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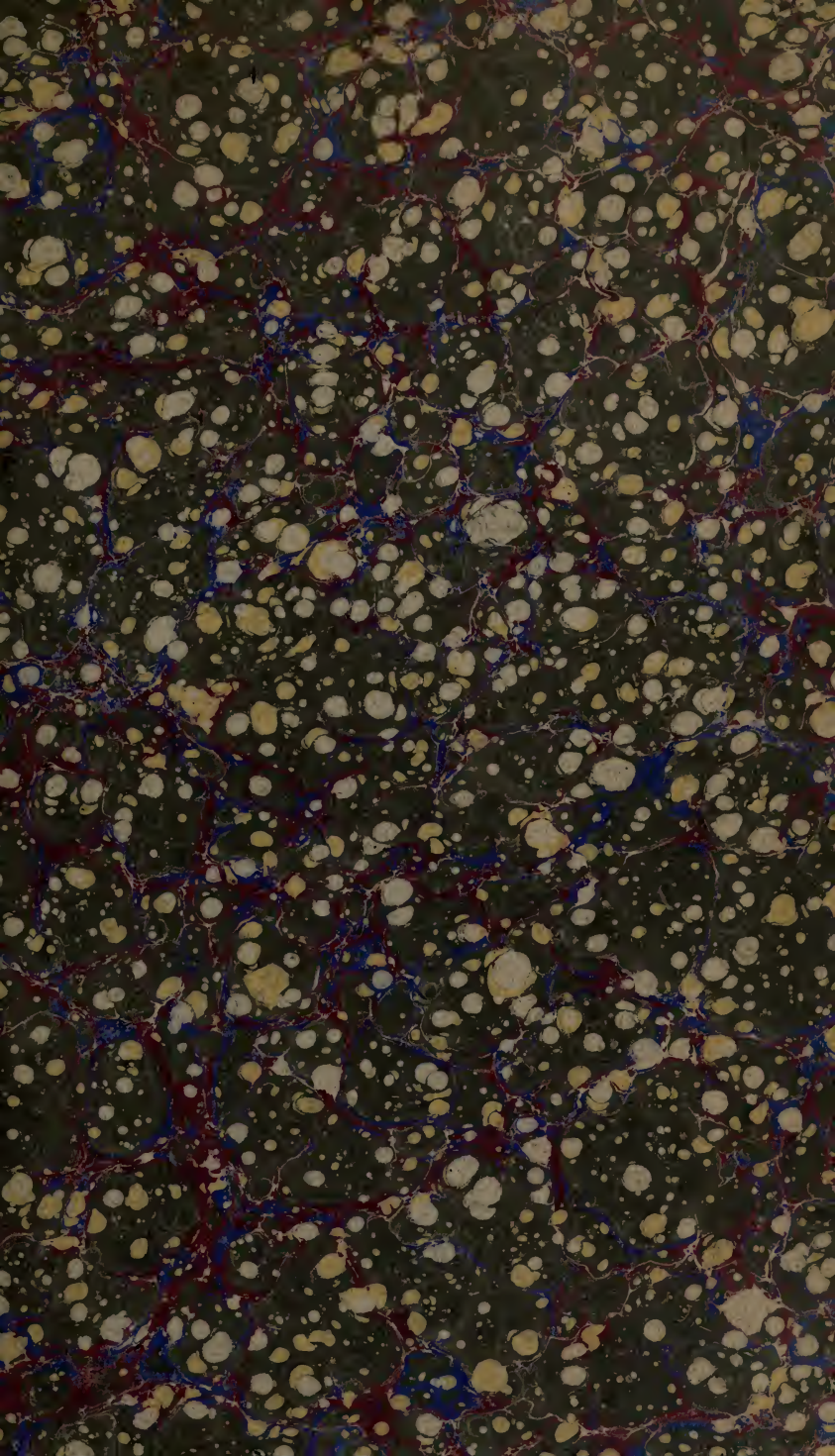
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The Tariff.

REMARKS
OF
WILLIAM W. GROUT,
OF VERMONT,
IN THE HOUSE OF REPRESENTATIVES,
Tuesday, May 15, 1888.

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 to simplify the laws in relation to the collection of the revenue—

Mr. GROUT said:

Mr. CHAIRMAN: The question involved in this debate is, how shall we deal with the surplus, and how shall taxation be reduced?

The surplus which accumulated in the United States Treasury for the fiscal year ending June 30, 1887, was \$55,567,849.54, the receipts having been \$371,403,277.66, and the expenditures \$315,835,428.12.

The estimated surplus for the fiscal year to end June 30, 1888, is \$66,128,214.42, the estimated receipts being \$383,000,000, and the estimated expenditures \$316,817,185.48.

There is already a large amount of money in the Treasury not required by law to be there, and the Secretary in his last annual report says "that a careful estimate shows that the surplus will be \$140,000,000 at the close of the present fiscal year."

None of the national debt will fall due till 1891, when \$230,000,000 of 4½ per cent. bonds will mature. Notwithstanding that none of the debt is now due, the Secretary ought not to have allowed this immense surplus to accumulate and lie idle while business enterprises are languishing for the want of money. He should have used it under the law of March 3, 1881, to purchase and cancel the outstanding bonds of the Government, and thus have stopped interest thereon and at the same time kept the money in the channels of trade. This law is as follows, and is so plain that he who runs may read:

SEC. 2. That the Secretary of the Treasury may at any time apply the surplus money in the Treasury not otherwise appropriated, or so much thereof as he may consider proper, to the purchase or redemption of United States bonds: *Provided*, That the bonds so purchased or redeemed shall constitute no part of the sinking fund, but shall be canceled.

Approved March 3, 1881.

Under this law previous administrations have purchased and canceled bonds to the amount of \$183,241,750; and it is perfectly clear that every dollar of the present surplus might have been so employed, and

that should disaster come to the business of the country, because of the withdrawal of this immense sum of money from the circulation, upon the administration must rest the responsibility, though it seems that, after having been spoken to twice upon the subject by Congress, it has at last entered upon the purchase of bonds. But while it is clear that we need have no surplus at this time, it is also equally clear that the revenues are in excess of our current expenditures and should be reduced.

This is admitted by all. The only question is, how shall the reduction be made, and to what extent?

The average surplus for the last two fiscal years was a little over \$60,000,000. But the surplus for the fiscal year to end June 30, 1889, as estimated by the Secretary of the Treasury, will be \$56,469,206. This would leave the average for these three years a little less than \$60,000,000, and I assume that to be about the sum in excess of the present rate of current expenditure. But here let me say that could I have my way this annual surplus would be less. I would appropriate \$10,000,000 annually for the next ten years for the defense of our great seaboard cities, and no longer leave them at the mercy of whatever power may send a gunboat against them. I would also appropriate \$10,000,000 annually for the next eight years for the education of the 6,239,958 American citizens who can neither read nor write, but in whose hands is the future of the Republic. I would also increase the appropriations for pensions at least \$10,000,000 annually, by passing the dependent-pension bill and taking from the poor houses of the country the brave but unfortunate defenders of the Union, and by passing, also, the bill for the relief of those who endured the horrors of Southern prisons. And, if not now, at the latest, when a quarter of a century shall have elapsed from the close of the war, a time now near at hand, I would give every Union soldier a service-pension of \$8 per month.

These several items would amount to at least \$30,000,000, and there would then be an annual surplus of only \$30,000,000, which I would obviate by cutting that amount from the internal-revenue taxes.

The tobacco tax for 1887 amounted to \$30,108,607.13. Repeal this tax and make the appropriations above specified, every one of which is demanded by the public welfare, and the problem presented by the surplus is solved. Then let the tariff be revised in the interest of American industries and the whole subject is disposed of.

REPUBLICAN POSITION.

Now, while there has been no formal programme agreed upon on the Republican side of the House, it may be fairly claimed that this is the Republican plan for disposing of this great financial and industrial question which now agitates the country. But the Democratic majority do not approve this plan. In the last Congress the Republican Senate put an amendment on the fortifications bill appropriating \$6,000,000 for coast defenses, but the Democratic House struck it out. Three times has a Republican Senate passed the Blair educational bill with a view of lifting into intelligent citizenship the illiterates of the country, and twice has it been strangled in a Democratic House; and this third time it lies chloroformed in a Democratic committee, and if reported will never be allowed consideration, for should it come to a vote it would pass. The dependent-pension bill of the last Congress received every Republican vote in both House and Senate, but enough Democrats in the House agreed with the President's veto to defeat it.

The Republicans tried in the last Congress to repeal the tobacco tax,

and have introduced bills for that purpose in this, on the ground that a reduction must be made somewhere, and that though the world might be better off without it, as some think of tea and coffee, "the cups that cheer but not inebriate," yet tobacco is a comfort and by habit equally with tea and coffee a necessity, and to no one more than to him who lives by daily toil. But the Democratic majority in the House stand in the way of all these measures, and through their Committee on Ways and Means, composed of eight Democrats to five Republicans, bring in a bill which reduces the duties on imports to the amount of \$53,720,447.22, dealing with almost every article of merchandise known in the markets, thereby affecting for the time the value of every one of them, and throwing the business of the country into a state of excitement and alarm on account of threatened evil, only a little less confusing and disastrous than the evil itself.

And this is among the first fruits of the Mills bill. The business of the country to-day stands paralyzed with fear at this proposition to give foreign merchandise brought into our markets an advantage of \$54,000,000 annually in round numbers over what it now enjoys; and every mail from every quarter of the country brings to the members of this House remonstrances and protests from almost every industry in the country, from manufacturers and artisans and agriculturists and laborers, against this surrender of our markets, the best in the world, to the half-paid, half-starved labor of Europe. And whether this shall be done is really the question presented by this bill; not that it proposes a complete surrender at this time, but it is the initial step in the work of overthrowing the principle of industrial protection which came in as the national policy with Lincoln's administration, and under which the country has increased in wealth and population as never before, and the substitution therefor of free trade.

Now I do not say this because all but two of the majority of the committee who reported this bill are from the late Confederate States, whose constitution declared for free trade, nor alone because these gentlemen were all ardent adherents and valiant defenders of that constitution and still believe in the superior excellence of free trade as an economic policy, though these are indeed suspicious circumstances, but because the bill itself discloses its hostility to the protective principle from the fact that it takes away \$54,000,000 protection annually from American products, when the reduction could be made from revenues which in no way protect American industries, but are an absolute tax upon the American people and upon them alone. I refer, of course, to the internal-revenue taxes. I have already shown that were certain much-needed appropriations made and the tobacco tax repealed no further reduction would be necessary, and before I close I will indicate other methods still for solving the problem before us, and such, too, as shall in no way disturb our industries.

ATTENTION TO THE ISSUE.

But just now, for a moment, I want to hold the attention of the House and the country to the fact that the contest precipitated by this bill is between our present protective system and its insidious foe, free trade, or tariff for revenue only, which is the same thing, for there is no such thing as absolute free trade. All free-trade nations, so called, lay tariff duties on imports, free-trade England raising almost \$100,000,000 annually, and free-trade Norway and Sweden each about one-third of their revenues from that source. The distinguishing feature of the free-trade or revenue-tariff policy is to lay duties on foreign goods without any reference whatever to the protection of domestic in-

dustries, but solely for revenue, and this, in contradistinction from a protective tariff, which, while it raises revenue, protects domestic products, is called free trade. Hence a tariff for revenue only, a revenue tariff, and free trade are equivalent terms.

Nowhere in the literature of this subject is there a better statement of what is meant by this kind of tariff than that found in Article II, section 8, of the constitution of the late Confederate States. It is as follows:

The Congress shall have power :

To lay and collect taxes, duties, imposts, and excises, for revenue necessary to pay the debts, provide for the common defense, and carry on the government of the Confederate States; but no bounties shall be granted from the treasury, nor shall any duties or taxes on importations from foreign nations be laid, to promote or foster any branch of industry; and all duties, imposts, and excises shall be uniform throughout the Confederate States.

A revenue tariff has long been a favorite dogma of the Democratic party. It was contended for by that party before the war, when the old Whig party, led by Clay and Webster, stood for protection, and since the war tariff reduction has been the constant cry of that party, who have told us in seductive phrase of the advantage of buying and selling in the markets of the world, and this is the burden of their song to-day.

They have also frequently told us what is meant by a revenue tariff, but nothing can tell us better than this clause in the Confederate constitution. By forbidding the protection of domestic industries it expresses the very sublimation of the doctrine of free trade. Now, if instead of free trade and as the result, two or three great agricultural products, the South had believed in protection and had diversified her industries by the manufacture of iron and woolen and cotton and other goods, so that from her own resources, known to be immense, she could have provided herself with arms and the supplies and munitions of war and at the same time with all the necessaries and comforts of life, who will say what might have been the fortune of the Confederacy, for a braver set of men never shouldered muskets?

Thus provided the blockade would have done them no harm, for they could have lived within themselves.

Who will say that it would have been possible to have conquered and brought into obedience to the laws 11,000,000 of people on their own ground, and as united and determined and capable as they were, had they possessed a full line of manufacturing industries, the legitimate result of protection?

But they believed in a revenue tariff. They despised protection, and thought they had no use for manufactures. And as the result their iron and coal lay undisturbed in the mountains. Their rivers, utilized by no industrial wheel, swept on unvexed to the sea. They believed cotton was king; but when shut in from the rest of the world they soon found that raw cotton left them both naked and hungry, and as the result in a capitulating frame of mind. Like Samson, they were shorn of their strength by the Delilah of free trade, and finally yielded, no more to superior numbers than to a superior economic and industrial system.

EFFECT OF THE PROTECTIVE TARIFF.

At the same time that the Confederate States planted themselves upon this delusive and enfeebling doctrine of free trade the United States raised the banner of protection. Relieved for a time of the bulk of these free-trade advocates the Republican party was left free to do its perfect work, and within thirty days from the inauguration of Abraham Lincoln the

Morrill tariff was a law—a high-protective tariff which, with increased protection added from time to time, carried us triumphantly through the war, and, in spite of all its havoc and waste, left us at its close a far richer people than at its beginning. Now, without stopping to ask what might have been the outcome of the rebellion had the United States, instead of building their financial system upon the rock, like the Confederacy, built upon the sand, let us for a moment see what this system has done for the American people. It took the country in the midst of civil war with an empty Treasury, made such by a Democratic revenue tariff, and with the national credit so low that in the last year of Buchanan's administration a 6 per cent. United States bond, sold to meet the current expenses of the Government—think of it; not money enough from the public revenues, and sold to meet the current expenses of the Government—brought only 89½ cents on the dollar.

This is a fair indication of the financial condition, not only of the Government but of the people as well, especially manufacturers and laborers. I suppose the friends of this bill, like the Pharisees of old, will refuse to "be persuaded though one rose from the dead."

But here is the testimony of such an one, and it ought to be received by them, for he was of their household of faith. James Buchanan in his first message, in 1857, said:

The earth has yielded her fruits abundantly and has bountifully rewarded the toil of the husbandman. Our great staples have commanded high prices, and until within a brief period our manufacturing, mineral, and mechanical occupations have largely partaken of the general prosperity. We have possessed all the elements of material wealth in rich abundance, and yet, notwithstanding all these advantages, our country in its monetary interests is at the present moment in a deplorable condition. In the midst of unsurpassed plenty in all the productions, and in all the elements of natural wealth, we find our manufactures suspended, our public works retarded, our private enterprises of different kinds abandoned, and thousands of useful laborers thrown out of employment and reduced to want.

Remember, this was among the early results of the free-trade tariff of 1846, under which we are constantly told the country was so prosperous. And it was in this state of affairs, with—

the monetary interests of the Government in a deplorable condition, with manufactures suspended, and thousands of useful laborers out of employment and reduced to want—

that the era of protection was ushered in.

The stress of circumstances at once placed us under a high protective tariff, and, as if by magic, our industries revived. The young men went down to the field of strife, but the old and the middle-aged relighted the fires of furnace and forge, which had been put out by the tariff of 1846.

Everywhere was heard the sound of hammer and spindle and loom, and labor was no longer "out of employment and reduced to want." Heavy duties on imports sent streams of money into the Treasury, and the cold corpse of our national credit was slowly but surely brought back to life. Thus did the Morrill tariff, supplemented, of course, by internal taxes—but protection was all the while the "head of the corner"—put the country on the high road to prosperity at the same time that it furnished the sinews for a war that grew into enormous proportions. It has since provided thousands of millions of dollars in payment of principal and interest upon the public debt, and has at last brought the national credit to such a pitch of health and vigor that nearly \$1,000,000,000 of 4 per cent. bonds are to-day worth 125 cents on the dollar and capitalists the world over want them.

Now place right alongside this fact the further fact that those 6 per

cent. bonds that sold for 89 cents on the dollar in Buchanan's time were only \$7,146,875 in amount, and you have a fair view of the comparative credit of the Government then and now. Then, after fourteen years under a revenue tariff, and now, after twenty-seven years under protection. And which picture fills most with pride the American heart? [Applause.] Nor is this all.

BALANCE OF TRADE.

In 1860 there was a balance of trade of \$20,060,062 against us, which took out of the country that amount of gold and silver; for, remember, our foreign exchange is always in coin. In 1880, after twenty years of protection, the balance of trade was \$167,683,912 in our favor, thereby bringing that amount of coin from foreign countries into our own. More than anything else the balance of trade indicates the general prosperity of a country. As with an individual so it is with the whole people, with the nation.

It is a very simple proposition. If the American people buy of foreign nations \$20,000,000 more than they sell, it is quite plain that at the end of the year they are owing that amount and must part with the money, in this case hard cash, to settle the account. Now, if instead of this they sell to foreign countries \$167,000,000 more than they buy, they then not only not have to part with the \$20,000,000, but they will receive from outside themselves \$167,000,000, and thus will be \$187,000,000 better off; will have that amount more of circulation, thereby making money easier, the rate of interest lower, and the whole country richer by that amount. But this only represents the result for a single year; and for a fuller comparative view of the workings of these two systems take the last ten years under the tariff of 1846, from 1850 to 1860, in every one of which but one the balance of trade was against us. The total balance against us for those years was \$327,547,695, thereby taking that amount of money out of the circulation of the country.

The reason for this is obvious. Manufacturers, as Buchanan tells us, "were suspended," and as the result we had to buy our textile fabrics and our implements and utensils of iron also abroad, and not sending enough of our agricultural products, the only thing we had to sell, to equal our large purchases we were compelled to send this immense sum in gold to square the account.

Only for one thing this constant drain upon the gold of the country must have been disastrous in the extreme. That one thing was the discovery of gold in California in 1848, early in the era of free trade. From her mines came a supply, between 1850 and 1860, of \$526,000,000, and this enabled us to meet this constant demand and avert wide-spread disaster.

Only for this, more serious still, not only to manufacturers but to every American industry, would have been the revenue tariff of 1846.

Now, over against this sum of \$327,447,695 of coin which went out of the country in ten years under free trade, let us set the result for the last ten years, from 1876 to 1886. The balance was every year in our favor, and amounted to the grand total of \$1,578,996,786.

This is an average of over \$150,000,000 annually, and explains in part how the mismanagement of the present administration has allowed \$140,000,000 to accumulate in the Treasury and yet work no serious disaster to business. To those who think our currency too restricted, let me say, here is a perfectly legitimate way of inflating it.

Continue to add \$150,000,000 annually of foreign coin to our circulating media, as has been done for the last ten years under our protect-

ive system, and the present prosperity of the country will be continued also.

Not only is the balance of trade thus immensely in our favor, but the volume has been more than doubled.

From the foregoing it will be seen that the advantage to the United States in the matter of the foreign trade for the last ten years under the present protective system over that for the last ten years under the tariff of 1846 amounts to the immense sum of \$1,905,654,491, for to the balance in our favor from 1876 to 1886 should be added the balance against us from 1850 to 1860. This is surely a startling conclusion, but it is inevitable from the figures themselves. Here they are, taken from the statistical abstract of 1886:

Value of merchandise imported into, and exported from, the United States; also annual excess of imports or of exports.—Specific values.

FROM 1850 TO 1860, INCLUSIVE.

Year ending—	Exports.	Imports.	Total exports and imports.	Excess of exports over imports.	Excess of imports over exports.
Sept. 30—					
1850.....	\$144,375,726	\$173,509,526	\$317,885,252	.....	\$29,133,800
1851.....	188,915,259	210,771,429	399,686,688	.....	21,856,170
1852.....	166,984,231	207,440,398	374,424,629	.....	40,456,167
1853.....	203,489,282	263,777,265	467,266,547	.....	60,287,983
1854.....	236,959,560	297,623,039	534,582,599	.....	60,663,479
1855.....	218,909,503	257,808,708	476,718,211	.....	38,899,205
1856.....	281,219,423	310,432,310	591,651,733	.....	29,212,887
1857.....	293,823,760	348,428,342	642,252,102	.....	54,604,582
1858.....	272,011,274	263,338,654	535,349,928	8,672,620	.....
1859.....	292,902,051	331,333,341	624,235,392	.....	38,431,290
1860.....	333,576,057	353,616,119	687,192,176	.....	20,040,062

FROM 1876 TO 1886.

1876.....	540,384,671	460,741,190	1,001,125,861	79,643,481	.....
1877.....	602,475,220	451,323,126	1,053,798,346	151,152,094	.....
1878.....	694,865,766	437,051,532	1,131,917,298	257,814,234	.....
1879.....	710,439,441	445,777,775	1,156,217,216	264,661,666	.....
1880.....	835,638,658	667,954,746	1,503,593,404	167,683,912	.....
1881.....	902,377,346	642,664,628	1,545,041,974	259,712,718	.....
1882.....	750,542,257	724,639,574	1,475,181,831	25,902,683	.....
1883.....	823,839,402	723,180,914	1,547,020,316	100,658,488	.....
1884.....	740,513,609	667,697,693	1,408,211,302	72,815,916	.....
1885.....	742,189,755	577,527,329	1,319,717,084	164,662,426	.....
1886.....	679,524,830	635,436,136	1,314,960,966	44,088,694	.....

INCREASE OF WEALTH GREATER FROM 1860 TO 1880 THAN DURING OUR WHOLE PREVIOUS EXISTENCE.

This comparative view is truly astonishing, but let us take another from a different standpoint. It has been said that increase of population is one of the surest indications of the general prosperity of a people. It certainly is of a town, city, or State, and why not of a nation? The Tenth Census discloses the remarkable fact that for the twenty years from 1860 to 1880 the increase of population was actually greater than for the thirty years previous. From 1830 to 1860 the gain was 18,547,301. From 1860 to 1880 it was 18,712,462, a difference of 165,161 in favor of the twenty years from 1860 to 1880, and remember this twenty years covers the whole period of the war, and that war always

works a serious interruption to population, much beyond the number of deaths occasioned by it. Not only does this period outmatch all others in increase of population, but also in the development of industrial enterprises and the advance of values. Look into the census again and you will find that in 1860 the total value of our manufactures was \$1,835,861,676. In 1880 the value was \$5,369,579,191, an increase of \$3,483,517,515. The census of 1830 does not show the value of manufactures, and in fact but little else besides population; but for the sake of the comparison we will not be limited to thirty years back of 1860, but will take the whole period of our previous history. The value in 1860 represents, of course, the whole gain in manufactures from our earliest colonization to that date; and yet the astonishing fact appears that the gain from 1860 to 1880 was nearly twice as much.

In agriculture the comparison is only a little less striking. In 1860 the estimated value of farms was \$6,685,045,607. In 1880 it was \$10,197,096,776, the gain in these twenty years being nearly as much as in our whole previous history.

The reason why the gain in farm values is not as great as in manufactures is because in a new country agriculture comes first and manufactures later. About the same gain as in farms is shown also in live-stock. Take farm products. In 1860 we produced 173,104,924 bushels of wheat; in 1880, 459,483,137 bushels, a gain of 286,478,213 bushels; much larger than during our whole previous existence. In 1860 we harvested only 838,729,742 bushels of corn. In 1880 it was 1,754,591,676, a gain of 916,862,933; actually greater than during our whole previous existence.

Another fact should appear in this connection, and that is, that under the tariff of 1846, our export of breadstuffs, which it was claimed that tariff would particularly help, declined from \$68,701,921, in 1847, to \$24,472,310, in 1860; but under protection rose from that low figure to \$228,036,835, in 1880.

Further comparative statistics could be given, all telling the same story, but one more must suffice. In 1860 our estimated aggregate national wealth was \$16,159,616,063. In 1880 it was \$43,642,000,000, a gain in these twenty years of \$27,482,393,932, thereby showing that the American people under twenty years of protection made greater development in material wealth and greater acquisition of money and values than was made by them in their whole career previous to that time; and when the census for 1890 shall have been taken it will reveal for the present decade a corresponding development of every element of material greatness, and yet our Democratic tariff-reduction friends are sighing for what they call the "halecyon days" of the Republic, under the revenue tariff, of 1846. How strange it is that some people are never satisfied!

THE AMERICAN SYSTEM THE SECRET OF THIS GREAT PROSPERITY.

Now, who fails to see that under the present protective tariff the country has advanced in material growth as never before, and that every industry and every department of wealth has shared in the general prosperity? But gentlemen tell us that this period of great prosperity is not due to our financial policy, but to the enterprise of our people, to the fertility of our soil, the richness of our mines, and the inventive genius which has been stimulated by our patent laws. But was not the same soil, the same mineral wealth, the same patent laws, and the same sturdy Anglo-Saxon stock here before 1860 as since? The fact is, the inventive genius of the American people has received its chief stimulus from the

interest created in manufactures as the result of protection, while the patent laws have only furnished the inventor the same protection in the benefits of his invention that the tariff does the American producer in the benefits of American markets. The invention belongs to the inventor and American markets to the American people, and both the inventor and the American people should be protected in what belongs to them. But still the marvelous thrift of the country in these twenty years and its wonderful financial record, absolutely without parallel in the history of the world, and made more notable still by the fact that during these twenty years at least 4,000,000 of our able-bodied workers were withdrawn for a period of four years from among producers, and not only became consumers of the national wealth, but destroyers of untold millions of property and values in a war the most stupendous and destructive in modern times, must in some way be accounted for.

And when the fact stands out in bold relief that notwithstanding this interruption of the war and the incalculable destruction of property on both sides, yet as an entire people, during the twenty years covering the war and all its losses, we actually made greater progress in every department of material greatness than during all the years of our previous existence, the inquiring mind wants to know the reason for it. We have seen that it is not because of our soil, or mines, or patent laws; but credit something to them if you will. Credit something to the improved means of intercourse on account of railways built; and something, also, to the great change in our Constitution which has made us a nation of freemen with no crouching slave in all the land. I say credit something to all these causes, if you will, but the political economist, the man of affairs will demand something more satisfactory; something that shall take a stronger hold upon the substance of things.

But tell him that during these twenty years in which such wonders were performed, the Government was without interruption under a high protective tariff such as was never known before in the history of the country, a tariff under which every American interest was carefully cared for; one in which American products had the benefit of American markets, thereby stimulating production of every kind, especially manufactures, and that as the result the money paid by our people for manufactured goods was paid to themselves and kept at home. Tell him how these manufactures attracted to them the surplus labor of the world; how they built up towns and cities, thereby creating an active home market for the products of the farm, upon which labor also found profitable employment, and better still, found homes; not a few, but millions.

Tell him, too, that, having supplied ourselves with our own manufactured goods and so not owing for them abroad, we have been able from our surplus productions sold to foreign countries to bring into our own circulation over \$150,000,000 annually for the last ten years, thereby furnishing capital for new enterprises and new industries; for the building of railways and other public improvements. Tell him, also, that foreign merchandise, except articles not produced by us and so upon the free-list, has to pay before it can enter our markets about \$228,000,000 annually now, formerly more, first for revenue, and then for the protection of our own merchandise against articles of the same kind produced by labor paid one-half as much as American labor receives, and he will see for one thing why the American workingman believes in the protective tariff, under which he is so well fed and clothed and housed; under which he has deposits in the savings-bank, and under which

the greasy operative of the afternoon is the gentleman in slippers and wrapper by his own fireside in the evening. In short, tell the political economist that since 1860 the financial system of the Government has been what Henry Clay called the "American system;" one in which the American people have taken care of their own interests, and have let England and the rest of the world take care of theirs; and he will then understand how this policy carried us through the war, and has enabled us since January 1, 1866, to pay \$1,452,527,701 of principal and more than \$2,000,000,000 of interest on the public debt, thus reducing it more than one-half, while the debt of every other first-class power on the face of the earth is constantly increasing.

He will then understand why we are able to pay \$80,000,000 annually in pensions, and for current expenditures about \$160,000,000 more. In short, he will see why it is that we have been able to handle successfully these bewildering problems in finance and pay these vast sums of money, and at the same time make such mighty strides in the development of the national resources and in the creation of national wealth. It is simply because for those twenty years the national housekeeping was on the American plan, of protection to every American interest; and first of all that of keeping American markets for American products. Like the old housekeeper up in Vermont, we have not let everybody fry in our fat; and as the result we have had fat enough for American doughnuts all the time. [Applause.]

Who will say in view of this unexampled, this almost incredible prosperity of the country under the present protective system that it is not a good one? Who will say that as a national policy it is not a wise one? And who can be so wild as to desire its overthrow? In answer to these questions here are a few declarations from the other side of the Chamber, which, I think, explain the Democratic views and disclose the Democratic purpose in respect of the tariff.

DEMOCRATIC HOSTILITY TO PROTECTION.

The gentleman from South Carolina [Mr. HEMPHILL], in his speech the other day, said:

Under the scheme of tariff taxation, however, private property is daily and hourly taken, not for public but for private uses, without any compensation and without any excuse or pretext, except such as excites the derision and contempt of every disinterested, unprejudiced man.

This plan as it is now and has been for years administered in this country is a monstrous perversion of every just principle of taxation.

But against the perversion of this power of taxation to the unholy and unhallowed scheme erroneously called "protection" I do complain, and shall endeavor to show its illegality and injustice, and, if I can, some of the hollow pretenses on which it is founded and has been so long maintained.

In fact, protection is founded on injustice, and unless it produces inequality it fails of its purpose, deceives its friends, and belies its very existence.

The gentleman from Maryland [Mr. RAYNER] said:

I follow my party upon this great issue, the issue of the hour; and I have no right, sir, to look to any industry in your district or in my district or in the district of any other man in this country when the great fundamental question before the whole country is, whether or not the systematized plan of robbery and plunder which has been in existence so long shall be kept up against the rights of the whole American people. [Applause on the Democratic side.]

Shall we meet the issue, or shall we keep on plundering the people and pocketing the funds? I say the time is past for the discussion of questions of political economy. The people at large are now taking very little interest in abstract controversies upon free trade and protection. The thing that they demand is that the Government shall stop robbing them, and then they will argue the proposition whether the Government has the right to rob them.

But, Mr. Chairman, I appeal to the Democracy here to stand true to their colors. [Applause on the Democratic side.] I appeal to them to stand up to the traditions of our party. A tariff for anything else than revenue is outside the traditions and principles of our party and at war with its pledges and history. It is foreign to our platform. We have given to the people the assurances of our intention to do this. Let us prove our faith by our works. [Applause on the Democratic side.] Let us engrave upon the imperishable tablets of the law the truth of the doctrine we have proclaimed.

The gentleman from Illinois [Mr. LANDES] considers it only a mild assault on protection.

He says:

A tariff for protection is indeed a piece of *finesse* to persuade men into slavery. I have been taught that the interests of the few should be subservient to the interests of the many. But a tariff for protection has brought about a condition in which the millions own nothing and the few own millions. Millionaires are in "purple and fine linen," while the millions are in fluttering rags. This is the result of protection.

* * * * *
The bill under consideration is a mild assault on this system of taxation. It proposes to so modify the law as to reduce the revenue to be raised under it about \$54,000,000. If it had no other effect than to relieve the people annually of the burden of paying \$54,000,000 unnecessarily into the Treasury, it would be a boon of great value, and every Republican on this floor would join us and pass the bill in an hour.

* * * * *
Mr. Chairman, I have always been opposed to the protective system.

The gentleman from New York [Mr. COX] said in the Forty-seventh Congress:

The first prejudice to be overcome is that so often answered. It is verbal. It relates to the phrase "free trade." "God save us," said an eminent man, "from the evil spirit and from metaphors!" It is idle to explain that freedom and trade in themselves, together or separately, are not obnoxious to any one. No one champions slavery and isolation. Free-traders have but one object: to be rid of that state of affairs which forbids nations to exchange with each other their various products, untrammelled by hostile and prohibitory tariffs. Free trade would remove hinderances. It would do it, while affording proper support, by custom dues, to the Government. All agree that if free trade were universal it would confer great blessings on mankind. It is therefore worth approximating to it, if we can not reach it. Our trade is only free as to exports; on our imports the exactions are laid, and as a consequence their prices are raised.

If, as I claim, free trade thus considered would achieve the greatest production at the least cost, who ought to complain? France, Germany, Russia, and the United States are the victims of the opposite idea, with what results as to population and wealth in comparison with Great Britain the statistics amply demonstrate. Free trade enables a country to obtain commodities which it can not produce at all, or at a disadvantage. It is the most productive employment of the forces of the world. It would have every country produce that which will bring the greatest quantity of commodities. The amount of our losses by protection is to be measured by the excess of the price at which commodities are produced over that at which they can be imported. This can be proved by bills of lading and the expenses and percentages until the consumer receives the article, through many media, from the producer abroad.

* * * * *
In 1880, at Cincinnati, the Democracy reaffirmed all the specifications of 1876. They are for revenue only. Upon this, whether my party fail or not, I stand.

The gentleman from Kentucky [Mr. CARUTH] said:

Mr. Chairman, if I properly understand the derivation of the word "tariff," its origin is not such as to commend it to the admiration of man. At Tarifa the Moors levied their duty and collected their customs from those whose ships, driven by adverse winds, were forced, in order to escape destruction at sea, to suffer robbery ashore. If, as has been charged, this "bantling" brought forth in secrecy and darkness, which has been carried into this House in the arms of the majority of the Committee on Ways and Means, is of unknown parentage, it can be said in its favor that it can not have so base an origin nor be of so foul an extraction as the robber-born idol which our protectionist friends on the other side of the House hug to their breasts and worship with a devotion like that which the sin-cursed Israelites fell down to and adored, the golden calf their hands had made.

This tariff is a most insidious enemy. It works in silence and under cover ;

and whilst it pretends to be giving us "protection" it is really stealing our substance and destroying our lives. It is not the highwayman who boldly gallops up on the public road and demands "your money or your life," but the sneak-thief who in an unconscious moment filches your purse, or the burglar who robs you of your possessions in sleep's unconscious hour.

* * * * *

I think it does not require a student of political economy to know that a "tariff" is a tax, and when we strip the question of the useless garments of show in which it is clad; when we take off the purple and the fine linen, the silks and the satins; when we strip it of the domino in which it has been masquerading there is seen the horrid features which we have been taught to tolerate only on the ground of necessity, but which we can never be taught to court or adore.

The gentleman from Texas [Mr. MILLS], chairman of the Committee on Ways and Means, said:

I repel it, sir; it is not American. It is the reverse of American. That policy is American which clings most closely to the fundamental idea that underlies our institutions and upon which the whole superstructure of our Government is erected, and that idea is freedom—freedom secured by the guaranties of government; freedom to think, to speak, to write; freedom to go where we please, select our own occupations; freedom to labor when we please and where we please; freedom to receive and enjoy all the results of our labor; freedom to sell our products, and freedom to buy the products of others, and freedom to markets for the products of our labor, without which the freedom of labor is restricted and denied. Freedom from restraints in working and marketing the products of our toil, except such as may be necessary in the interest of the Government.

* * * * *

We should lay taxes to obtain revenue, but not restrict importation.

The gentleman from Minnesota [Mr. MACDONALD] quotes approvingly this expression: "A high tariff is legalized robbery."

Speaker CARLISLE, in the Forty-seventh Congress, said:

If the gentleman means to ask whether I recognize a principle that would impose a duty above the revenue point merely for the purpose of giving what is called protection my answer is in the negative.

If we were called upon now for the first time to declare a principle or inaugurate a policy upon this subject I should not hesitate to announce my adherence to that creed which demands the largest liberty in law; that doctrine which opens the channels of commerce in all parts of the world, and invites the producer and consumer to meet on equal terms in a free market for the exchange of their commodities, for I sincerely believe that all commercial restrictions are in the end injurious to the interests of the people.

Another gentleman from Kentucky [Mr. BLACKBURN] said, in the same debate:

But I assert that a tariff for revenue is a tax, and I assert that a tariff for protection is pillage and robbery.

The gentleman from Kentucky [Mr. BRECKINRIDGE] denounced the present protective system as "iniquitous," and the President declares it to be "vicious, inequitable, and illogical." As one reads these unmeasured denunciations of the protective system the question naturally arises, how under such "vicious, inequitable, and illogical" laws could the country have been so prosperous? Surely this prosperity must be a fiction or these men be false prophets. There is, however, nothing new in these utterances. They but voice the traditional opposition of Democracy to the principle of protection, and only too plainly show how soon if left to itself it would go back to the husks of a revenue tariff. "Can the leopard change his spots or the Ethiopian his skin?" Why, in 1856 the National Democratic convention said:

The time has come for the people of these United States to declare themselves in favor of free seas and progressive free trade throughout the world.

In 1876 the platform contained this language:

We demand that all custom-house taxation shall be only for revenue.

In 1880 the platform was "for a tariff for revenue only."

ANGLING FOR THE LABOR VOTE.

Now, this was square Democratic doctrine, but the American people notified the Democracy in these two last elections that it was not their doctrine. And in 1884 they threw this bait to the laboring men of America. They said:

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

By this device they caught enough laboring men to put the Democratic party in power. And surely labor had a right to feel that when the reduction of taxation came, it would come in a way not to injure the man of toil. The declaration is plain:

The reduction in taxation can and must be effected without depriving American labor of the ability to compete successfully with foreign labor.

And here, in passing, take notice that the Democratic party recognize that a difference exists between the wages of American and foreign labor. Hence no tables are necessary to prove it. But what of this pledge? How does this bill redeem it? Can the artisan and laborer be made to understand that a reduction of more than one-fourth the total, present amount of customs duties will in no way affect the price of his labor, when the products of foreign cheap labor can then come into our markets relieved from their present burden by that amount and at once go into competition with the products of his own labor? The inevitable result would be, first, to reduce American labor \$54,000,000 annually, for every article of merchandise represents a certain amount of labor. Not only is there "no excellence without labor," but there is no value without labor. Everything which makes us comfortable in life, the food we eat, the clothes we wear, the houses in which we live, and the beds on which we sleep, are all the creation of labor, and their value depends upon the amount of labor necessary to produce them.

Now, remember that the cost of ocean freight is but a trifle, especially on vessels in ballast, and when any of these commodities or any part of them produced by the cheap labor of Europe are put into our markets in competition with the products of American labor, relieved of \$54,000,000 duties which they now have to pay, does American labor fail to see that it must be reduced that amount to meet this changed condition? Surely this, or the American manufacturer must shut down altogether and leave labor with no employment. I say this will inevitably be the first result, and it will be immediate; and the second stage will be worse than the first.

Our markets thus thrown open will be glutted with foreign products, and there will no longer be a ready American market for American goods, which, as the only alternative, must go abroad "into the markets of the world," as gentlemen sonorously tell us, and there be sold, of course, at the price of the pauper-made products of Europe; and to meet this situation, there must be a further reduction of American wages, even to the European standard. But this the American laborer would never consent to. Labor disturbances would follow, and manufacturing establishments would be broken up and sold under the hammer, as under the tariff of 1846. We should, in short, find ourselves struggling in the mire of free trade, with a constant stream of gold going out of the country to pay for our purchases of manufactured goods "in the markets of the world."

HOSTILITY OF THE BILL TO AGRICULTURE AND LABOR.

This bill is a direct attack upon the nobility of labor, which the present tariff recognizes and protects. It is a clean departure in favor of free trade, which can never become successful as an American policy except by the degradation of American labor, and not of the wage-earner alone, but of all who win their bread by daily toil, and of none more than of him who toils in the field beneath a burning sun—I mean the hard-working, poorly-paid farmer, who feeds and clothes us all. The advocates of this bill tell us that the farmer is least protected of all under the present law; that he deserves better treatment, and yet, strange enough, the bill takes away a large share of the protection he now has. It puts more than thirty articles, the product of agriculture, on the free-list, beginning with wool. Now, that free wool would occasion a great loss to the farmers of the country does not require proof. It is self-evident. The amount, however, is not generally understood. One writer estimates it at \$355,000,000, giving great prominence to depreciation in the value of lands now devoted to sheep husbandry, and adapted to but little else. Here would undoubtedly be a great loss, for the industry would be practically destroyed.

This is shown by the slight reduction in the tariff on wool in 1883, since which the number of sheep has fallen from 50,626,626 in 1884 to 44,759,314 in 1887. There would also be a great loss in the reduced sales of fat sheep. But these items are somewhat uncertain, only in amount, however, for it is certain they would exist in some degree. But there are two items capable of quite close estimation. One is the depreciation in the value of sheep now on hand, which could not be less than 50 cents per head, and would amount to \$22,379,657. The other is for decreased price of wool, which at 10 cents per pound on 350,000,000 pounds, the annual product, would amount to \$35,000,000.

Now, saying nothing of the other large losses, here is the snug sum of \$57,376,657 out of the farmers' pockets at once, and the same amount annually thereafter. But the mischief would not stop here. The number of sheep would be speedily reduced. If the slight tariff reduction of 1883 reduced the number of sheep 6,000,000 in three years and raised the quantity of imported wool from 78,000,000 pounds in 1884 to 114,000,000 pounds in 1887, what would be the result of free wool? The average last year's price was 22 cents per pound. The immediate result, if this bill were law, would be to reduce the price 10 cents, which would leave the farmer but 12 cents per pound; and all for the sake of giving the American people a chance to buy wool in "the markets of the world."

For a time they would get it cheaper, but when the American farmer, discouraged and broken down, ceases to produce wool, how easy for a syndicate to raise the price, even above the present figure. Then we would have dear wool and dear mutton; but the American farmer would have neither to sell. Nor is this all.

Instead of the \$77,000,000 now paid American farmers for the annual American wool-clip, that amount would go out of the country every year into the free-traders' paradise, "the markets of the world." Thus do we see how free wool would affect unfavorably the general prosperity of the country, but most of all the American farmer; and what does this bill propose to give him in place of the wool industry and the profit of it? It proposes to give him

FREE SALT.

There is now a duty on coarse salt of 8 cents per 100 pounds, or \$1.60 per ton. The farmer, if a large one, may use 500 pounds, and here

would be a saving of 40 cents. The duty on fine salt, used for dairying purposes, is 12 cents per 100 pounds. One pound of salt is usually added to 16 pounds of butter, so the duty on the salt in one pound is one-sixteenth of a cent. If the farmer makes a ton of butter he will use 125 pounds of salt, on which the duty would be $7\frac{3}{8}$ cents. So the farmer would save on his salt the princely sum of $47\frac{3}{8}$ cents annually.

PRESIDENTIAL PHILOSOPHY.

But, say the free-traders, under this bill he will get cheaper clothing; and the President, in his message, solemnly tells the American Congress that the farmer who has a flock of fifty sheep which yield 300 pounds of wool on which the duty, if of the best quality, would be \$36—this is the President's sum—when he comes to "clothe himself and family for the winter finds more than this tariff profit, swept away as the result of the tariff scheme."

The total annual consumption of wool in the United States for all purposes does not average quite 7 pounds per capita; and if the duty at 12 cents per pound be added to the price it would make 84 cents for each person; and if to that amount be added as much more per pound as duty on the manufactured article, it would make \$1.68 tax for each person. At this rate \$36 would furnish on an average of our whole population 20 persons with woolen goods of every description, including blankets and everything, for a full year.

But here is the statement of the President, and it can only be accounted for in this way, that when he made that point he had in his eye a very large family. He must have been thinking of a Mormon family. This is rather more than an average free-trade argument, but I expect will not serve to "pull the wool over the eyes" of the American farmer who reads the papers, and, though not given to much talking will tell you next November what he thinks about free wool and "the markets of the world." [Applause.]

FURTHER HOSTILITY TO THE FARMER.

I wish I had time to show still further in detail the hostility of this bill to the great industry of agriculture. How it not only takes away present protection, but fails to make any provision in cases where increased protection ought to be given. Take barley for instance. Last year there were imported into this country 10,000,000 bushels, which Americans ought themselves to have produced. But this bill does not raise the duty on barley to 20 cents per bushel as it ought. In four days in January last, at the port of New York, 149,000 bushels of potatoes were landed from foreign countries. But this bill instead of raising the duty from 15 to 25 cents per bushel, under the head of vegetables, puts potatoes on the free-list. During the last fiscal year about 1,000,000 bushels of beans and peas and 18,000,000 dozens eggs were imported. On all these articles and many others the duties ought to be increased, and thus give protection to the very best representative of American labor, the farmer.

But instead of this the bill opens our markets to foreign agricultural products, on which as entered from Canada alone \$1,800,193 duties were paid last year, thereby compelling the American farmer to compete in his own markets with the products of Canadian labor, which is from one-fourth to one-third less than in the United States. And this is the way the Democratic party is taking care of the American farmer! This is the way it is taking care of labor and redeeming its pledge that—

Reduction of taxation can and must be effected without depriving American labor of the ability to compete with foreign labor.

Some one may want to know how the Democratic party came by this Republican doctrine in its platform of 1884. It was borrowed by it to meet the emergencies of the last campaign; but, being found inconsistent with free-trade philosophy, it has been allowed to fall into "innocuous desuetude." The nobility and dignity of labor always has been and is now the battle-cry of the Republican party.

This side of the House claim that taxation "can and must be reduced" in a way not to affect unfavorably American labor or any other American interest. In the beginning of these remarks I indicated a plan for doing this, and will now outline another, upon the ground that the Democratic party will not consent to the appropriations already spoken of.

WHICH SYSTEM SHALL GO?

First, then, we now have two distinct systems of taxation, two sets of officials, and two distinct sources of revenue. One system is by duties on imports, from which we receive about \$228,000,000 annually. The other is by an excise tax on alcoholic and fermented liquors and tobacco, from which we collect about \$118,000,000 annually. To collect the internal revenue it takes nearly four thousand persons at a cost of \$4,065,148.87 in 1887. About the same number are employed in collecting customs duties and at about the same expense.

Now, the economical business man will at once say, unless impracticable, one or the other of these distinct systems should be abolished and one or the other of these vast armies of officials should be disbanded. The only question is, which shall it be?

Gentlemen give as a reason for reducing present tariff duties that they are a war tax. They are only so in degree, for customs duties have been laid since the foundation of the Government. The First Congress, on July 4, 1789, passed—

An act for laying duties on goods, wares, and merchandise.

The preamble of that act was as follows:

Whereas it is necessary for the support of Government, for the discharge of the debts of the United States, and the encouragement and protection of manufactures that duties be laid on goods, wares, and merchandise imported.

Now, in passing, let me ask my free-trade friends to notice that here is a declaration by the fathers in favor of a protective tariff which they now denounce as "pillage and robbery."

Washington approved that bill, and Madison and many others who framed the Constitution were members. This was an act worthy of Independence day. It announced a principle, the principle of protection, which shall be as imperishable in the American system as the Declaration of Independence itself. Thus early was custom-house taxation established, and it has been the settled policy of the Government since. No one pretends, not even the free-trader, that this system can be wholly dispensed with. If, in this day of peace, war taxes should be reduced, as they should, then, first of all, reduction should be made of excise taxes, for they are in every sense war taxes.

THE INTERNAL-REVENUE SYSTEM TEMPORARY.

The creation of the present internal-revenue system was a war measure to meet the extraordinary demands of the Government for money, and was understood at the time to be temporary in character, precisely as was the internal-revenue act passed to meet the emergencies of the war of 1812, and that also of 1792, to meet the unpaid expenses of the Revolutionary war. Neither of these old acts were retained a moment longer than the necessity lasted. So should we now hold to the same policy of treating the present internal-revenue system as temporary,

and as rapidly as possible dispense with it, and return to productive employment the four thousand men who now feed at the "public crib," and thus save in the expenses of the Government \$4,000,000 annually.

This would be conducting the Government on business principles. But to the question of reduction, we must cut off from present revenues \$60,000,000. I have already given some reasons for the repeal of the tobacco tax, and others might be given, the principle of which is that it is a home product and consequently a direct tax upon one of our industries. This is \$30,000,000 and would reduce the internal revenue force about one-third, and the expense of it probably over \$1,000,000 annually.

But what of the other \$30,000,000? The tax on distilled spirits and fermented liquors was \$87,509,200 in 1887. If this tax were only about \$30,000,000 I would make the reduction here.

THE WHISKY RING.

"What," says some one, "take the tax off from whisky?" "Yes." "And have free whisky?" "No; I would have prohibition." But why take the tax off from whisky? Because it has produced a powerful combination, known as the "whisky ring," which has done and is doing more to debauch public sentiment and corrupt political action than all other causes combined. This ring makes enormous profits out of the business, which are prostituted to the worst of purposes. It has a way of strangling temperance and other wholesome legislation, not only here at the national capital, but in the States where it is most powerful. The report of the Commissioner of Internal Revenue shows 969 distilleries in operation, which produced, in 1887, 75,974,376 gallons of whisky. This would be an average of 78,404 gallons to each distillery. It is susceptible of perfect demonstration that at least \$1 profit is made on each gallon by the distiller. This would give each one \$78,404 net profit on an average—some more and some less. This amount of money makes the "whisky baron" capable of much good or evil. On each gallon of whisky the distiller pays to the Government a tax of 90 cents, but not when it is made nor on the amount then made. It is first put into a bonded warehouse owned by the Government, and kept three years at the expense of the Government, guarded by Government officers; and on every barrel of 40 gallons $7\frac{1}{2}$ gallons are deducted for leakage, whether there is any in fact or not, and on the balance, then ripe and mellow for the market, the tax is paid, but not if in the mean time the whisky is destroyed by fire or other casualty. In that case the tax is wholly remitted. All these privileges have been granted at the dictation of the "whisky ring," which has its sentinels on constant duty here at the Capitol to see that no harm comes to its interests. I would have this tax repealed at the first practicable moment, because I do not believe the American people can afford to remain in copartnership with these 969 "whisky barons" in this nefarious business and divide the profits by taking 90 cents as often as the "barons" take \$1. The terms is not the point of my objection; it is the character of the business. I am for its repeal, also, because of its neutralizing effect upon prohibitory laws in prohibition States, by granting in these States licenses; thus giving moral support, in fact legal sanction, to license as against prohibition. This is illustrated by the fact that in the State of Vermont, a prohibition State, the United States has 498 licensed retail dealers in spirituous and fermented liquors, and

nine wholesale dealers, and collects from them a revenue of \$13,150 annually. The effect of this can not be otherwise than demoralizing upon local prohibitory legislation. For these reasons and others that might be given I can not look with favor upon the whisky tax or any part of it, and can tolerate it only so long as absolutely necessary.

But it is suggested by some that this tax on whisky makes it so expensive that less is drank, and to some extent this may be true. It is also apparent that we can not now spare from our revenues the whole of this \$87,000,000, and to cut off the necessary \$30,000,000 would neither reduce the expense of the system nor mitigate its evils. When touched at all it should be torn up root and branch, and public opinion should be educated up to this point as against the time when it can be done. The fact, also, that whisky is a luxury, and as such a proper object of taxation, naturally raises the question, whether this reduction can not be made on some of the necessaries of life? And this leads up to the sugar question.

THE SUGAR QUESTION.

In 1887 we imported 2,377,729,920 pounds of sugar and 36,817,636 gallons of molasses, which cost us \$74,242,279.20. On this we paid \$58,016,686.37 duties.

Here is an instance where it is fair to say that to the consumer the duty is added to the cost of the article, for the reason that there is not sufficient production of sugar in the United States to reduce the price, our product in 1887 having been 269,533,920 pounds of sugar and 21,508,734 gallons of molasses.

If to the cost of this importation the duty be added, it presents the sum of \$122,258,965.54, which the people of the United States paid for foreign sugars in 1887. The Government does not need that portion of this sum paid into the Treasury, and, if possible without injury to the sugar industry, the people should be relieved of this heavy tax on a food product.

But worse still for the American people is the fact that we send \$74-242,279.20 every year out of the country for sugar when we ought to produce every pound ourselves. The development of this industry has been very slow, although all the time protected by a high duty. But the truth is the plant for the manufacture of sugar from cane or sorghum or beets is very expensive. The American people have paid during the last ten years almost \$500,000,000 duties on this necessary article of food; and though sugar is quite cheap, because of greatly increased production in France and Germany, yet they justly complain of this heavy tax. And I declare that it is the only duty through the whole tariff schedule of which the people have any right to complain or of which they do in fact complain. Now what shall be done? Shall the duty be removed and the industry be abandoned? I say no; the industry must not be abandoned. It was said on this floor the other day that sugar voted the Democratic ticket. I am sorry for that, it ought to know better; but must be protected just the same. Louisiana has 3,000,000, acres of land suited to cane growing, but now has only 100,000 under cultivation for that crop. Sugar from sorghum is being profitably produced in New Jersey and Kansas, and there are millions of acres in these States and others adapted to the growth of sorghum.

In California the Alvarado Company has already turned out 6,884,336 pounds of refined sugar from the beet at a fair profit, and other similar enterprises are in contemplation in that State, and only await the action of Congress on the tariff. We seem to be on the very point

of rapidly advancing to the production of our own sugar. The prospect is indeed flattering, and such as to inspire courage to try the effect, for a season, of more vigorous protection still. The value of American sugar in 1887 was \$16,172,834.20. This is an item not to be despised. Yes, the sugar industry must be protected. The question is, how shall it be done with the least possible burden upon the people? And here may it not be possible to learn something from the history of the sugar industry in France and Germany? The discovery of the process of making sugar from the beet was in the time of Napoleon I. The story is an interesting one, but too long to be given here. Its growth from the first was stimulated by heavy bounties. In 1830 4,000 tons only were made, but under liberal bounties its product was doubled every ten years, reaching 448,300 tons in 1886. The bounty now paid is 2 cents per pound on exports, and imports are prohibited. Along with the production of sugar went also the culture of wheat and the fattening of cattle.

In 1870, when Louis Napoleon visited the fair at Valenciennes, a triumphal arch was erected with this inscription:

SUGAR MANUFACTURE.

Napoleon I, who created it.

Before the manufacture of beet sugar the arrondissement of Valenciennes produced 695,750 bushels of wheat and fattened 700 oxen.

Napoleon III, who protected it.

Since the manufacture of beet sugar was introduced the arrondissement of Valenciennes produces 1,157,750 bushels of wheat and fattens 11,500 oxen.

In Germany under similar bounties and the prohibition of imports the product rose from 346,664 tons in 1875 to 997,962 tons in 1886. But, says some one, bounties are un-American, and the practice of granting special protection in this way must not be entered upon. I must admit that I share this prejudice against granting bounties out of the Treasury, and believe that as a rule all necessary protection can be given in the simplest and best way by duties on imports. But there are exceptions to all rules. Indeed, it has been said that the exceptions are the best proof of the rule.

The sugar question is exceptional in many particulars. It is exceptional in the large amount of sugar imported; in the great total of duties paid upon importations; in the great expense of the plant for its manufacture; and in the failure of the present duty to stimulate production; and it is the province of real wisdom to recognize these facts and act accordingly. I would consent to bounties only in exceptional cases and to serve a temporary purpose, and not as a permanent policy.

PLAN OF REDUCTION.

Now then, I would dispose of the sugar question and with it the surplus, by taking \$25,000,000 off the duties on sugar, and would pay out of the Treasury a bounty of 2 cents per pound on the production of all domestic sugars in quantities not less than 100 pounds, which would amount to about \$5,000,000. This, added to the \$25,000,000 taken off would reduce the revenues \$30,000,000, and would save to the American people \$20,000,000 in the price of sugar.

It would give sugar considerably more protection than it now enjoys, and ought to give the industry a start. This bounty could be paid through the present internal revenue bureau without additional expense, and, if granted, I predict it would so stimulate production that within five years we should produce every pound we consume and have sugar to sell. Then, with the industry once established, this bounty could be withdrawn and suitable protection given by customs duties without the present heavy burden upon the people, for then our im-

portations, if any, would be light. Meanwhile I should hope public opinion would gradually, but surely, crystalize into a demand for the overthrow of the "whisky ring" by the repeal of the whisky tax, and we could then return to the settled peace policy of the Government, by raising revenue from customs duties only; and this is how I would reduce taxation and at the same time protect every American interest.

VERMONT AND KENTUCKY.

And here, just a word before I sit down, in reply to my friend, the gentleman from Kentucky, Governor MCCREARY, who, to show the good standing of his State, compared her to the little State which I have the honor in part to represent. How so large a boy as Kentucky could expect any very great credit by pitching into such a little fellow as Vermont I could not then understand and shall have still to leave to the gentleman from Kentucky to decide for himself. The point he made was that Vermont came a little first into the Union, had been a protection State, and now had but two members on this floor, while Kentucky had eleven. And hence, if Kentucky had been a laggard, as the gentleman from Pennsylvania, Judge KELLEY, charged, Vermont was another, and a worse one.

To begin with, let me say, as accounting in part for Kentucky's superior numbers in this body, that it will be seen that with less than five times the population of Vermont she has one more than five times the members. This is because Vermont has a large unrepresented remnant, while the remnants of Kentucky are all here. The question raised by the gentleman as to the comparative standing of these two States can not be confined to area and population alone. If that were all, it would be disposed of by saying: Behold! Forty thousand square miles is more than 9,135, and 1,648,690 population is a greater number than 332,268. This in itself would carry but little information. The real question is, according to her area and population, is Kentucky more or less of a State than Vermont? Certain figures from the Tenth Census are full of instruction on this point. They may be found in the subjoined table.

From them it appears, among other things, that with four and one-third times the area of Vermont, Kentucky has only three and one-half times as many acres of farm lands, which are worth only two and eight-tenths times as much. In other words, Vermont farm lands are valued at \$33 per acre, while Kentucky farm lands are valued at only \$27 per acre. It also appears that Vermont is greater, not relatively, but actually greater in grass than this blue-grass State of Kentucky, for in 1880 she cut five times as many tons of hay, and considering the great fame of the blue-grass lands of Kentucky, this ought to speak fairly well for the hillsides of Vermont.

Not only is Vermont ahead in grass, but she is a long way ahead in the production per acre of corn, wheat, and oats. The average, as shown from the ten years from 1876 to 1886, is as follows:

1880.	Vermont.	Kentucky.
Bushels of wheat per acre.....	14.8	9.6
Average home price per bushel.....	\$1.10	.72
Average value per acre.....	\$20.91	8.03
Bushels of corn per acre.....	35.5	26.7
Average home price per bushel.....	.66	.34
Average value per acre.....	\$21.66	\$8.58
Bushels of oats per acre.....	34.5	20.2
Average home price per bushel.....	.37	.32
Average value per acre.....	13.31	6.72

In passing, let us hastily draw one or two conclusions from these figures: Moral No. 1 is that Kentucky and every other free-trade State should profit by this better style of farming in a State where the people believe in protection. That they should develop their resources and create for themselves home markets for the sale of their agricultural products. Moral No. 2 is that Vermont farmers should understand that they are doing better than is done in States the fame of which is far greater; that they have a right to be proud of Vermont, and, to save her from the reproach of a small delegation in Congress, should stick by her and help swell her population.

Mr. McCREARY. Will the gentleman from Vermont allow me—

Mr. GROUT. I can not yield, because my time has almost expired, but will listen to a question.

Mr. McCREARY. I wanted to make a single statement in justice to myself. On the 1st of May I was replying to the speech of the gentleman from Pennsylvania [Mr. KELLEY]—

Mr. GROUT. I can not yield to the gentleman to interject a speech into mine, but will yield for a question.

Mr. McCREARY. Will the gentleman inform me whether you have any public fund for education in Vermont, and whether you have any institution for the deaf and dumb? I assert you have none.

Mr. GROUT. I can not yield, but will say Vermont has a school fund, but needs no institution for the deaf and dumb. Her people all talk and frequently hear more than they want to.

Mr. McCREARY. Or whether you had an insane asylum in Vermont until 1836?

Mr. GROUT. There is no better asylum for the insane any where in the United States than at Brattleboro, Vt.? It has patrons from all over the country, and I presume some are there from Kentucky. It would be a good place for free-traders.

Mr. McCREARY. I want to ask the gentleman from Vermont one more question.

Mr. GROUT. Very well; I yield for a single question.

Mr. McCREARY. If the population of Vermont at the beginning of the century was 152,000 and that of Kentucky 158,000, and if now the population of Vermont is 332,000 and that of Kentucky 1,648,000, do you not concede that those figures show greater progress in Kentucky than Vermont?

Mr. GROUT. It shows, perhaps, that the people are more prolific in Kentucky, though I am hardly willing to admit that. The true ground, aside from area, on which to account for this difference in population is that large numbers of our people go West. We have, in fact, a larger population outside of Vermont than in it, and I have constituents all over the West. Only yesterday I was called on by two gentlemen, one a Vermonter in Illinois, another in Wisconsin, who, though strangers to me, have not lost their interest in Vermont.

Mr. McCREARY. I want to ask the gentleman from Vermont a very short question. It is this: Does not protection reach Kentucky as well as Vermont?

[Here the hammer fell.]

The CHAIRMAN. The time of the gentleman from Vermont has expired.

Mr. GROUT. I want only a few minutes more, and will then answer any questions.

Mr. McCREARY. I ask that the gentleman have additional time. There was no objection.

Mr. McCREARY. Now, if the gentleman will permit me to repeat my question, I ask him if that protection he speaks of, and which he says has done so much for Vermont, does not prevail in Kentucky and all over the United States?

Mr. GROUT. Certainly, only you do not believe in it; do not improve your opportunities. But I am only giving you facts and figures, and on your own ground, too, for you said Vermont had all the time been a protection State, but was behind. All I have to say is that these figures show what a people who believe in protection and practice its economy can do.

Mr. McCREARY. But we believe we have prospered so well with protection that without the robbery which protection brings we would be more prosperous. But I deny that your figures and comparisons are correct.

Mr. GROUT. The figures are taken from the Tenth Census. Those relating to the relative corn, wheat, and oat crop came from the Agricultural Department, and those relating to the late war from the War Department. There is no escape from the figures.

Another noticeable thing in the table below is, that though Kentucky has instead of one and one-half times as many, say, almost twice as many, milch cows, yet Vermont actually makes the most butter and cheese—one and a half times as much butter and twenty-seven times as much cheese. In Vermont 115 pounds of butter are made from each cow, in Kentucky 60 pounds. This shows the difference between a people who believe in protection and one that believes in free trade. As explaining this in part, the table shows that Kentucky has one hundred and ninety-five dealers in oleomargarine, while Vermont has none.

Instead of stripping her cows and making butter and cheese, Kentucky eats oleomargarine and grows eloquent over "the markets of the world." [Laughter.]

Not only do Vermont fields wave with grass and grain and the cows give down their milk in that protection State, but the sheep also know their friends, and yield $5\frac{3}{4}$ pounds per head of wool in Vermont, but only 4 pounds per head in Kentucky, whose statesmen think the place for wool is on the free-list. Thus far Vermont is ahead, but candor compels me to admit that there are three things in which Kentucky takes the lead, namely: illiterates, saloons, and mules and asses. [Laughter.]

Vermont's per cent. of illiterates is 8.68; Kentucky's, 36.79. In Vermont there is one saloon for every 667 population; in Kentucky one for every 445. Vermont has 283 mules and asses; Kentucky, 116,153. [Laughter and applause.]

These figures also show that with one-fifth the population Vermont has more than one-half the capital in manufactures. And yet she is an inland, mountain State, with neither coal nor iron. Give her the one-hundredth part of the coal and iron of Kentucky and she would show what could be done with it. Think of it! Ten thousand square miles in one coal field. A larger area than all Vermont, and 4,000 in another. This ought to make Kentucky mistress of the Southwest. Some one has said that coal is empire, and on this formula, that coal is heat, heat is power, and power is empire. Let but Kentucky set herself about the development of her iron and coal and the creation of home markets for the sale of her agricultural products, and a more than regal crown awaits her in the day of her industrial activity, now near at hand. Indeed, the light is already breaking on her hilltops and she is stirring herself for the morning. She already has three Re-

publican members on this floor who are staunch believers in the doctrine of protection as taught by that great Kentuckian, Henry Clay, and the returns are still coming in. [Applause.] Another thing shown by this table is that the per capita wealth is \$270 in Vermont and only \$213 in Kentucky.

Thus far do these comparative figures show for Vermont superior results and superior quality, and quality is often a far better test of merit than quantity. These figures, however, only relate to the material side of things.

But attention might be called to other fields, in which Vermont would not suffer in comparison with Kentucky. Take, for instance, the other end of the Capitol, where the little State of Vermont, in the persons of her Senators, is at the head of the two great committees of the Senate. The one, Finance, presided over by the distinguished author of the Morrill tariff, by which his name has become imperishably set in history, and who, full of years and full of honors, can look back through a third of a century of honorable service at this Capitol, the last twenty-seven years of which, under the tariff of his name, presents the very brightest chapter in all our history. The other, the Judiciary, first in importance in that judicial body, presided over by the first lawyer in this great country, whose great ability, great learning, and great good sense easily make him the admitted chief, the noblest Roman of them all. So much for Vermont in the United States Senate. In a scale of one hundred Vermont claims 100 points. How many does Kentucky claim? Here again the test is one of quality, not of quantity.

Mention might also be made of another great Vermont lawyer, whose great name so recently brought him dangerously close to the highest judicial honor in the land. And the only hope of Vermont is that the one selected may bring to that high seat the learning and culture and judicial sense which so distinguishes the gifted Vermonter, whose only fault is that he is a Democrat. But the motto of Vermont is to do even a bad job well, and so she turns out first-class Democrats, and the minister at the court of St. James is first of his class. [Applause.] If not going back too far, I would give the gentleman from Kentucky the name of Ethan Allen, whose statue Vermont has placed in Memorial Hall, and who, with a handful of Vermonters, to the surprise of military men the world over as to how it could have been done, as well as to the garrison, captured from the British, in 1775, Fort Ticonderoga, demanding its surrender in the darkness of night by the light of a burning taper "in the name of the great Jehovah and the Continental Congress."

Here again it was quality and not quantity. I would also give him the name of Stannard, who, with his brigade of Green Mountain boys, in the very nick of time fell upon the flank of Pickett's charging column at Gettysburgh and turned the tide of that great and decisive battle in the late terrible struggle for the preservation of the Union, over the blessings of which all tongues are now eloquent. [Applause.] Let me also here call attention to another fact, namely, that in that bloody contest for the supremacy of the old flag, Vermont laid upon the altar of her country a larger sacrifice than any other State of those killed in action, which is the supreme test of devotion in that supreme moment when battles are lost or won. In other words, the per cent. of her troops killed in action was greater than that of any other State. The per cent. between Vermont and Kentucky is as follows: Vermont had one killed for every thirty-two and two-thirds men in the service; Kentucky had one killed for every fifty-four men in service. But this estimate includes colored troops. If white troops alone are taken Kentucky's

per cent. would be one for every thirty-seven, which leaves Vermont four and one-third points ahead. Mr. Chairman, I do not care to pursue this comparison further, and will leave with my friend, the gentleman from Kentucky, who is a good judge of facts and figures, to say whether he thinks Vermont is, after all, very much behind Kentucky. [Applause.]

1880.	Vermont.	Kentucky.
Population	332,286	1,648,690
Square miles	9,135	40,000
Assessed valuation.....	\$86,806,775	\$350,563,971
Acres of land in farms.....	3,286,461	10,731,683
Farm values.....	\$109,336,010	\$299,298,631
Value of farm implements.....	\$1,879,285	\$9,734,634
Tons of hay	1,051,183	218,739
Milch cows.....	217,033	301,882
Pounds of butter.....	25,240,826	18,211,904
Pounds of butter per cow.....	115	60
Pounds of cheese.....	1,545,789	58,468
Sheep.....	438,870	1,000,269
Wool.....	2,551,113	4,592,576
Capital in manufactures.....	\$23,265,224	\$45,813,039
Illiterates.....	28,674	607,578
Per cent.....	8.68	36.79
Saloons.....	498	3,702
Number of population to each saloon.....	667	445
Mules and asses.....	283	116,153
Number of men in late war:		
White	33,168	52,057
Colored.....	120	23,703
Total.....	33,288	75,760
Number killed in action.....	997	1,390
Number of men to each one killed:		
White.....	32½	37
White and colored	32½	54

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