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of the depleted and depleting condition of the public treasury, as a result of republican extravagance, a tariff of 20 per cent ad valorem on raw wool is now proposed as a revenue necessity.

Hence, I take it that the duty of 20 per cent ad valorem on raw wool in this bill was because of the revenue which this item will produce. In other words, an ad valorem rate of 20 per cent on raw wool will produce more than \$13,000,000 in revenue, and the necessity for raising this revenue explains why wool is not on the free list in this bill. And I also take it that just as soon as the state of the public revenues will permit, raw wool will be placed on the free list. We all know that the appropriations have been made, aggregating more than \$1,000,000,000, for the next fiscal year, and by a republican congress, and the necessary revenue must be raised by this democratic house.

Robert J. Walker, the great democrat, who was secretary of the treasury in 1845, laid down the following rules, which ought always to be strictly observed in the writing of a democratic tariff bill:

First. That no more money should be collected than is necessary for the wants of the government economically administered.

Second. That no duty be imposed on any article above the lowest rate which will yield the largest amount of revenue.

Third. That below such rate discrimination may be made, descending in the scale of duties, or, for imperative reasons, the article may be placed in the list free from all duty.

Fourth. That the maximum revenue duty should be imposed on luxuries.

Fifth. That all minimums and all specific duties should be abolished and ad valorem duties substituted in their places, care being taken to guard against fraudulent invoices and undervaluations and to assess the duty upon the actual market value.

Sixth. That the duty should be so imposed as to operate as equally as possible throughout the union, discriminating neither for nor against any class or section.

Now, Mr. Chairman, there has been some dispute as to what the policy of the democratic party has been with regard to free raw materials, so let us examine the record and ascertain the policy of the democratic party at all times in the past when the question of free raw materials was being by it considered. I take the position that untaxed raw materials of manufactures has been the policy of the democratic party, and desire to submit the proof. In a letter written to the people by Robert J. Walker, November 30, 1867, he uses the following language:

But the tariff of 1846, although it remained much longer in operation than any other tariff and produced much more beneficial results, was susceptible of great improvements, especially in its application to the present condition of our country. First, the raw material of manufactures, as recommended in my first annual report, should be duty free, as is the practice of all enlightened nations. This proposition then made by me was

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to some extent defeated at that time by Mr. Calhoun. His argument was this: That, so far as no revenue was collected on the raw material of manufactures imported here, we must make good the loss from other articles, and that this was an unjust and unconstitutional discrimination in favor of American manufactures. My answer was, first, that it would never be unconstitutional to permit any one or more articles to come in duty free; second, that Mr. Calhoun had agreed to a large free list in the compromise tariff of 1832; third, that, in point of fact, there was no real loss of revenue, but a real gain, resulting in this way: That as our imports were measured by our exports, specie only liquidating occasional balances, and that as we reduced our exports we were necessarily diminishing our imports and decreasing our revenue. To illustrate this I said that dyestuffs are now free from duty and we have a considerable export of dyed goods to foreign countries; but if we impose a tax upon dyestuffs, which are admitted duty free by all other countries, we shall either annihilate or gradually diminish our exports of dyed goods, correspondingly decrease our imports, and diminish the revenue. This proved to be the case, as is shown by the tables of our exports of dyed goods under the tariff of 1846 as compared with those of 1842. After a close investigation of this subject and after examining the tariffs and the manufacturing establishments of foreign countries in 1851-52 and 1863-64 I am convinced that to admit the raw material of manufactures in all cases duty free would greatly increase our wealth, augment our exports, imports, and revenues, and diminish the burdens of taxation. Let us remember that in taking the duty off the raw material the consumers—the people of the United States—get the manufactured article at a lower rate. This, then, is another step in the reduction of taxes.

Mr. Chairman, you will observe that Mr. Walker says the then distinguished senator from South Carolina, Mr. Calhoun, defeated the proposition of free raw material in the tariff bill of 1846. Recently I was reading one of Mr. Calhoun's speeches on the tariff and found this expression: "That a tariff law should be written so that there should be 'equal burdens and equal benefits.'" Which at first blush is very confusing. But upon analysis from a democratic standpoint the fallacy should be easily discovered. In the first place, to my mind, it is not democratic doctrine, for the reason that the democratic party has always held to the proposition that any tariff is a tax and any tax is an evil, therefore, they should be laid so that the burden shall be as nearly equally borne, as is possible, by all the people. But when you go one step further, as Mr. Calhoun did, and say that a tariff should also be laid so that the benefits should be equally distributed among the people, then you destroy the doctrine that taxes are burdens, and, therefore, evils, but you say in effect that taxes are good things and put money into the pockets of the people. I say that is a republican doctrine and the very doctrine that the republican party has always carried out in their tariff legislation, and the effect has been that they have legislated money out of the pockets of the people and placed it in the coffers of the special interests. By their tariff legislation they have enriched the few at the expense of the many. By their tariff legislation they have made it possible for one man to get without earning what another man earns without getting. "They have enabled the slimy hand of greed to pick the pockets of the poor." (Applause on the democratic side.)

Mr. Guthrie, secretary of the treasury in 1856, made the following statement regarding free raw materials in his recommendation of the tariff bill of 1857:

In recommending for the third time the remodeling the schedules of the tariff act of 1846, and the reduction of the revenue from customs, I have felt constrained, by a conviction of its propriety, again to recommend as one of the modes of reducing the revenue, that the raw material used in our manufactures should be admitted free of duty.

Under laws of great wisdom and foresight, all manufacturing countries, except the United States, now admit the raw material used in their productions free of duty, thereby giving constant and profitable employment to capital and labor, and enabling their factories to furnish a cheaper article, and better command both the home and foreign market, with beneficial employment to their tonnage in making the exchanges.

The United States, under the federal constitution, enjoy perfect freedom of trade with each other in all their agricultural, manufactured, mineral, and other productions. As to the raw material produced in the United States and used in the factories of other countries, those countries under their laws obtain the raw material free, whilst we deny to the raw material produced in those countries and used in our factories the same freedom, thus falling to allow the same constant and profitable employment of our capital and labor, and the same beneficial occupation of the home and foreign market with cheap articles of our own manufacture and the same beneficial employment of our tonnage in making the exchanges.

Further on in this same report this great democrat says:

The principle is recognized that taxes should only be levied for the purpose of revenue, and I think it clear, inasmuch as the duty is not needed, that the principle would not be violated by authorizing the admission of the raw material used in our manufactures as proposed free of duty. It is suggested in contravention of the legislation of

other manufacturing countries, and as an indirect reduction of taxes on the consumer of the home-manufactured article, and may well be considered a step in advance toward free trade.

Hon. William R. Morrison, of Illinois, reporting the democratic tariff bill of 1886—and he was speaking for the democratic party in the lower house of congress—among other things, said:

The duties intended to be removed by the bill are chiefly those which tax articles used by our own manufacturers, which subject them to a hopeless competition at home and abroad with the manufacturing nations, none of which taxes such materials, that our own manufacturers may successfully compete both at home and abroad with manufacturing nations which do not tax materials, thus securing markets for the products of hands now idle for want of work to do.

Mr. Mills, in 1888, in reporting the Mills bill to a democratic house, and which was adopted by a democratic house, made the following statement regarding free raw materials:

With the markets of the world open to us our manufacturers may run their mills on full time, give constant employment to their laborers, with a steadily increasing rate of wages. With the markets of the world open to the sale of their products they will create an active and constant demand for all the raw materials required in manufactures, which will stimulate, promote, and reward the wool growers and the producer of cotton, hemp, flax, hides, ores, and other materials of manufacture. We are the largest producers of cotton in the world, we are second in the production of wool, we put on the markets annually quantities of hemp and flax, and our country is full of ores and coal. What we need is manufactures enough to consume all the annual product of these materials and create an active demand for them, so that our workmen may be constantly employed and receive high prices for their labor. To accomplish this our manufacturers must have markets for the sale of their wares, and these markets are to be found in foreign countries as well as at home. To take the foreign market from the foreign manufacturer we must produce our goods at a lower cost than he can. The principal elements of cost are labor and material. In many of our manufactures the labor cost is lower than in any country in the world, and if the cost of materials were as low here as in foreign countries we could produce our goods more cheaply than they and largely increase our exports to foreign markets. The annual product of our manufactures is now estimated at \$7,000,000,000, of which amount we export only about \$136,000,000, or less than 2 per cent. If we could obtain free of duty such raw materials as we do not produce and can only be produced in foreign countries, and mix with our home product in the various branches of manufacture, we could soon increase our exports several hundred millions. With untaxed raw materials we could keep our mills running on full time, our operatives in constant employment, and have an active demand for our raw materials in our own factories. If there should be no duty on any materials entering into manufactures, many articles now made abroad would be made at home, which, while it would give more employment to our own labor, would give a better market to many articles which we produce and which enter into manufactures, such as cotton, wool, hemp, flax, and others. With this end in view we have gone as far as we could and done what we could in the present condition of things to place our manufactures upon a firm and unshaken foundation, where they would have advantages over all the manufacturers of the world. Our manufacturers, having the advantage of all others in the intelligence, skill, and productive capacity of their labor, need only to be placed on the same footing with their rivals in having their materials at the same cost in the open markets of the world.

It will be remembered, I am sure, that when this bill reached the senate from the house, naturally the republicans were prepared to war against its adoption in that body, and did attack the measure from every possible quarter, but in obedience to the pledge of their party to the people and in compliance with the command from their own consciences, we find supporting this tariff bill in opposition to the forces against them, with all the strength and power that knowledge of being right gives in battle, such tried and true democratic senators as Isham G. Harris, Z. B. Vance, Daniel W. Voorhees, and James B. Beck, who were the democratic members of the committee in the senate having this bill in charge.

Hon. Richard Coke, in a speech in the United States senate, I think, stated the democratic position very clearly when he said:

Give us free, untaxed machinery and free raw material, such as coal, ore, wool, jute, and other textile products, these being the bases of all manufacture; a tariff devoted solely to raising revenue for the support of the government will doubly protect the American workingman's wages and send our cheapened goods without handicap into foreign markets to meet and defy the competition of the world. All the reasons for placing raw materials on the free list apply with twentyfold power to the machinery which manufactures it.

Not one pound of machinery engaged in the manufacture of any article on the dutiable list, or of raw material entering into any such article, should pay a single penny of tariff tax. All incumbrances, every hindrance, every ounce of weight that can be removed from our products should be taken away and American energy, resources, invention, skill, and genius given a fair opportunity of winning primacy in the commerce of the world. When this grand consummation shall occur, as it must sooner or later, and the sooner the better, the products of the workingman's labor, no longer confined to the home market as now, with its fitful seasons of high demand and glut, or to the manipulations of combines and trusts, will find