

As a tariff law interferes with the natural laws of trade, one who proposes a protective tariff, takes upon himself the burden of proof to show, first, that a protective tariff is right in principle; second, that it is wise as a public policy, and, third, that it is necessary. And, yet, what protectionist attempts to present an argument in support of any one of these propositions?

Is it right to tax all of the people for the benefit of a few? Where a community has attempted to collect taxes for the aid of an industry, even when the industry was to be located in the community, the highest court in the land has declared such a tax to be larceny in the form of law. If a city government cannot rightfully tax all the people to bring an industry into the city, where such benefits as are conferred are more easily seen and more universally enjoyed, who will say that a farmer in the Missouri Valley can be rightfully taxed to support an industry in a distant state?

As a matter of public policy, is it wise that the industries that do pay should be compelled to carry upon their backs industries which, according to the arguments made by their representatives, could not live without aid? Have we not seen this system introducing corruption into politics, and is it not building business upon an unsubstantial basis? Having secured a tariff from one party, the beneficiaries loudly declare that the country will be ruined if any other party obtains control of the government. Manufacturers have intimidated their employes and threatened them with a reduction in wages unless a party favorable to the system was continued in power. This is an old device, and there are indications that it is being resorted to again. The New York Leather Belting Company has sent out a number of letters to companies with which it has business dealings, asking them to post in their factories a notice saying:

"Believing that the election of Taft and Sherman means a safe and conservative administration, the day following the election we shall start this plant on full time and keep going."

Here is a direct attempt to influence the election by a bribe. It is virtually a promise of wages if the Republican ticket is successful and an implied threat in case of Democratic success; but the offer is so made that it gives the employes no guaranty of its fulfillment. The same kind of promises were made in 1896, and yet for six months after the election times were worse than they were before. There were business failures and bankruptcies, and many institutions that promised their employes steady work and good wages, shut down or reduced wages. If any factory posts up the sign which the Leather Belting company is sending out, the employes ought to get together and ask for a guaranty as to the amount of the wages they are to receive and as to the length of time during which the guaranty is to extend. If the votes are to be bought, the purchase price, at least, should be made secure. If the employes' heritage—citizenship—is to be sold, he ought, at least, to be sure of his mess of pottage.

But the whole system is vicious. Business should not be built upon legislation; it should stand upon its own merit, and when it does stand upon its own merit we shall not only have purer politics, but we shall have less fluctuation in business conditions and a more equitable distribution of the proceeds of toil.

I cannot pass from this part of my subject, without calling attention to the fact that Secretary Taft has allowed himself to be drawn into the use of an argument which the beneficiaries of protection have been employing for a generation. Speaking of the gradual substitution of a revenue tariff for the protective system, he says in his notification speech:

"The introduction in power of a party with this avowed purpose cannot but halt the gradual recovery from our recent financial depression and produce business disaster, compared with which our recent panic and depression will seem small indeed."

Here is a threat of a panic if the Republican party is not retained in power. This panic argument was worked overtime in 1896, but I am surprised that a Republican refers to it in the present campaign.

We have had three panics since the Republican party was born: the panic of 1873, the panic of 1893 and the panic of 1907. The panic of 1873 came after the Republican party had been in complete control of the federal government for twelve years, and eleven years before our party succeeded in securing control of the executive branch of the government. The startling "panic and depression" of 1873 occurred in the very midst of Republican rule, just after a Republican victory, and under a high tariff. Is it not strange that Secretary Taft should forget this panic, when he warns us to beware of any departure from the protective system?

The panic of 1907 came after the Republicans had been in complete control of the federal government for more than ten years. They had had an opportunity to do everything that they wanted to do and to undo everything that needed to be undone, and we were under such a high tariff that even Secretary Taft admitted the necessity of revision. This panic was so bad that banks felt it necessary to do something that they had never done before, namely, arbitrarily limit the amount of money that depositors could draw on their own accounts. Ex-Secretary Shaw says that the stringency of 1907 was

"the severest the world has ever witnessed." With this panic fresh in his mind, is it not strange that he should argue that his election is necessary to prevent a panic?

I have referred to two of the three panics, both of these coming under conditions which compel the Republican party to accept the responsibility for them. Now, let us consider the panic of 1893. If that could be properly charged to the Democratic party, it would only be one Democratic panic to two Republican panics. But can it be fairly charged to the Democrats? It came, it is true, a few months after the inauguration of a Democratic president, but it came while the McKinley high tariff was still in effect and before a single Republican law had been repealed, and it came from causes that were in operation before the election. In fact, it was the failure of the Republican party to do its duty and satisfy the people that brought about a Democratic victory, and these causes would have brought on a panic, even if the Republican party had remained in power. Now, this is the record, and yet, in spite of this record, the Republican candidate presumes to threaten a panic in case of Democratic success.

The third proposition which the protectionist must establish, namely, that the tariff asked for is necessary, is still less considered. It is true that we pay higher wages per day than are paid elsewhere, but that does not necessarily mean that the actual labor cost of an article is higher here than abroad. On the contrary, the rule is that high priced labor produces a cheaper article than low-priced labor. Manufacturers of hardware will tell you that they can export hardware which contains a great deal of labor and a small amount of raw material, but that they cannot export hardware in which the raw material constitutes a large proportion of the value. We are sending manufactures of steel all over the world. The steam engine, for instance, is made by skilled labor, and yet we can send it abroad and defy competition. Our electrical machinery is made by skilled labor, and yet we have no fear of foreign competition, even in the foreign markets. Our agricultural machinery is made by skilled labor, and yet we export it to all countries. Our sewing machines are manufactured by skilled labor, but the American traveler finds our sewing machines everywhere; and the list could be extended indefinitely.

For twenty-five years the American working man has been told that he receives higher wages than the English workman solely because of protection, but our wage earners now know that this cannot be due to protection, because the English workman receives higher wages than the German workman, although the German tariff is higher than the tariff of Great Britain.

Protection does not make good wages. Our better wages are due to the greater intelligence and skill of our workmen, to the greater hope which free institutions give them, to improved machinery, to the better conditions that surround them, and to the organizations which have been formed among the wage earners.

A revenue tariff will not bring a panic; it will not inaugurate industrial depression; it will not reduce wages; on the contrary, it will stimulate business and give more employment, and a larger demand for labor will be a guaranty against the reduction of wages. A reduction of the tariff will reduce the extortion that is now practiced because of the high schedules; a reduction in price will enable more people to buy, and this larger demand for the goods will put more people to work and increase the number of industries. A lower price will greatly stimulate exportation, and manufacturers who are now crippled by a tariff upon what they use will be better prepared to enter the contest for supremacy in the world's trade.

We cannot hope to invade foreign markets to the extent we should, until we relieve our manufacturers of the handicap that protection places upon them in the purchase of materials they have to use. Neither can we hope to continually increase our exports without increasing our imports. Trade must be mutual if it is to be permanent. President McKinley recognized this, and in the last speech that he made he pointed out that we must buy from other nations if we expect to sell to other nations.

The Democratic plan does not contemplate an immediate change from one system to the other; it expressly declares that the change shall be gradual, and a gradual change is only possible where the country is satisfied with the results of each step taken. We elect a Congress every two years and a President every four years, and the people can soon stop any policy if the results of that policy are not satisfactory. But we believe that the experience the people have had with "protection for protection's sake" has led them to favor a restoration of the tariff by gradual steps to a revenue basis, and we are convinced that the advantages following each step will be so pronounced and that the benefits will be so universally enjoyed that there will be no cessation in the progress toward a system under which the tariff will be levied for the purpose of revenue and limited to the needs of the government. The low tariff law of 1846 did not produce a panic; on the contrary, it was so satisfactory that when the Republican party wrote its first platform ten years afterward the protective principle was not endorsed.