

Tariff Catechism

An interesting dialogue recently took place between Congressman W. A. Oldfield of Arkansas and one of his constituents. The dialogue is of such widespread interest and so pertinent at this time that The Commoner is glad to print the same in full as it comes from Mr. Oldfield's facile pen.

Every Commoner reader should carefully study this catechism:

Question—I am somewhat confused as to what is meant by the phrase, "raw materials," can you explain it to me?

Answer—Yes. Raw materials are those materials which are in their lowest and crudest form when they enter commerce.

Q.—Can you name some things which are raw materials?

A.—Yes. Cotton, wool, lumber, coal, iron ore and so forth are raw materials.

Q.—What do you mean by free raw materials?

A.—I mean that the raw materials such as I have just named, are free when they are imported into this country from a foreign country free of any tariff tax.

Q.—What do you mean by the terms tariff tax or customs duty?

A.—A tariff tax or customs duty is a charge which is paid at any customs house for the privilege of bringing a particular article into this country from a foreign country.

Q.—Does this tariff tax enhance the price of the article to the consumer?

A.—Yes.

Q.—Will you give me an illustration?

A.—Yes. If a foreign hat merchant has a particular kind of hat which he can afford to sell for two dollars and he brings that hat to this country to sell, and if he were not compelled to pay a tariff tax he could sell it for just a little more than two dollars, say two dollars and a quarter, but, if he is compelled to pay a tariff tax of one dollar on the hat, then, he must sell the hat for more than three dollars.

Q.—Well, I believe I understand that. Now, tell me, is the doctrine of free raw materials good democratic doctrine?

A.—Yes.

Q.—What democratic tariff bill can you name which recognized this doctrine?

A.—The democratic tariff bill of 1883, known as the Morrison bill, recognized it. The Mills bill of 1888, and its framers recognized this doctrine. The Springer bill, of 1892, another democratic tariff bill, and its framers advocated and recognized this principle; and the Wilson bill, of 1894, and its framers recognized this principle or doctrine of free raw materials.

Q.—What republican tariff bills have put into practice the doctrine of free raw materials?

A.—None.

Q.—Can you now give me the names of democratic leaders who have stood for this doctrine of free raw materials?

A.—Yes. Robert J. Walker, the great democrat who was secretary of the treasury when the tariff of 1846 was written, and James M. Guthrie, another great democrat and who was secretary of the treasury when the tariff of 1857 was written, both advocated the doctrine of free raw materials.

Q.—Can you give me the names of distinguished democrats who have advocated this doctrine of free raw materials of a more recent date, say since the civil war?

A.—Yes. Roger Q. Mills, William L. Wilson, William R. Morrison, John G. Carlisle, Benton McMillan, Clifton R. Breckinridge, Roswell P. Flower, Isham G. Harris, Z. B. Vance, Daniel W. Voorhees, James B. Beck, Richard Coke, John H. Reagan, Grover Cleveland and William J. Bryan.

Q.—Can you give me the names of some distinguished republicans who oppose the doctrine of free raw materials?

A.—Yes. John Sherman, Thomas B. Reed, Julius C. Burrows, Sereno E. Payne, President Taft, John Dalzell, Albert J. Hopkins, James S. Sherman, Reed Smoot, Henry Cabot Lodge, Joseph G. Cannon, Nelson W. Aldrich, Boies Penrose, Simon Guggenheim, Isaac Stephenson and William Lorimer, all of these leaders of the republican party and the protection idea oppose the democratic doctrine of free raw materials.

Q.—Can you give me any particular instance of any of the distinguished republicans you have just named expressing opposition to free raw materials?

A.—Yes. John Sherman, in his book entitled, "Forty Years in the House, Senate and Cabinet," says, "The dogma of some manufacturers, that

raw materials should be admitted free of duty is far more dangerous to the protective policy than the opposition of free traders; a denial of protection on coal, iron, wool and other so-called raw materials will lead to the denial of protection to machinery, to textiles, to pottery, and other industries.

Q.—What has Mr. Aldrich said on this subject?

A.—In 1909, when the Payne-Aldrich tariff bill was under discussion in the senate, Mr. Aldrich said he knew of no republicans and no protectionists who were in favor of the doctrine of free raw materials.

Q.—Well, I guess Mr. Aldrich would have known if any republicans and protection manufacturers were in favor of free raw materials, wouldn't he?

A.—Yes. Nobody in the country knows the personnel of republican leaders and the teachings of the republican party better than Mr. Aldrich.

Q.—I have read where some distinguished democrats have recently said that they believe in a small revenue duty on everything. Also, if we must have a tax on the finished product, then, the people who produce the raw materials should have the benefit of a tariff. How about this doctrine?

A.—I would say, beware of this doctrine.

Q.—Why?

A.—Because this sort of doctrine leads you to the conclusion that tariff taxes are not burdens, but benefits.

Q.—How is that?

A.—The republican theory is, that tariff taxes should be so laid that there shall be both equal burdens and equal benefits, although it does not work out that way, and in the very nature of things, can not work out that way.

Q.—Now, what is the democratic doctrine on this proposition?

A.—The democratic doctrine is, that all taxes are burdens and are therefore evils. The democratic doctrine is, that the power to tax is the power to destroy.

Q.—Does the democratic party believe that tariff taxes take money out of the pockets of the people?

A.—Yes.

Q.—What does the republican party teach that tariff taxes do for the people?

A.—The republican party says that "tariff taxes are not burdens," but they are good things and help the people.

Q.—Does not the republican party teach that all taxes are burdens?

A.—No. The republicans say that the more the people are taxed the richer the people become.

Q.—But, I have read where some prominent democrats in congress say that they do not believe in a free list, but that everything should be taxed a little.

A.—If you will converse with those same democrats for a little while you will discover that this is only a veil they use in hiding their real motives, and when you hear a democrat say he believes in a little tariff tax on all articles you may put it down that he is a protectionist and is more anxious to secure a high duty on something produced in his own district or state. In other words, he has herrings on the brain.

Q.—What do you mean by the last part of your answer saying he has herrings on the brain? What do herrings have to do with this question?

A.—Didn't you ever hear of the letter the Englishman wrote Sir Robert Peel when he was trying to destroy the protective system in Great Britain, back in 1842, asking him not to repeal the tariff on herrings?

Q.—No. Won't you please tell me about it?

A.—Well, Sir Robert Peel was the leader in the house of commons in 1842, in the fight to reduce tariff taxes in Great Britain, and while delivering a speech in the house of commons he read this letter from one of his constituents which is quite similar to letters which are being received by representatives and senators in congress now. Here is the letter: "I am a free trader in every other respect, but with respect to herrings I caution you against applying the general rule to them."

Q.—Why are the sentiments contained in that letter similar to the views held by representatives and senators who want a little tariff on everything?

A.—Because, while they are free traders in the products raised in other members' districts, they know they can not get the protection they desire on the products produced in their own districts, unless they concede a little protection

to articles produced in the districts and states of other representatives and senators.

Q.—Oh, I see. But, back to wool. Did you say wool is a raw material?

A.—Yes.

Q.—The woolen manufacturer is in favor of free or untaxed wool, is he not, since he would then get his raw material cheaper?

A.—The woolen manufacturer is not in favor of free wool; for the reason, that if there is a duty on raw wool, then the manufacturer is invariably compensated by having the duty on his finished products increased to the extent of covering all of the tax or duty he has to pay on his wool. Hence, the duty on the wool does not cost him anything, as he just charges it to the consumer who has to pay all of the duty on the raw wool and also the duty on the finished product of the manufacturer, together with interest and profits added.

Q.—Is there any other reason why the manufacturer of woolen clothing does not want free wool?

A.—Yes.

Q.—They want the co-operation and help and influence of the wool growers of the country to assist them in passing the kind of tariff legislation they want.

Q.—You don't mean to say that the woolen manufacturers and the wool growers together have so much influence over the people's representatives and senators at Washington that they can write the kind of wool and woolen bill in congress they want, do you?

A.—President Taft stated, after the Payne-Aldrich bill became a law that the influence of the wool growers and the woolen manufacturers prevented the republican party from revising the wool schedule downward, as should have been done.

Q.—Well, how would free wool help in the matter of tariff reform?

A.—If wool were placed on the list free of duty, then the producers of wool would demand that the duty on manufactured woolen goods be reduced to a revenue basis, and eventually, the finished woolen goods would also go on the free list.

Q.—I see. You would divorce the interests of the woolen manufacturers and the wool growers.

A.—Exactly. When protectionists fall out, honest people get their dues.

Q.—Can you illustrate this more fully?

A.—Yes. As soon as the Canadian reciprocity bill becomes a law, the farmers who have had the duty removed from their hogs, cattle, corn, wheat, oats, and so forth, are going to help take the tariff off the manufactured articles.

Q.—Will you explain this more in detail?

A.—Yes. When the tariff is taken off of wheat, then, the wheat grower will be ready to help the democratic party take the tariff off of flour. When the tariff is removed from the farmer's hogs and cattle he will be ready to help remove the tariff from pork and beef. When the tariff is taken off of wool, then the wool grower will be ready and anxious to take the tariff off of woolen cloth and woolen blankets and woolen fabrics.

Q.—Well, now I see that a tax on wool helps the wool grower and also helps the woolen manufacturer, but, whom do these duties hurt?

A.—Every man, woman and child in the United States who buys woolen clothing, woolen blankets, and woolen fabrics for protection from the winter's cold.

Q.—How much did the wool growers and the woolen manufacturers get of the people's money last year, owing to the high tariff on wool and woolsens?

A.—About four hundred million dollars.

Q.—How much did the woolen manufacturers get of this amount?

A.—They got about three hundred and seventy million dollars, and the wool growers got the balance.

Q.—Do you believe that all raw materials of manufacturers should be placed on the free list?

A.—Yes.

Q.—Why?

A.—Because the people would get the finished product cheaper.

Q.—Is it true, as I have heard some people state, that the consumers would not get the finished article any cheaper if the raw material were placed on the free list?

A.—Well, I believe I can prove by such republicans as Sereno E. Payne, Thomas B. Reed, and John Dalzell, that the consumers would get the finished products cheaper if raw materials were placed on the free list.

Q.—Well, I would like to have the proof.

A.—When the Wilson bill, a democratic tariff