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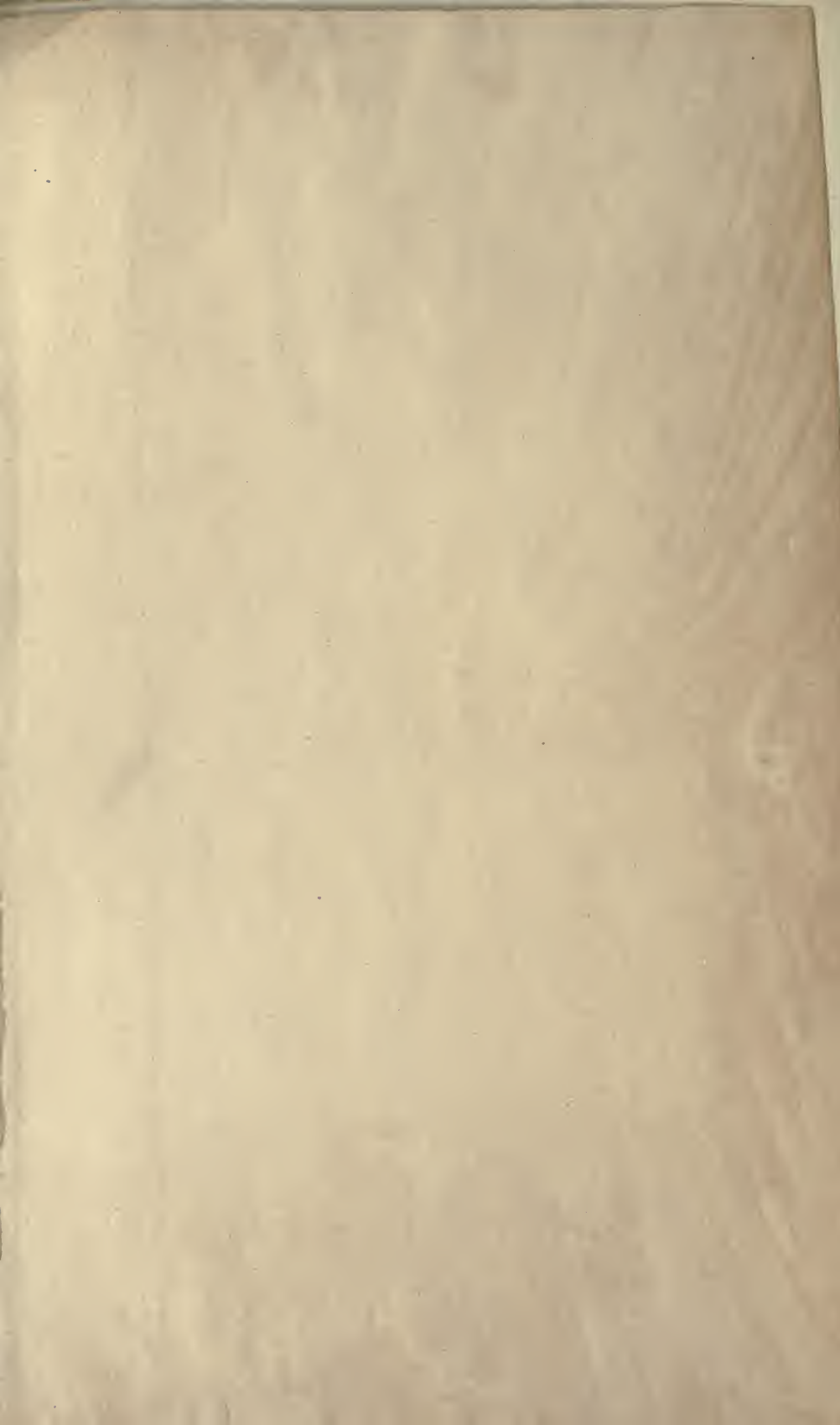
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THE TARIFF.

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SPEECH



OF

HON. SAMUEL J. RANDALL,

OF PENNSYLVANIA,

IN THE

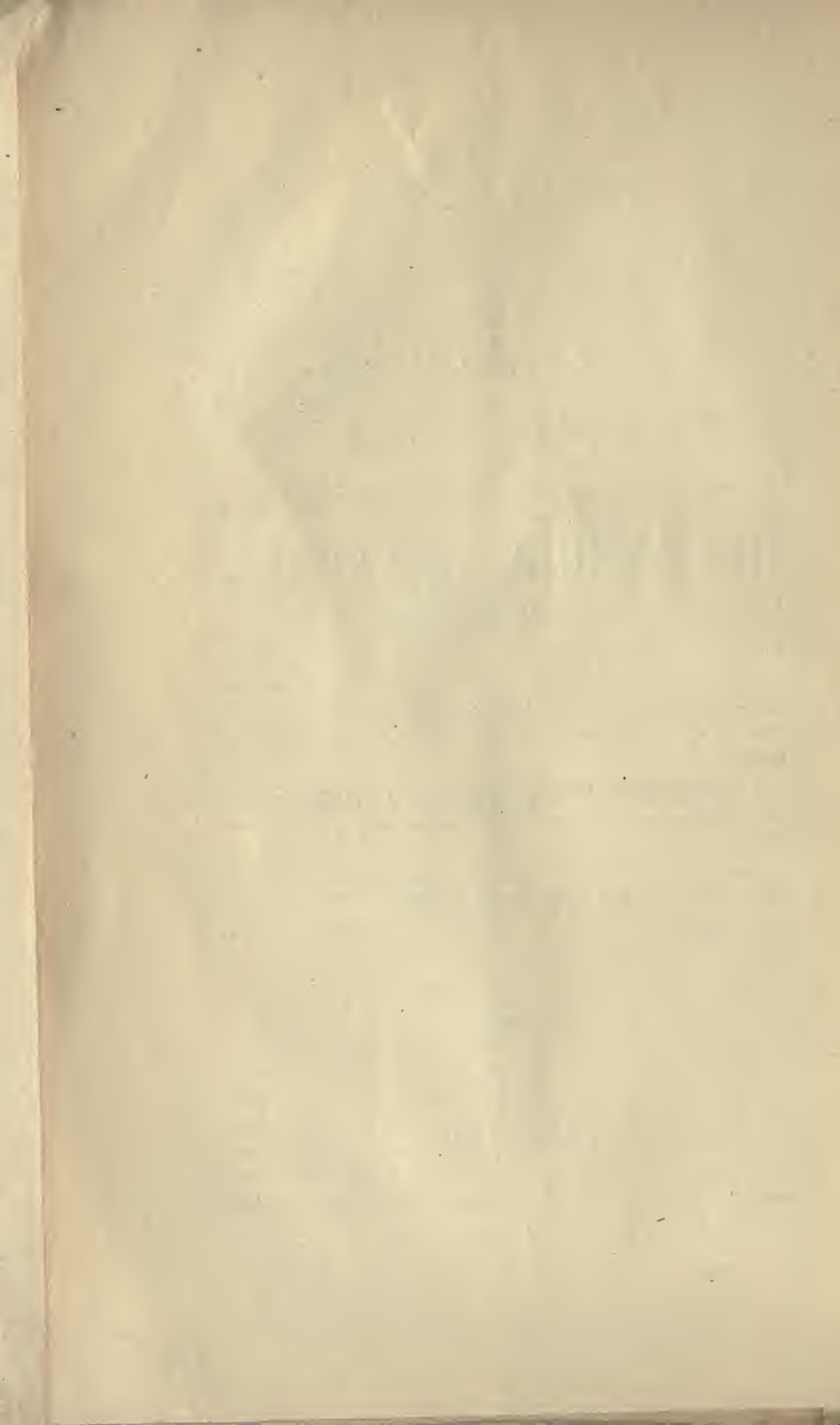
HOUSE OF REPRESENTATIVES,

MAY 18, 1888.

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WASHINGTON.

1888.





## The Tariff.

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### SPEECH

OF

## HON. SAMUEL J. RANDALL.

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The House being in Committee of the Whole House on the state of the Union, and having under consideration the bill (H. R. 9051) to reduce taxation and simplify the laws in relation to the collection of the revenue—

Mr. RANDALL said:

Mr. CHAIRMAN: The President in his recent message apprised Congress that the proceeds of surplus taxation in the Treasury by June 30, the end of the current fiscal year, may be expected to reach the sum of \$140,000,000, including prior accumulations, or, more closely stated, the sum of one hundred and thirteen millions, apart from prior accumulations, over and above all authorized expenses, including the sinking fund for the current fiscal year. In reference to this condition, he proceeds:

Our scheme of taxation, by means of which this needless surplus is taken from the people and put into the public Treasury, consists of a tariff or duty levied upon importations from abroad, and internal-revenue taxes levied upon the consumption of tobacco and spirituous and malt liquors. It must be conceded that none of the things subjected to internal-revenue taxation are, strictly speaking, necessities. There appears to be no just complaint of this taxation by the consumers of these articles, and there seems to be nothing so well able to bear the burden without hardship to any portion of the people.

But our present tariff laws, the vicious, inequitable, and illogical source of unnecessary taxation, ought to be at once revised and amended. These laws, as their primary and plain effect, raise the price to consumers of all articles imported and subject to duty by precisely the sum paid for such duties. Thus the amount of the duty measures the tax paid by those who purchase for use these imported articles.

From this utterance I understand the President to be averse to any reduction in internal taxation, as that mode of taxation affords, as he says, "no just complaint," and that "nothing is so well able to bear the burdens without hardship to any portion of the people." He further says our tariff laws are "the vicious, inequitable, and illogical source of unnecessary taxation," and "ought to be at once revised and amended," and with intent "to enforce an earnest recommendation

that the surplus revenues of the Government be prevented by the reduction of our customs duties," he urges upon Congress "immediate consideration" of these matters to the exclusion of all others.

These are distinct declarations and not susceptible of doubtful construction. In substance it is asserted that the reductions necessary should be made through the means of additions to the free-list and lower rates of duty on importations.

In the presence of such language, emanating from the Executive, authorized by direction of the Constitution to communicate and—

from time to time give to Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient—

it is the imperative requirement of the representatives of the people of the United States to give fair, intelligent, and prompt attention to the suggestions made. I have done so, and as a remedy for the evils depicted, I introduced and had referred to the Committee on Ways and Means, on March 12 last, a bill—

to reduce and equalize duties on imports, to reduce internal-revenue taxes, and for other purposes.

An examination of the provisions of the bill mentioned shows that the remedies I would apply are at variance with those recommended by the President. He seeks to prevent the continuance of surplus revenue by a resort to changes in our customs duties only. The remedy I propose is through a repeal of internal-revenue taxes as well as by a full revision of the tariff, as promised to the people by the Democratic convention which assembled in Chicago in 1884.

The reductions provided for in the bill alluded to would aggregate on internal taxation about \$70,000,000. It repeals the entire internal tax on tobacco and fruit brandies; it repeals the license tax on wholesale and retail dealers, leaving these for such control by State authority as the respective States may see fit to provide; it makes all alcohol used in the arts and manufactures free, and reduces the tax on whisky to 50 cents per gallon.

These taxes have always been the last to be levied and the first to be repealed when no longer needed. It was the boast of Jefferson that he had given the death-blow to the excise tax, "that most vexatious of all taxes," at the commencement of his administration; and among other things for which he received the thanks of the Legislature of his



native State on his retirement from office was for "internal taxes abolished."

The first tax also to be repealed after the war of 1812 was the excise tax, which was recommended by Madison, and it was the first law enacted under the administration of Monroe.

The Democratic convention of 1884 declared that "the system of direct taxation known as the internal revenue is a 'war tax,'" and this declaration, taken in connection with other declarations in the platform which I will quote further on, clearly establishes the fact that the opinion of the convention was that the internal-revenue "war" taxes should first go, and that they should all go whenever a sufficient sum was realized from custom-house duties to meet the expenses of the Government, economically administered. We are practically in such condition now, and a true response to these instructions warrants the repeal of the internal-revenue laws to the extent the bill proposes.

I favor now, as I have always done, a total repeal of the internal-revenue taxation. [Applause.] In the bill which I introduced I proposed to sweep all these taxes off the statute-book except 50 cents per gallon on whisky, and I would transfer the collection of that tax to the customs officials, if upon examination and reflection it was found to be practicable.

Some of the reasons which induced me to form this judgment and now to adhere to this course I can not better state than by a repetition of some of my former expressions in this connection:

With Albert Gallatin I have regarded the excise or internal-revenue taxes as offensive to the genius of our people, and tolerated by the framers of the Constitution only as a measure of necessity in the emergency of war, and that just so soon as the occasion for them had passed away they should cease to exist. He and Thomas Jefferson, as the very first act of Jefferson's administration, secured a repeal of internal taxes and relieved the people from their inequality, inquisitorial annoyances, and hordes of officials clothed with dangerous powers. Only in these latter days have I heard men calmly claim these war taxes are still necessary—a generation after the war which gave rise to them had closed. And it is a very suggestive and suspicious feature of the affair that those upon whom the tax is laid clamor loudly against its being taken off, regarding it no doubt as a protection against competition to the large monopolies.

To substantiate the ground taken by me in that letter, I will refer to two authorities. I will read first from Blackstone's Commentaries (book 1, pages 317, 318) to show excise is a war tax:

But at the same time the rigor and arbitrary proceedings of excise laws seem hardly compatible with the temper of a free nation. For the frauds that might be committed in this branch of the revenue, unless a strict watch is kept, make

it necessary, wherever it is established, to give the officers the power of entering and searching the houses of such as deal in excisable commodities at any hour of the day, and, in many cases, of the night likewise. And the proceedings in cases of transgression are summary and sudden.

\* \* \* \* \*

However, its "original establishment was in 1643, and its progress was gradual both sides protesting it should continue no longer than to the end of the war, and then be utterly abolished. \* \* \* But from its first origin to the present time its very name has been odious to the people of England." It has been kept up, however, to supply the enormous sums necessary to carry on the continental wars of Europe.

So believed Jefferson; and let us next see what he did. I read from Schouler's History of the United States, volume 2, page 21:

In economy and retrenchment the President had already made a beginning by reducing the diplomatic establishment and consolidating some revenue offices subject to executive control. The movement now contemplated was to abolish that whole system of internal taxation, which he had heartily detested as tyrannous, burdensome, and liable to abuse of patronage; which had always been unpopular in the Middle and Southern country, and which cost more than the first three years' net produce to put down resistance to its collection. But excise receipts had risen gradually to the neighborhood of \$1,000,000, and many feared that the Treasury would suffer if this resource was suddenly cut off. Jefferson had, however, gone over the ground carefully with Secretary Gallatin; against the present yield of the internal taxes they set off what the Government might safely economize elsewhere.

Customs duties alone would, as they correctly surmised, supply a revenue sufficient to support the Federal establishment, and, besides paying interest on the public debt, extinguish its principal, should peace continue, in fifteen or eighteen years. Federalists were incredulous, and those with friends in place tried to induce a repeal, only partial at most, but the ax was laid to the root, and with the downfall of this system went about half the offices at the disposal of the Administration.

In addition I then said and now repeat that if this internal-revenue system were abolished to-day we would have no surplus revenue to scare us, while the administration of public affairs would be rendered purer and better.

On the tariff the bill embraces a revision of the entire system on principles believed to be in harmony with the last authoritative declaration of the Democratic party, from which I quote, as follows:

From the foundation of this Government taxes collected at the custom-house have been the chief sources of the Federal revenue. Such they must continue to be.

\* \* \* \* \*

All taxation should be limited to the requirements of economical government. The necessary reduction in taxation can and must be effected without depriving American labor of the ability to compete successfully with foreign labor and without imposing lower rates of duty than will be ample to cover any increased cost of production which may exist in consequence of the higher rate of wages existing in this country.

This declaration of principles clearly recognizes the fact that a differ-

ence exists in the cost of the production of commodities in this and other countries in consequence of the higher rate of wages existing in this country, and declares for duties ample to cover this difference.

This is the cardinal principle that must govern in any intelligent revision of our tariff. Our industrial system differs from that of any other country in the important fact that labor in this country receives a much larger share of what is annually produced than in any other. It is believed to be demonstrable that this advantage to labor can be maintained only by giving to our industries protection equal to the difference. Whether this difference be expressed by wages or by what wages will command for wage-earners, does not matter in the final analysis. The question is, what proportion of the annual products of labor and capital combined does labor receive, and how much larger is that proportion in our system than in any other? It may not be possible to state exactly this difference, but statistics are abundant enough to prove that the difference is largely in favor of American labor. No one will deny that an industrial system under which annual products are most widely distributed and in which labor receives as its share a larger proportion is the better system.

As the name of Edward Atkinson has been referred to in this debate, publishing his opinion which was given a long while ago, let us see how he speaks of recent events in his late article on "Low prices, high wages, small profits; what makes them?" He says that—

Since the end of the civil war, in 1865, and yet more since the so-called panic of 1873, there has been greater progress in common welfare among the people of this country than ever before. It has been the period in which there has been the greatest application of science and invention to the production and distribution of food that ever occurred in any single generation in the history of this or any other country; and food is the prime necessity of material life. \* \* \* The cost of the material for food, of materials for clothing, boots, and shoes, and of fuel, probably represents about 70 per cent. of the cost of living on the part of well-to-do mechanics, railway employes, or of other persons in analogous occupations who may be considered in the average position of working people. All these elements of life have declined very greatly in their prices in the period under consideration. \* \* \* Some one has wisely and wittily said that "It does not much matter what happens to the millionaire; how is it with the million?"

If it shall appear that out of this great reduction in prices the millions have gained higher wages; that hundreds of thousands of families have gained better homes and greater comfort in life; while those who have suffered temporary loss have been only the rich who have been incapable of adjusting themselves to the new conditions, or the unskilled poor who have been unable to grasp the greater opportunities for welfare which invention has offered them, then may

we not come to the conclusion that diminished profits and low prices are merely the complement of higher wages and lower cost, and are therefore most certain indications of general progress from poverty to welfare, yet still leaving the problem open, how to help the unskilled poor?

This would seem to settle the question as to whether we should adhere to the beneficent policy pursued of encouraging our own home manufactures by the protection which necessarily results from any proper adjustment of duties in any tariff bill for the purpose of raising revenue to carry on the Government economically administered. It demonstrates unmistakably the truth of what those who agree with me have contended would be the result. To increase wages products must be increased, for in the end wages are but the laborers' share of products. While a dollar may buy more in another country than here, a day's labor, which is the crucial test, will exchange for more of the necessaries and comforts of life here than anywhere else. [Applause.]

Under free trade this advantage which accrues to labor would disappear. It is impossible that it should be otherwise; for if a tariff does not in itself give higher wages to labor, it does preserve from destructive competition a system in which labor can and does receive as its reward better wages or a larger share of the fruits of its own toil than in any other system. No two industrial systems side by side, with labor in one receiving double the wages of labor in the other, could long exist under free trade between them. Too much stress can not be laid upon such facts as these, because on them hinges the necessity of protecting American industries, in order to preserve the advantages to labor that have arisen under them; and who would wish to see that system overthrown and reconstructed on the basis of other countries, with labor kept at the level of a bare existence, and with no hope of ever bettering that condition?

Before proceeding to explain the principles and provisions of the bill which I introduced, as it affects the tariff, I will stop to refer to a few of the fundamental propositions which have been persistently maintained throughout this debate, and which appear to exercise a controlling influence over the opinions of so many.

First. That duties are always added to the price which the consumer must pay.

On articles not produced in this country this is doubtless true, as a general rule, and measurably true also on articles in part produced in

this country but not sufficiently to supply the entire demand. But on all those commodities produced in sufficient abundance to supply, or measurably supply the home market, different principles control. In that case competition, where it is free to operate, determines the prices of the various products and the foreign producer comes to this as a market where prices are fixed, and the duties are what he pays for the privilege of entering our market. [Applause.]

Another erroneous proposition is that duties on articles produced in this country are a tax or bounty which the consumer pays to the manufacturer, by means of which the manufacturer derives larger profits than prevail in other industries.

If this were true it is not easy to see what justification could be offered for the committee bill any more than for the present tariff laws. But that this, as a general rule, is erroneous becomes apparent enough on a closer examination of the laws of trade which prevail under all systems.

That there is a tendency in every industrial system to an equalization of profits on capital and wages of labor is an admitted principle of political economy. Adam Smith long ago laid down the proposition that larger profits in one industry than in others could not long prevail in the same country. Other economists state the same principle. Suppose that, with our industries constituted as they are, we formed a world by ourselves, would it be claimed that one class, as consumers, paid a perpetual tax to another class, as producers? Would not rather the economic law just stated prevail? Such would be the condition, too, under a tariff entirely prohibitory. The same law operates under a tariff that covers the difference in the cost of production between this and other countries.

Of course the tendency to an equalization of profits on capital and wages of labor never reaches a dead-level, because of the varying conditions and influences under which production and consumption go on.

From these principles it follows that all who participate in an industrial system are partakers of its benefits, whether they are employed in one industry or another—not the manufacturer alone, but the laborer; in short, all who produce and exchange products are alike benefited under this system, and that is the system I seek to continue by a proper adjustment of tariff duties. Only those who have fixed in-

comes or are in office for life with fixed salaries, would be benefited by the overthrow of this system and the establishment of free trade. But this is the last class that has a right to complain.

Still another assumption is that any class of producers—for instance, the agricultural class or the wage-earners—could continue indefinitely to sell their products, or their services, in our present higher market, and at the same time buy the products or the services of others in cheaper markets. That this is not possible becomes clear enough on the most casual examination. If the farmer ceases to buy the products of the manufacturers, he will certainly cease to sell to him, and must sell his products in the market where he buys what he consumes himself. Suppose last year we had manufactured a thousand millions' worth less than we did and had gone abroad for these products, expecting to pay for them with agricultural products; could a thousand millions more of agricultural products have been sold abroad at the price such products brought here? We sold all the wheat and corn and meat products that Europe would take at the prices that prevailed. Who can tell at what prices Europe would have taken even five hundred millions or one hundred millions more of our agricultural products than she did take? The mere statement of the proposition is enough to disclose the error on which it is founded, and shows the importance of uniting manufactures with agriculture, or, as Jefferson states it, put the manufacturer by the side of the farmer. In fact, both must, in our country, depend almost exclusively on our home market. It is folly, if not a crime, to attempt a change in these respects. It would bring ruin and bankruptcy without the possibility of having any other result accomplished. The greater the diversity of industries in any country, the greater the wealth-producing power of the people, and the more there is for labor and capital to divide, and the more independent that country becomes. [Applause.]

I now come to the principles on which the bill I have introduced is framed.

The bill embraces a full revision of the tariff.

It carries to the free-list many articles which enter into consumption as raw material, or otherwise, and in the production of which there is no injurious competition between this and other countries.

In fixing the tariff rates the aim has been to adjust the duties as

nearly as possible to cover the difference in the cost of production in this and other countries, arising from the different conditions I have stated. This rule has been extended to all the industries embraced in our system where climatic or other causes do not put us at a disadvantage in carrying on production.

In working out the details of the bill under these principles it has been my purpose to lower the duties wherever possible and reduce the revenues.

But here we come upon principles that require careful attention. Between the extremes of free trade on the one hand and a prohibitory tariff on the other there are three principles, one or the other of which must govern in levying a tariff. First, revenue only, or an even rate of duty on all imports, just high enough to yield the revenue needed to support the Government.

Second, maximum revenue; that is, a tariff that will yield the largest possible revenue.

Third, a tariff to cover the difference in cost of production in this and other countries.

The points important to consider in connection with these principles is, that the line of "revenue only" falls below either of the others, and that the line of maximum revenue (which is the largest product resulting from multiplying the rate of duty on any article by the quantity imported) is always and necessarily below the line of difference in the cost of production. Consequently, to lower the rate of duty until the line of maximum revenue is passed, must result in an increase of revenues and not a decrease. To reduce the rate from the line of maximum revenue down, will result, of course, in reduced revenues. On the other hand, to raise the rate until the line of maximum revenue is reached, is to increase the revenues; but from the line of maximum revenue up, an increase in the rate of duty necessarily results in reduced revenues. To ignore these principles is to act blindly, and any computations calculated to show the results of changes in the tariff that do not take these facts into account are utterly worthless.

An all-important consideration in connection with these principles, as will be seen from a close inspection, is that, in order materially to reduce revenues by reducing the rate of duties on competing industries, it is necessary to go below the maximum revenue line, that is, below

the line of fair or even competition, and give the advantage to foreign manufacturers.

It is for this reason, it is believed, that the committee bill in very many cases, and especially where ad valorem duties are substituted for existing specific rates, will result in an increase rather than a decrease of the revenues.

To determine just where the line of difference in cost falls is, of course, in many instances, difficult; but it may be safely assumed, and has been adopted as a governing rule in preparing the bill I have introduced, that when the importations in any line of commodities is large and increasing from year to year (and no good reason appears why the things can not be as well produced here), that the duties are below the cost line, and that the advantage is with the foreign producer. If production in the same line is diminished, or suspended altogether, in this country, it becomes proof positive that the advantage is too great to be overcome without a readjustment of duties.

Where importations are light or not increasing, it may consistently be assumed that the duties are quite high enough and in many cases may be safely reduced; and in case the industries are of such a nature as to permit trusts or combinations of any kind to raise prices above the level of prices or profits in other industries, then it becomes important that the cost line should be closely adhered to.

It is less important, of course, to apply this rule rigidly where prices are regulated through free competition. In such cases, under the economic principles I have stated, the tendency is always to a general level in profits, wages, and prices in all industries.

And before leaving this point I wish to state distinctly that if in any case it can be made to appear that the measure I have proposed gives more protection than is needed to cover the difference in the cost of production, I am ready to lower it; on the contrary, if in any instance the rate of duty is too low to cover this difference, I am ready to help raise it; and on this principle in the bill, I have offered the duty on a few articles has been increased, as I shall later on explain.

Again, if it is made to appear that the present duties, or the rates proposed in my bill in any way are made use of, or can be, to foster monopolies, I stand ready to apply the remedy. Monopolies may and do exist, with or without the tariff. Certainly the greatest monopolies



and trusts in this country now—the Standard Oil trust, the whisky trust, the cottonseed-oil trust, and others I might name, have no connection with our tariff laws. I have never advocated a tariff for the purpose of supporting monopolies, but for the protection of labor, and I am for the protection of labor, not at one stage merely, but at all stages in the production of any commodity. I am for the protection and maintenance of an industrial system that allows to labor better reward than any other. I believe such a system to be the outgrowth of our better form of government and our higher civilization, and that its overthrow will endanger the very existence of our institutions. [Applause.]

#### ADMINISTRATIVE FEATURES OF THE BILL, SPECIFIC DUTIES.

The late Secretary Manning signalized his administration of the Treasury Department by a more complete and thorough inquiry into the administration of the customs service than had ever been attempted by his predecessors. His annual reports for the years 1886 and 1887 on the collection of duties, his report on the revision of the tariff in February, 1886, and his various special communications to the Committees on Finance and Ways and Means of Congress, are monuments of his marvelous, effective, and conscientious labors in this regard. In all these he urged a thorough and complete revision of the tariff and the elimination of its many ambiguities, which had led to endless disputes and litigation and consequent hardships to importers and losses to all interests concerned. He urgently and repeatedly dwelt upon the necessity for the substitution of specific for ad valorem duties wherever practicable, not only in the interest of good administration, but as a guard against fraud and to protect the honest trader.

In these views respecting specific duties he was supported by the almost unanimous opinions of the leading importing merchants as well as the principal manufacturers of the country, whose testimony on the subject he transmitted to Congress with his report on the revision of the tariff.

The customs officers, charged with the immediate work of appraising imports and collecting duties, also gave emphatic and convincing testimony to the importance of the adoption of the system of specific instead of ad valorem rates.

The present Secretary of the Treasury, in an able letter to the chair-

man of the Committee on Ways and Means of the House, dated June 14, 1886, presented unanswerable arguments in favor of the application of specific duties in place of high ad valorem rates, particularly as to silks, laces, embroideries, leather gloves, etc.

In submitting schedules covering these articles and recommending their adoption by Congress, he said:

Should the recommendations herein made be adopted, it is confidently believed that the greater part of the contentions constantly prevailing at the port of New York with respect to appraisements will disappear, importations by regular merchants throughout the country become general, and the full duties provided by the laws be secured at a diminished cost of collection.

In his last annual report to Congress he also used the following language:

Whatever the rates of customs taxation may be the laws for collection of the same should be made as efficient as possible. In this the bona fide importer who wishes to gain only the legitimate profits of his business, the home manufacturer, and laborer are equally interested. They all have a right to demand that the laws be so administered as to give them every possible protection in their business. The high ad valorem tariff of the last quarter of a century has been the fruitful cause of devices to gain improper advantage at the custom-house. It is, therefore, desirable that in revising and reducing rates of duty they should be made specific instead of ad valorem so far as the nature of the merchandise will permit. Theoretically considered ad valorem are preferable to specific duties, but in practice, under such rates as we have had and must continue to have for years to come, the former are the too easy source of deception and inequality at the custom-house. Congress has it in its power to change, from time to time, as may be advisable, specific rates so as to meet any permanent changes in values.

In matters relating purely to the administration of the laws I consider it to be the duty of Congress to consider carefully and to act upon the advice of the executive officers, who know the facts and are charged with the responsibility of the administration of the law, and in the preparation of the bill presented by me I have conformed to this view; and as a part of the work of revision of the tariff the aim has been to remove the incongruities and inequalities with which it abounds and which have been so fruitful of lawsuits and losses to the revenue and merchants, and which have been obstacles in the way of honest and orderly administration.

#### ADJUSTMENT OF RATES.

In adjusting the rates under the various schedules information has been sought and obtained, so far as practicable, from those having knowledge of the industries affected, and these interests have been duly considered in arranging the details of the bill.

It is estimated that the customs revenue will be reduced by this bill something over \$20,000,000 per annum. These reductions are distributed throughout the various schedules, reductions being larger in some than in others.

Of all the industries in this country those deriving least direct benefit from tariff laws are the products of agriculture, and no material reduction in rates on these products has been deemed advisable. One important change proposed in one of the schedules is that imposing a specific rate of duty on animals. This, it is believed, will prove a better measure of protection to our stock-raisers and wool-growers. There has been much complaint among wool-growers over the dépression in the domestic wool market since the enactment of the tariff in 1883. This depression, it is believed, is in large measure due to evasions of duty by the importation of wool tops and waste—which the bill corrects—and the discrimination in our present tariff between worsted and woolen cloths, which has well nigh driven worsted manufactures from this country. The Secretary of the Treasury, in his last annual report, refers to this interest in these words:

A conspicuous example of the inequalities of the tariff is found in the discrimination in the rates of duty imposed on woolen and worsted cloths.

And adds:

There is much reason to believe that the manufacture of worsted cloths must soon cease in this country unless the tariff law in this regard is amended.

Careful attention has been given in the bill to this subject, with a view to remedy the evils complained of and to restore this important industry to the United States.

The time allotted to me in this discussion will not permit detailed reference to the different schedules. This must be left to other occasions, but certain provisions in the metal schedule having been sharply assailed, I feel compelled to occupy a little time in the consideration of a few items.

#### THE METAL SCHEDULE.

In the metal schedule the reductions in rates apply to a majority of the articles therein enumerated, and include iron and steel rails, bar-iron, plate-iron, iron and steel fish-plates, nails and tacks, iron and steel beams, girders, and other structural iron, railway wheels, iron and steel ingots for making wheels and tires, sheet-iron, hoop-iron, anchors, tubes, axles, chains, screws, needles, horseshoes, mechanics' tools, castings,

hollow-ware, copper, lead, and various other manufactures of metal. A comparison of the two bills will show that the reduction of duties extends to many more articles in this schedule than does the committee's bill. Certain articles in this schedule, namely, bronze-powder, taggers' iron, tin and terne plates, cotton-ties, iron and steel wire rods and ingots, billets, slabs, and blooms, are dutiable under the present tariff at such low rates, or at ad valorem rates which are so easily and largely evaded, that their home production is either wholly prevented or seriously restricted, so that the greater part of the revenue derived from this schedule comes from the large and constantly increasing importation of these articles.

#### TIN-PLATE.

Particular objection has been made to the increased rate of duty provided for in the bill introduced by me above the existing law on tin-plate. The present rate is 1 cent per pound, the proposed rate 2.10 cents per pound. This increase is necessary to secure the production of tin-plate in the United States.

At present tin-plate making is practically unknown in this country, though we are as well fitted to make it as England and Wales, from which countries most of our tin-plate comes. The United States is the largest consumer of tin-plate in the world. We take nearly two-thirds of the production of Great Britain. Within six years we have paid British manufacturers over \$100,000,000 for tin-plate, besides paying freight. This is too much money to send out of the country for an article which we are capable of producing at home.

The value at the port of export of the tin-plate imported during the year ending June 30, 1887, was \$16,883,813. As near as I can learn, the total wages paid the British laborers in the production of the tin-plate imported into the United States last year were about \$9,000,000. My wish is that such amount shall be expended in our own country, and that it shall go to our own wage-earners. The rate fixed would induce such extended manufacture, that in my judgment, by reason of competition and the law of demand and supply, the price would not be higher after twelve months than we are now paying for the same article, and would put the manufacture of tin-plate where, by proper inspection laws, it could be kept free from poisonous adulterations when manufactured for canning purposes. At the same time it would create such a de-

mand for labor as to give employment to every idle iron and steel worker in the country, and thus enable labor to maintain a standard of wages that would secure to the workingman reasonable remuneration and a respectable livelihood. It would also give additional employment to labor in the production of coal, iron ore, coke, limestone, and other materials. There were imported into the United States about 255,000 gross tons of tin-plate in 1887, which represent 870,000 tons of iron ore, 300,000 tons of limestone, 1,800,000 tons of coal and coke, 360,000 tons of pig-iron, 5,000,000 pounds of lead, 25,000,000 pounds of tin, 12,000,000 pounds of tallow and palm oil, 35,000,000 pounds of sulphuric acid, 12,000,000 feet of lumber, and, in addition, fire-brick, clay, oil, and other lubricants, hemp, etc.

It would require sixty-eight large works of five trains of rolls each, involving an outlay of \$30,000,000 capital, and employment to about 24,000 workmen, who would earn at least \$12,000,000 in wages. All this would be accomplished, I believe, without the least injury, within one year to any consumer of tin-plate in the United States.

#### COTTON-TIES.

Cotton-ties are used chiefly for baling cotton, rags—waste, and similar articles. They are made of hoop-iron. The hoops are usually 1 inch wide by No. 18 wire gauge thick, are cut to lengths of 11 feet each, punched, have a buckle riveted or attached to them, are varnished or painted, and put into bundles of 50 pounds each.

The present rate on cotton-ties is one of the most marked inconsistencies of the tariff, as they bear a less rate of duty than the article out of which they are made.

It is plain that these cotton-ties should not only bear no less duty than is levied on hoop-iron, of which they are made, but it is fair that they should pay an additional duty, equal to the additional labor cost. They do not now bear the hoop-iron duty, and yet it is proposed in the bill before the House to place cotton-ties on the free-list. In the act of 1883 the duty was put at 35 per cent. ad valorem, which, on the invoice price, is equal to a duty of four-tenths of a cent a pound, while No. 18 hoop-iron, 1 inch wide, bears a duty of 1.2 cents per pound. It is thus seen that cotton-ties pay, under the existing law, but one-third the duty on the articles from which they are made. This is a positive discrimination against the home manufacturer in favor of the

foreign producer and shipper, and the foreigner to-day controls the market in this country. In 1887 the average invoice value per pound of cotton-ties imported was  $1\frac{3}{4}$  cents. The average invoice value of hoop-iron not thinner than No. 20, imported, was  $2\frac{1}{2}$  cents per pound. In other words, the cotton-ties made out of 1 and No. 18 hoop were invoiced at about one-half the invoice price of the hoop-iron out of which they were made. The invoices on cotton-ties are undervaluations, of course, and the injury done to the American manufacturers is greatly aggravated by the application of an ad valorem duty, a system which gives most protection where least is needed and the least protection where most is needed. In a word, it permits the foreign manufacturer and the American importer to fix the rates of duty on imports, and not those who administer our tariff laws.

The placing of cotton-ties on the free-list prevents any hope of their production in the United States, for the rate of wages for rolling and heating a ton of cotton-ties in England is \$2.31; in Pittsburgh, \$4.10, nearly double, and so on all through. The cotton-growers of the cotton belt do not suffer in any way as regards the price of cotton-ties. They sell their entire bales, including bagging and iron, at cotton rates, and no tare is charged in this country and the charge abroad is borne by the shipper. There is no reason or equity in the proposition to place this article on the free-list.

#### WIRE RODS, ETC.

The clause in the present tariff as to wire rods reads as follows:

Iron or steel rivet, screw, nail, and fence, wire rods, round, in coils and loops, not lighter than No. 5 wire gauge, valued at  $3\frac{1}{2}$  cents or less per pound, six-tenths of 1 cent per pound. Iron or steel, flat, with longitudinal ribs, for the manufacture of fencing, six-tenths of a cent per pound.

In the bill which I introduced limitation to sizes smaller than No. 5 is abandoned, and the rate is based on value.

The present rates of duty are six-tenths of a cent per pound on sizes not smaller than No. 5 wire gauge, and 45 per cent. ad valorem (according to the rulings of the New York custom-house) on smaller sizes. I propose to make it 1 cent per pound.

This rate will not, it is believed, on a fair valuation, exceed 45 per cent., if it reaches that. Relative to the duties at present collected on these articles, a statement from the Treasury Department says:

Steel wire rods lighter than No. 5 wire gauge, not being specially provided for, fall under the provision "for all forms or kinds of steel not specially enu-

merated," at 45 per cent. ad valorem, while both iron and steel wire rods above No. 5 wire gauge are provided for at six-tenths of a cent per pound, or \$13.44 per ton. Enormous quantities of the article lighter than No. 5 have been imported at values which, at 45 per cent., have yielded a duty of only the equivalent of \$11 per ton. Thus a lower rate of duty is apparently collected upon the finer and more costly than upon the coarser and cheaper article.

The statistics show that the importations of iron and steel wire rods not lighter than No. 5 wire gauge were invoiced at an average value in 1836 of about 1½ cents per pound, while steel wire rods lighter than No. 5 wire gauge were invoiced at an average value of only 1.1 cents per pound. This would seem to indicate that the latter was undervalued, since (being finer) they are supposed to be worth more than the article invoiced at 1½ cents.

It is impossible for our manufacturers to make wire rods under the present tariff. Taking into account the price and the duty on pig-iron, and the cost of the various processes necessary to convert it into wire rods, including loss of material, the rate I propose is less than the average rates imposed on heavy bar-iron under the present tariff, and is the same as is proposed by the bill reported by the Committee on Ways and Means on ordinary bar-iron of coarser size. It should be borne in mind that wire rods do not go directly into consumption by the people in that form, but are mainly used by the manufacturers of wire. There is no bill before Congress which proposes any reduction of rates of duty on barbed, galvanized, and other wire used for fencing. These rates have practically kept such foreign wire out of our market, and while they remain unchanged there can be no appreciable increase in the price to the farmer of his wire for fencing, notwithstanding an increase in the duty on wire rods.

During the year 1887 there was imported into the United States 334,698,837 pounds of these rods, of which 247,730,164 pounds were steel, lighter than No. 5 wire gauge, paying duty at 45 per cent. ad valorem, equal to \$10.80 per ton, which is less than the duty proposed by the bill of the committee on heavy railway bars, and is only \$4.80 per ton more than the same bill proposes on pig-iron. Even my colleague from the Erie district, with his disposition to figure down the cost of manufacturing metals in this country, would hardly pretend that this margin is sufficient to cover the difference between labor in this country and abroad in the manufacture of this article.

The rate proposed in my bill is not more than sufficient to cover the cost, and its adoption will give work to home laborers, prevent the large and increasing importations, and result in large reduction of revenue.

## STEEL INGOTS, BLOOMS, AND SLABS.

In the bill which I introduced a change is made from ad valorem duties, as authorized by existing law, to specific rates. The reason for this is "to guard against undervaluations which are shown to have been extensively practiced, particularly in blooms and slabs, which have been invoiced below 1 cent per pound. These undervaluations have been sources of just complaint by reputable merchants and domestic producers."

That the present rates are too low is evident from the enormous increase in importations since the act of 1883 went into effect. What that increase has been will be seen from the following table:

*Table showing the importation of various grades of steel, 1884-1887.*

Articles.	1884.	1886.	1887.
Bars, billets, etc., valued at 4 cents a pound or less.....	28,639,833	95,537,092	323,180,960
Ingots: cogged ingots, blooms, and slabs, valued at 4 cents a pound or less.....	11,548,375	38,752,868	279,819,950

In the ordinary course of business there has been no such increase in the demand in this country for steel in this form as to justify any such increase in importation as above. It has come because the advantage on account of this low rate of duties has given the foreigner the possession of the American market.

The average entered value of this merchandise in 1887 was only \$17.75 per ton, which, at 45 per cent. ad valorem, is less than \$8 per ton, or only about \$1.28 more than the duty now imposed on pig-iron, and only \$2 per ton more than is proposed by the bill of the committee.

I apprehend, sir, no gentleman on this floor will contend that this is not an inequality which should be corrected. It is manifest that a necessity exists for a revision and change in the rates on these several articles, and the rates suggested have been made with reference to the cost of production, and are in harmony with the rates on iron ore and pig-iron, and are no more than necessary to compensate for the difference between the cost of labor and other legitimate costs of manufacture in this country and abroad. The adoption of these rates would largely prevent the enormous flood of importations, give the work to our mills and laborers, and cause a large reduction of revenue.



## COST OF STEEL RAILS.

Respecting the cost of steel rails at the works of Carnegie Brothers, which my colleague has presented, I will give some figures which have been furnished to me, and which I believe to be substantially correct, although I have not had time to test them. At any rate, they will serve to show the worthlessness of estimates made up from imperfect knowledge of industrial processes and which take into account only the cost of the last stages of production.

Pig metal required for a ton of rails, 2,610 pounds, costing.....	\$19.83
Spiegeleisen and manganese.....	3.24
Cost of labor in the mill.....	4.80
Cost of ingot-molds, fire-brick, fire-clay, coke, oil, maintenance, etc .....	3.20
	<hr/>
Making total cost of ton of rails .....	31.07
From this deduct 285 pounds steel scrap.....	\$2.18
Deduct also 10 per cent. from wages of 1888 .....	.48
	<hr/>
	2.66
Leaving as the actual cost.....	28.41

including those sold as second class. This does not include interest or profits on capital.

All rails are sold on five years' guaranty, to be replaced, if found defective, at the expense of the manufacturers.

## STRUCTURAL IRON.

Respecting structural iron, I insert a letter from Belgian makers offering beams, girders, and structural iron for bridges, etc., promising a "nice profit" to all who secure orders. I consider that this circular letter is a complete answer as to the insufficiency of the rate fixed in the committee's bill.

## LA PROVIDENCE ROLLING-MILLS.

[General agent for United States of America and Dominion of Canada, Andris-Jochams, Charleroi, Belgium.]

CAARLEROI (BELGIUM), 1887.

DEAR SIR: We beg to solicit your orders in iron beams and channels, which we can offer you at:

(Price quoted on application under rate of any competition.)

New York, Boston, Philadelphia duty paid. (Baltimore, New Orleans, or San Francisco.)

We make currently all sections of beams and channels usually required in America, and also up to 20 inches beams sections.

Prompt delivery is guaranteed from eight days to a fortnight after receipt of order, f. o. b. Antwerp.

Contracts are executed f. o. b. Antwerp, or c. i. f., duty paid, free on cars into the largest cities of United States of America.

All the irons are guaranteed to weigh within a few pounds of the weights that your architects require.

Tensile strength and quality guaranteed as good as the best American products.

Private cable-code sent on application, made in such a way as to enable you to stipulate orders in a few words.

We undertake to execute complete iron building, and any architectural work according to drawings; also bridge work.

Awaiting the favor of your order, which shall have our best attention,

We are, dear sirs, yours, obediently,

ANDRIS-JOCHAMS.

CHARLEROI, *le 14th March*, 1888.

DEAR SIR: I beg you to take notice that we have appointed ——— as our sole and general agents in United States of America for the sale of our architectural iron, as per circular inclosed, and you will oblige us in addressing your demands to them in future.

With the prospect of a reduction in duties on architectural iron and steel in your country, we will be soon ready to offer you such advantages in prices and quality that you will find a nice profit in importing from us.

Messrs. Weir, Smith & Rogers intend to keep a large stock of our products always in hand, so that to be able to make at all times immediate deliveries.

We remain, dear sirs, with much respect, your obedient servants,

ANDRIS-JOCHAMS.

#### DECREASE OF REVENUE.

The statement has been recklessly made on this floor within a few days that the changes proposed in my bill in the metal schedule would cause an increase in duties of about \$9,000,000. This statement was directed presumably to the particular articles to which I have just made extended reference. I have shown that these changes would largely decrease rather than increase the revenue from these articles. I now emphatically assert that the changes proposed throughout the metal schedule would cause a reduction in revenue of over \$6,000,000. This result is arrived at by fair and logical estimates, and not by that wonderful method of computation by which my colleague [Mr. SCOTT] sought to demonstrate the other day that a duty of \$5.50 per ton would be a sufficient protection on steel rails made from pig-iron paying a duty of \$6.72 per ton.

#### THE COMMITTEE BILL.

Having thus indicated my views of the principles which should govern tariff legislation, I now come to examine briefly the bill reported by the Committee on Ways and Means. It should be borne in mind that a number of the gentlemen composing the majority of the committee have served upon the committee in previous Congresses, have participated in the discussion and preparation of tariff measures, and have had special opportunity for becoming familiar with the facts and information presented to Congress by the Secretary of the Treasury with

regard to the ambiguities and inequalities of the existing tariff, the innumerable protests, appeals, and suits which have grown out of the faulty construction of its schedules and free-list, and the need of their thorough overhauling and revision, if for no other purpose than to cure the defects and remedy the evils in their construction. They should have been familiar, moreover, with the repeated recommendations for the adoption of specific duties made by the Secretary of the Treasury, as being necessary for the collection of the customs revenue with regularity, uniformity, and certainty.

Notwithstanding these facts, we have before us the bill of the committee, which is not in any proper sense a revision of the tariff, but consists of amendments constituting, I might say, a patch-work upon the existing law, perpetuating and multiplying its numerous infirmities of phraseology; its ambiguities and inequalities, which have perplexed and vexed the executive officers in its administration, have been the subject of volumes of Treasury decisions year by year, and have embroiled the Government and merchants in untold litigation, making it necessary to create new courts for the special trial of custom cases, which are increasing in number month by month and involve unknown millions of demands upon the Government—a constant menace to the Treasury.

Not only have the committee ignored the recommendations of Secretaries Manning and Fairchild and of the customs officers at the various ports for the adoption of specific duties, but have actually, in a large number of cases, substituted ad valorem rates for existing specific duties, thus showing preference for a system which has been abandoned by all the civilized commercial nations on the globe, and which has been fitly characterized as a system under “which thieves prosper and honest traders are driven out of business.”

A declared purpose of this bill is to secure “free raw materials, to stimulate manufactures.” In execution of this idea the bill places on the free-list a large number of articles which are really articles of manufacture, such as salt, sawed and dressed lumber, laths and shingles, hackled and dressed flax, burlaps, machinery, tin plates, terne or galvanized plates, glue, glycerine, soap, certain proprietary articles, extracts of hemlock, oils of various kinds, including hemp-seed and rape-seed, olive and fish oils, refined sulphur, various coal-tar preparations, earth

paints, distilled oils, alkalies, and various other chemical compounds; various manufactured mineral substances, prepared china clay, quick-silver, bricks of all kinds except fire-brick, prepared meats, lime, plaster of Paris ground and calcined, various prepared drugs and chemicals, and many other articles of like character.

These constitute the products of large and useful industries throughout the United States, in which many millions of capital are invested and employing many thousands of working people.

At the same time the bill leaves or puts upon the dutiable lists such articles as lead ore, iron ore, zinc ores, nickel ore, and coal, which might be called raw materials, if that term can be properly applied to anything involving the expenditure of labor in its production. Further than this, the bill not only makes so-called "raw materials" free, such, for example, as flax, jute, hemp, hemp-seed and rape-seed, crude borax, opium, and hair of animals, but places on the free-list the manufactured products of these materials, namely, burlaps (for bagging, etc.), hemp-seed and rape-seed oil, boracic acid, codein and other salts and compounds of opium, curled hair for mattresses, etc. [Applause.] Thus the manufacture of such articles is made impossible in this country, except by reducing American labor to a worse condition than that of labor in Europe.

It goes even farther, and makes or leaves dutiable certain so-called raw materials, as, for example, iron ore, lead, coal, paper, paints, caustic soda and other alkalies, sulphate of ammonia, etc., while placing on the free-list articles made from these materials, such as hoop-iron and cotton-ties, iron or steel sheets or plates or taggers iron coated with tin or lead, known as tin-plates, terne-plates, and taggers tin, sulphate of iron or copperas, machinery, books and pamphlets, paint ings, soap, and alum. In other words, the bill leaves or makes dutiable the raw material and puts on the free-list the article manufactured from it, thus not only placing an insurmountable barrier in the way of making such articles here, but actually protecting the foreign manufacturer and laborer against our own, and imposing for their benefit a burden upon the consumer in this country. [Applause.]

Again, the bill places lower rates on some manufactured articles than on the materials used in making them, as for instance: Manufactures of paper, 15 per cent. ; and the paper to produce it at 25 per cent.

The paint known as orange mineral,  $1\frac{1}{2}$  cents per pound; white lead, from which it is made, 2 cents per pound.

Type metal, 15 per cent.; pig-lead, from which it is made,  $1\frac{1}{4}$  cents per pound, equal to 44 per cent.

Axminster and all other carpets 30 per cent.; yarns used in their manufacture, 40 per cent.

It leaves an internal-revenue tax of more than 300 per cent. on alcohol used in the arts, amounting, according to a fair estimate, to as much as the entire amount of duty collected on raw wool, which alcohol enters as a material in a vast number of important and needful articles, which the committee have either made free or have so reduced the rates thereon that the duty would be less than the tax on the alcohol consumed in their manufacture.

In some cases the difference between the duty imposed by the bill on the so-called raw materials and the articles made from them is so small as to destroy these industries, except upon the condition of leveling the wages of home labor to that of Europe.

For example, the difference between the duty proposed on pig-lead and that proposed on litharge and red lead, which are made from pig-lead, is only one-fourth of a cent per pound.

The difference between the duty on pig iron and that on steel blooms is only \$2 per ton; between steel blooms and steel rails but \$3 per ton; and between blooms and wire-rods less than \$3 per ton, coupled with the free admission of hoop-iron, cotton-ties, and sheet-iron in the form of galvanized and coated plates.

It is plain that such legislation would leave the ore in the mines, the pig-lead at the smelting works, the pig-iron to rust at the furnaces, while foreigners would supply our markets with these manufactured products.

In a large number of articles throughout the schedules, not already named, the reductions proposed by the bill are so large that the effect must be to destroy or restrict home production and increase enormously foreign importations, thus largely increasing customs revenue instead of reducing it, as claimed by the advocates of this bill. I mention particularly the following: Earthen and china ware, common window and plate glass and glass bottles, leaf-tobacco, manufactures of cotton, manufactures of flax, hemp, jute, and other fibers, carpets, fancy-goods

brushes, leather gloves, manufactures of India rubber, clay pipes, and other pipes.

It is claimed by the committee that the bill will reduce the customs revenue about \$54,000,000. On the contrary, I assert that it is fair to estimate that its effect would be to largely increase the revenue instead of reducing it; while the amount of material wealth it would destroy is incalculable.

Those supporting the bill hold themselves out as the champions of the farmer, while they take from him the protective duties on his wool, hemp, flax, flax-seed, meats, milk, fruits, vegetables, and seeds. And what do they give him in return?

They profess to give the manufacturer better rates than they now have. If this be so, how is the farmer to be benefited, or where does he get his compensation for the loss of his protective duties?

Much has been said about removing taxes upon "necessaries" and imposing them upon "luxuries." What does this bill propose to do in that direction?

It gives free olive-oil to the epicure, and taxes castor-oil 97 per cent.; it gives free tin-plate to the Standard Oil Company and to the great meat-canning monopolies, and imposes a duty of 100 per cent. on rice; it gives the sugar trust free bone-black, and proposes prohibitory duties on grocery grades of sugar; it gives free licorice to the tobacco manufacturer, while retaining prohibitive duties on manufactured tobacco; it imposes a duty of 40 per cent. on the "poor man's blanket," and only 30 per cent. on the Axminster carpet of the rich. It admits free of duty the fine animals imported by the gentlemen of the turf, and makes free the paintings and statuary of the railway millionaire and coal baron. [Great applause.]

I forbear further criticism of this singular measure, for enough has been said to show that my objections to it are not only to the rate imposed on many articles, but to the theory generally on which it has been constructed.

I yield to no man on this side of the House in my desire for continued Democratic control in the administration of the Federal Government. I do not believe the adoption of the committee's bill will make such result certain. I can not be coerced into any particular action upon economic questions by the direction of party caucus. The period of the political

caucus has departed, never to return, and yet we should confer and have unity, if it is possible. In these matters I speak only for myself. My convictions on the tariff are strong, and founded, as I think, upon principle, and upon information and intelligent comprehension of the subject. When any one here enters upon the task of invoking caucus power or other modes of coercion, I can only say to him, if he acts with good purpose, that it will prove a fruitless undertaking; or if with ill motive, then I assign him to all the natural contempt which such self-constituted superciliousness deserves. [Applause.]

Mr. Chairman, the question of affording protection to American industries is not a new one. It was the question uppermost in the colonies when our Government was founded. It contributed, perhaps, more than any other consideration to the adoption of the Constitution by the States. It has continued a question in every Congress from that day to this, and it will not die with this Congress nor this generation. It will continue as long as industries exist and our Government requires revenue. But I speak, I believe, with the sanction of the very highest authority when I say that for the first forty years of the existence of our Government there was no question as to the right of Congress to protect and encourage American manufactures by the exercise of the taxing power, or, in the language of Madison, "encouraging by duties \* \* \* the manufactures and products of the country." That this was the policy, too, of every administration, and particularly of every Democratic administration, from Jefferson to Van Buren, is among the incontrovertible facts of our history. Jefferson favored such a policy. In his letter to Colonel Humphreys, January 20, 1809, he says:

My idea is that we should encourage home manufactures to the extent of our own consumption of everything of which we raise the raw material.

And again, in his letter to Mr. Leiper, January 21, of the same year, he says:

I have lately inculcated the encouragement of manufactures to the extent of our consumption, at least.

Again, in his letter to Governor Jay, he says:

An equilibrium of agriculture, manufactures, and commerce is certainly become essential to our independence. Manufactures sufficient for our own consumption, of what we raise the raw materials (and no more) commerce sufficient to carry the surplus produce of agriculture, beyond our own consumption, to a market for exchanging for articles we can not raise (and no more). These are the true limits of manufactures and commerce. To go beyond them is to increase our dependence on foreign nations and our liability to war.

Other quotations might be made to show the interest of the founder of Democracy in American manufactures and his concurrence in the prevalent opinion that it was legitimately within the powers granted to Congress by the Constitution to so levy duties as to protect and encourage home industries. But as to the constitutional powers of Congress over this subject, none will dispute the high authority of Madison, who, above all others, as said Webster, was most competent to judge of the intentions of the makers of that instrument; but I wish to say for myself, before reading what I am about to present as coming from this authority, that I have never found it necessary or proper, for the justification of my own course, to claim more than such protection as incidentally might come from properly adjusted duties on imports. But that the doctrine that duties might, under the Constitution, be imposed as a means of regulating trade, passed unquestioned by the framers of the Constitution, who afterwards participated in the legislation of Congress on this subject, will hardly be disputed. But on this point hear what Madison himself says. In his letter to Mr. Cabell as late as 1828, he enters into an elaborate discussion of this question from which I extract the following:

It is a simple question, under the Constitution of the United States, whether "the power to regulate trade with foreign nations," as a distinct and substantive item in the enumerated powers, embraces the object of encouraging by duties restriction and prohibition, the manufactures and products of the country.

And then he goes on:

If Congress have not the power, it is annihilated for the nation; a policy without example in any other nation and not within the reason of the solitary one in our own.

And further on in the same letter:

If revenue be the sole object of a legitimate impost and the encouragement of domestic articles be not within the power of regulating trade, it would follow that no monopolizing or unequal regulations with foreign nations could be counteracted; that neither staple articles of subsistence nor the essential implements for the public safety could, under any circumstances, be insured or fostered at home by regulations of commerce, the usual and most convenient mode of providing for both.

And in his closing argument he adds these convincing conclusions:

That the encouragement of manufactures was an object of the power to regulate trade is proved by the use made of the power for that object in the first session of the first Congress under the Constitution, when among the members present were so many who had been members of the Federal convention which framed the Constitution, and of the State convention which ratified it, each of these classes consisting also of members who had opposed and who had espoused the Constitution in its actual form. It does not appear from the printed proceedings of Congress on that occasion that the power was denied by any of



them. And it may be remarked that members from Virginia in particular, as well of the Anti-Federal as the Federal party, the names then distinguishing those who had opposed and those who had approved the Constitution, did not hesitate to propose duties and to suggest even prohibitions in favor of several articles of her production. By one a duty was proposed on mineral coal, in favor of the Virginia coal-pits; by another, a duty on hemp was proposed, to encourage the growth of that article; and by a third, a prohibition even of foreign beef was suggested, as a measure of sound policy.

A further evidence in support of the constitutional power to protect and foster manufactures by regulations of trade—an evidence that ought of itself to settle the question—is the uniform and practical sanction given to the power by the General Government for nearly forty years, with a concurrence or acquiescence of every State government throughout the same period, and, it may be added, through all the vicissitudes of party which marked the period. No novel construction, however ingeniously devised or however respectable and patriotic its patrons, can withstand the weight of such authorities or the unbroken current of so prolonged and universal a practice.

\* \* \* And may it not be fairly left to the unbiased judgment of all men of experience and of intelligence to decide which is most to be relied on for a sound and safe test of the meaning of the Constitution, a uniform interpretation by all the successive authorities under it, commencing with its birth, and continued for a long period through the varied state of political contests, or the opinion of every new legislature, heated as it may be by the strife of parties, or warped, as often happens, by the eager pursuit of some favorite object, or carried away, possibly, by the powerful eloquence or captivating address of a few popular statesmen, themselves perhaps influenced by the same misleading causes? If the latter test is to prevail, every new legislative opinion might make a new constitution as the foot of every new chancellor would make a new standard of measure.

Monroe continuously, in all his messages, recommended protection and encouragement of American industries; and in his special message of May 4, 1822, he said:

Duties and imposts have always been light, not greater perhaps than would have been imposed for the encouragement of our manufactures had there been no occasion for the revenue arising from them; and taxes and excises have never been laid except in cases of necessity, and repealed as soon as the necessity ceased.

I call the attention of gentlemen, Democrats of the later school, to this language:

Duties \* \* \* not greater perhaps than would have been imposed for the encouragement of our manufactures, had there been no occasion for the revenue arising from them.

In his second annual message Jackson presents in clear language views in conformity with those who preceded him:

Among the numerous causes of congratulation the condition of our impost revenue deserves special mention, inasmuch as it promises the means of extinguishing the public debt sooner than was anticipated and furnishes a strong illustration of the practical effects of the present tariff upon our commercial interests.

The object of the tariff is objected to by some as unconstitutional; and it is considered by almost all as defective in many of its parts.

The power to impose duties on imports originally belonged to the several

States. The right to adjust those duties with a view to the encouragement of domestic branches of industry is so completely incidental to that power that it is difficult to suppose the existence of the one without the other. The States have delegated their whole authority over imports to the General Government without limitation or restriction, saving the very inconsiderable reservation relating to their inspection laws. This authority having thus entirely passed from the States, the right to exercise it for the purpose of protection does not exist in them, and consequently if it be not possessed by the General Government it must be extinct. Our political system would thus present the anomaly of a people stripped of the right to foster their own industry and to counteract the most selfish and destructive policy which might be adopted by foreign nations. This surely can not be the case. This indispensable power thus surrendered by the States must be within the scope of the authority on the subject expressly delegated to Congress.

And he adds:

In this conclusion, I am confirmed as well by the opinions of Presidents Washington, Jefferson, Madison, and Monroe, who have each repeatedly recommended the exercise of this right under the Constitution, as by the uniform practice of Congress, the continued acquiescence of the States, and the general understanding of the people.

I quote also on this point one who, though not a Democrat, on constitutional questions may be always listened to—Webster. While this question was before the country in 1844, he said:

I consider it as capable of mathematical demonstration as any proposition in Euclid, that the power of discriminating in custom-house duties for the protection of American labor and industry was understood, not by some but by all, by high and low everywhere, as included in the regulation of trade.

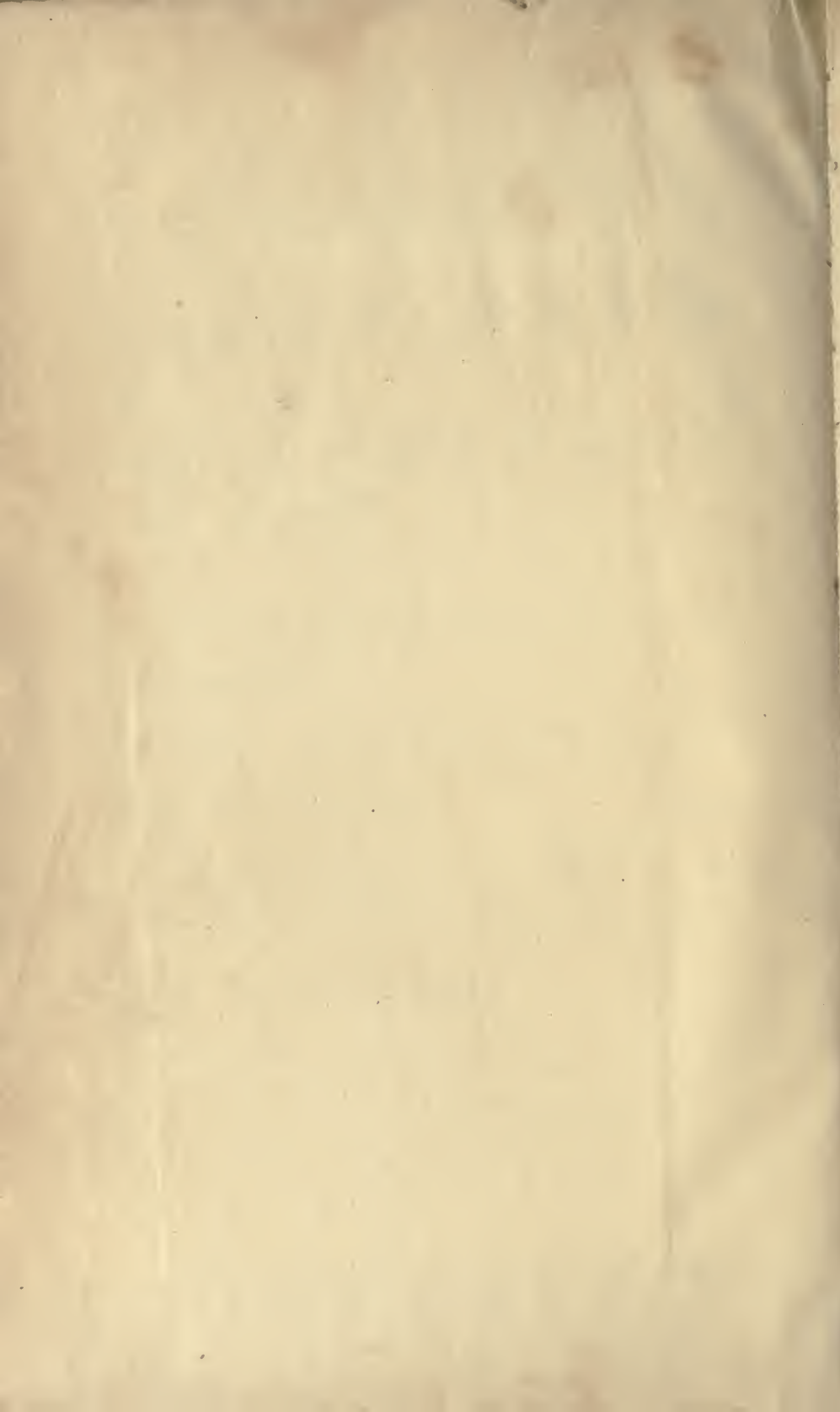
I am aware that about this period another doctrine and another set of ideas, under the leadership of Mr. Calhoun, more in consonance with the institution of slavery which then existed, began to take root in the South, and later on to exert its unhealthful influence on the policy of the Government. I do not propose, however, here to traverse the history of this contest and the conflict between the industrial institutions of the two sections of the country, or the results of that conflict. But the new doctrine did not change the opinion of Jackson, nor swerve him from his settled purpose. For thirty years the contest between these two ideas went on. The tariffs of 1842 and 1846 marked the supremacy for the time being of the different views. And I stop here to note that the Democrats from Pennsylvania in the Senate and House of Representatives all voted, I believe, for the tariff of 1842, and all against the tariff of 1846, except Mr. Wilmot.

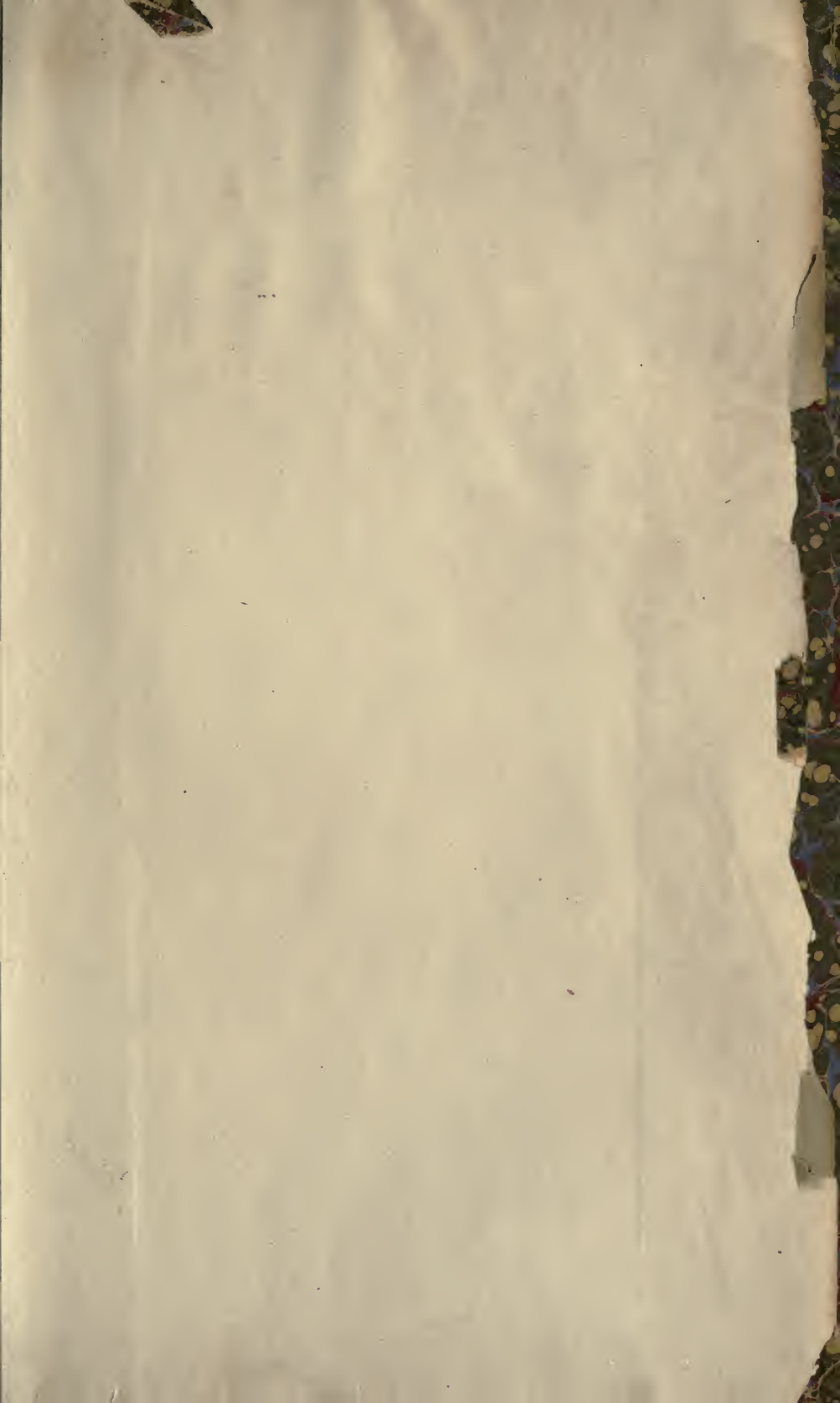
What would have been the destiny of our Republic had these ideas, with the condition of things of which they were the outgrowth, prevailed I leave to other imaginations. Happily, as I believe, for the

whole country, the ideas and the doctrines of those who founded our Government and organized our institutions prevailed instead. Under these ideas our industrial system was founded with the establishment of the Constitution of 1789. The first Congress, in the first act imposing duties, declared that they were laid, among other purposes, "for the encouragement of manufactures." Here was the beginning of that system which has had such a marvelous growth and under which the accumulation of wealth has exceeded in a hundred years that of any other nation on the earth. It is that system I would perpetuate. It Jackson could say he was confirmed in the opinions I have quoted from him, by the opinions of Jefferson, Madison, and Monroe, how much more am I confirmed in my opinions by his great authority added to that of the founders and builders of the Democratic party?

I warn the party that it is not safe to abandon principles so fundamental to our institutions and so necessary to the maintenance of our industrial system, principles which attest the wisdom of those who established them by the fruits they have borne, the full fruition of which, however, can only be realized in the extension of diversified industries to all parts of the country, not in the North and East alone, but in the South and West as well.

A new era of industrial enterprise has already dawned upon the South. No section of the country possesses greater natural advantages than the South, with her genial climate, her limitless raw materials, her mines of coal and iron, with abundant labor ready to develop them. Considering what has been there achieved in a single decade, what may not a century bring forth for her under a system calculated to favor the highest industrial development? When I read the history of my country and consider the past and present, and reflect on what is before us, I can not believe that the ideas that went down in the convulsions of 1861 will ever again dominate the destinies of this Republic. [Prolonged applause.]





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