peace who advocates and supports—by voice or vote—a Protective Tariff. The very ad-



THE REAL PATRIOT
Wood in the New York Tribune

vocacy of protection against "foreign" goods brings back the old associations in the memory of humanity between "foreigner" and "foe." Its efficiency as an "argument" rests on the old national and race hatreds and on prejudices and passions that have existed for centuries.

The establishment of Free Trade is therefore not simply an industrial issue. It is a moral issue. No other reform can quite so deeply affect the welfare and destiny of the common peoples of Europe as would the establishment of Absolute Free Trade. All other moral, religious and social reforms seem trivial in comparison with this one. Why? Because all history shows that the industrial conditions under which men must live



THE BURDEN OF WAR

Bowen in the Chicago Herald

—or try to live—are the mightiest factors touching the destiny, character, welfare, and moral fiber of humanity.

Every friend of Universal Peace should use all the energies and faculties of his being towards the utter annihilation of the superstition, the war-engendering delusion, of Protection. Because with the coming of Absolute Free Trade there will be ushered in the Universal Empire of Industrial Government and the Brotherhood of Man.

Furthermore, the general advance of the race in intelligence and moral conceptions will show us that "that government is best which governs least"; that the purpose of the political branch of government is not to govern but to prevent government, not to aggress upon the rights of its citizens, but to prevent them from being aggressed upon, not to destroy their property rights but to defend them. We will see that Political governments must more and more become negative instead of positive, having for their purpose not the overthrow of natural laws of society, but their maintenance. Political Government will become of local significance instead of general significance. Political Empire must always exist at the expense of Industrial Empire—and to the general detriment of human rights when it seeks to maintain a supremacy over the Industrial Government. Every step in the Moral Progress of the world will lessen the need for Political Government.

This is the cause of humanity. Not for a moment can I keep from my sight horrible visions of the tragedy in Europe. The newsboys are calling loudly on the streets of great battles raging, or of thousands slain on



WAITING.
Osborn in the *Baltimore News*.

a single field. Every second of time is fraught with desolation. The greatest guns that the savagery of humanity ever invented are booming every moment. With each shot human beings are blown to atoms. Machine guns hurl bullets thicker than hail. Ripened fields of grain that ought to feed the hungry and starving, are given to the flames. Women and children sink from exhaustion and death comes in sweet relief. Long



THE ONES AT HOME.

Ned Woodman in The Platform.

lines of humanity bend to the earth, like fields of grain in a storm—never to rise again.

Why should all this be? How can it benefit humanity? And who will win in the end? Nobody. The common people always lose in every war—no matter on which side they fight. In war's cruel game even the victors are vanquished. After all is over what then? Grief, devastation, want, famine, starvation, and debt for centuries to come!

The daily expenses of the war are estimated at \$50,-000,000. Fifty million dollars worth of wealth consumed, destroyed, every day. That is about *nine* times the general expenses of the governments of Europe.

Even in maintaining their normal expenses they have kept their peoples constantly at the verge of want. How will it be now? Already the cry of distress is heard in every nation. The production of wealth has almost ceased. All the able-bodied men have joined in the general carnage. The cry of acute distress, of hunger, cannot long be smothered. The present want will be followed thru centuries by want from the burden of debt and taxation. And this burden will rest on the common people.

"The man with the Hoe" is war's chief product. This World War brings his brute question nearer. The thing called Government must answer him.

"How will the future reckon with this man?

How answer his brute question in that hour

When whirlwinds of rebellion shake the world?

How will it be with kingdoms and with kings

—With those who shaped him to the Thing he is—

When this Dumb Terror shall reply to God

After the silence of the centuries?"

