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THE NEW FEED 'EM.

Why Low Tariffs Mean Low Wages
and
No Tariffs Mean No Work

By **BIRCH HELMS**

Published by
THE HOME MARKET CLUB
Thomas O. Marvin, Sec'y
Summer Street, - Boston

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THE NEW FEED 'EM.

Why Low Tariffs Mean Low Wages and No Tariffs Mean No Work.

By Birch Helms.

There was no doubt about it. Bill Cobb was down and out. At least Bill knew that he was, if no one else in the wide world did, for as he sat in the "smoker" of the "Chicago Express" with not a single possession to his name but a railroad ticket and some loose change, his unfortunate plight was more keenly evident than ever before. The rapid shifting of the scenery as the train thundered ahead only revitalized the swift course of events that had swallowed up his hard earned savings and blasted his aspirations for a successful future. Of average intelligence, the possessor of a strong, sturdy body and very willing to work hard, here he was after a bitter experience of two years' duration without a decent suit of clothes on his back. Whatever fond and ambitious dreams he may have cherished had long ere this vanished in his disheartening, disappointing daily search for a job, for when the pangs of unsatisfied hunger are sharp, little time can be devoted to building fantastic castles in the air. Absorbed in such gloomy recollections, Bill was the picture of despair, instantly attracting the attention and enlisting the sympathy of a middle aged gentleman who, as he sat upon the same seat, detected Bill sadly murmuring as if to himself:

"I am certainly a flat, dismal failure."

"A failure?" echoed the middle aged gentleman; "well, if that is the case, tell me about it, for I am a specialist on failures."

Conscious of having been overheard and realizing that he presented a sorry figure in his soiled and crumpled clothes, Bill was almost ashamed to look around at his fellow-passenger, but when he did, he gazed directly into clear blue eyes, which twinkled with such a kindly light, that whatever resentment Bill might have harbored be-

cause of this stranger's apparent attempt to pry into his private affairs was completely overcome by this, the first companionable, friendly glance bestowed upon him in many months.

"Here is my card; my name is Sullivan, as you will observe," continued the middle aged gentleman, handing Bill his business card: "I have been a traveling salesman for almost thirty-five years. Experience has taught me that business men do not devote a lifetime of hard work and economy to building up a business and reputation and willingly permit them to be swept away, unless conditions force them to fail. You may be a poor man, young sir, but not a dismal failure. Which are you, for there is a vital distinction?"

Now Bill had always dreaded the moment when he might be required to disclose his tale of woe. In days bygone, he had always scoffed at hard luck stories, divulged by beggars on the street. Why should others be any less incredulous than he had been. However, here at last was an opportunity to learn about other men just as hapless as himself, and from one who knew them personally. Misery loves company and Bill was no exception to the rule. Heretofore he had secretly nurtured his disappointments until they conspired to embitter him towards all whom he regarded more fortunate than himself but perhaps some friendly advice at this juncture might extricate him from his difficulties, so he concluded that it would be wise to confide in his open-hearted fellow-traveler.

A Democratic Tariff Experience.

"My parents," began Bill, "were immigrants. They settled at Minersville, Pa., where my father soon obtained employment in the anthracite coal mines. Although working and living conditions,

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as well as wages, could have been improved upon then, yet we were ten times better off than in the old country. While our neighbors spent their earnings freely, our family saved my father's wages, so that when he died a few years ago, there was a small inheritance for my mother and us children. Thereupon, I decided to discontinue my work in the mines, where I had started at the age of thirteen, when commencing in the collieries, and gradually advanced until at the age of thirty-three I was fire boss. With my own savings, for I had accumulated a small account in one of the local savings' banks, and with the money I inherited, I planned to enter upon the manufacture of celluloid collars, since for years I had been carefully studying the sales of these collars while working in the evenings at a dry goods' store in Minersville."

"Was it wise for you to discontinue your mining occupation in which you must have been proficient to undertake a manufacturing business of which you knew nothing, save perhaps the selling end?" commented the traveling salesman.

"But I entered into a partnership with an uncle, who had been employed for more than forty years in celluloid factories at Arlington, N. J., and Leominster, Mass. He was the superintendent of a small factory in Leominster, when we agreed upon our partnership. He had the manufacturing experience with a little money, while I contributed more money with an experience of fifteen years in selling celluloid collars to miners, who were to be our customers throughout the country."

"Together you constituted a practical, efficient business combination," replied the traveling salesman.

"So we thought," rejoined Bill, "but as you will observe events were not favorable. We arranged to commence our business in San Francisco, because of the small competition we would meet with upon the Pacific Coast, and because camphor, the chief raw material in the manufacture of celluloid, could be landed at our factory direct from Japan, thereby saving freight charges across the country."

"Business bad or good?" asked the traveling salesman.

"Business should have been flourishing after all the precautions we had taken against failure," remarked Bill reminisciently, "but we relied too strongly upon the assertion of the Democratic Party when it stated that a low revision of the tariff would not injure a single legitimate industry. Our prices were low, our profits very small, while the celluloid industry is divided among hundreds of small factories, employing only from ten to twenty-five workmen. There is no celluloid trust. But the Democrats, nevertheless, cut low the duty upon finished celluloid articles while a tariff duty was placed upon camphor. They cut away our protection upon the finished celluloid goods but taxed our raw material, for since camphor could not be produced in this country, domestic competition had no effect upon prices, with the result that Japan immediately added the duty to the original price of camphor."

"Did the Democrats, after claiming in the last election that they would place raw materials upon the free list, tax camphor—your raw material, and in addition reduce the protection upon your celluloid goods?" exclaimed the traveling salesman in amazement.

"Exactly," answered Bill. "They got us coming and going. As camphor comes only from the Island of Formosa in Japan, a tariff duty upon it would not protect a single American manufacturer but it did force the Japanese to raise their price for camphor. On the other hand, when the protection was taken away from our finished product, European countries and Japan undersold us in our own markets, because they paid their labor one-third to one-sixth what we paid ours, thereby having a much smaller cost of production."

"You must have faced a very serious problem?" suggested the traveling salesman.

The New Freedom Becomes the New Feed'Em.

"We reduced our prices until our goods were sold below cost," continued Bill. "Our workmen refused to take

less wages, asserting that they would not and could not come down to the level and standard of living that prevail among foreign workmen. There was no doubt that, as President Wilson said, we must whet our wits with foreign competition, but he neglected to state that our workingmen would also be required to compete with foreign labor. Finally, we were forced to reduce wages, so our workmen walked out of the shop, causing us to close down. Our mill was sold to pay the debts we contracted and I sailed for the Argentine Republic with some American machinists, who were looking for work. After a search of five or six weeks for jobs, with the best offer for skilled machinists at 43 cents a day for four working days in the week, and ham selling at \$1.60 a pound, a ten cent box of sardines selling at \$1.10, and all other eatables to which we were accustomed selling as high in proportion, we all came back by steerage instead of first class. Conditions in Argentina may be inferred from this item in the Buenos Aires Standard of July 21: 'In June 8,000 immigrants arrived and 28,000 emigrants left. In May 9,000 entered and 24,000 left. Others would leave if they could.'

"Why did you not remain in California or at least return to the coal mines in Pennsylvania, instead of experimenting in South America?" inquired the traveling salesman.

"I learned that the Underwood tariff law had injured the lumber, mining, sugar industries, and orange and lemon growing in California more than the celluloid business," responded Bill, "while the industries in Pennsylvania were running but a few days a week. There was little demand for coal because of closed mills and a mild winter, so that the mines were shut down. It seemed as if every state in the Union, except a few cotton states in the South, had more men out of work than it could take care of. I understood that there were to be large crops, but it would be a half year before farmers would need helpers and then for just a couple of months during harvest time. I wanted a steady job, not a job that would keep me at work a couple of months and un-

employed for the remainder of the year."

"It is true that business conditions have been depressed," added the traveling salesman. "One never appreciates how extensive this depression is until he has traveled throughout the country. The present wars in Europe may partially revive business in order to supply the needs of the combatants but such a stimulation is purely temporary. But do not let me interrupt you. Please continue the account of your experiences."

"Upon my arrival in New York City, I was unable to locate a job, so I went to Leominster, Mass., hoping that my uncle, who had returned there direct from San Francisco, could assist me. I was unsuccessful there. Without a cent, I then boarded a freight train for Boston. I shall never forget the winter night I arrived in Boston, cold and hungry. After walking around briskly in order to keep warm, I found room on a bench between two other occupants and huddling between them I tried to sleep. The next day, I tramped the city, looking for work, asking at cellar doors for a bite to eat. But labor was a drug on the market. Finally, a soup kitchen was opened, so I was assured of one meal every day. Two weeks ago, the manager of the soup kitchen secured a job for me on the docks. I worked hard, so yesterday he handed me this railroad ticket for St. Louis, where there is a position open for me as a gardener. I shall remain there until good times return to Pennsylvania coal mines or the celluloid business. Doubtless the European wars will revive business, as you say, for a short time, when I might return."

A Farmer's Experience.

"Pardon me, sirs," broke in a tall, loose-jointed but muscular gentleman, who, with a young man, occupied the seat directly in front of Bill and the traveling salesman, "but would you object if I reversed our seat so that my nephew and I might listen to your conversation, which I could not but overhear, and in which I am interested in as much as it relates to business conditions throughout the country. I am a farmer from the West and this young gentleman is my nephew. I have been

discussing the tariff question with him, citing to him many farming failures under Democratic tariffs similar to your experience in the celluloid industry. We farmers could not and cannot to-day compete with Canada, South America or foreign countries simply because our crops are usually late compared with the crops in other countries, while our farm help and farm land cost many times what farm help and farm land cost in foreign lands. My own inability to run a farm in 1893-96 under the last Democratic tariff constituted the last lesson I wish to learn under non-protective tariffs, for I not only realized that it was difficult to compete with the low prices of foreign farmers but that if no farm products should come into this country at all, the fact that our industries were idle or closed through Democratic free trade prevented workmen from buying our products and consequently our farm products sold at a sacrifice without benefiting anyone. However, my nephew, who is attending college in the East, has not yet learned the effort and the trial of earning a dollar, so he honestly believes in free trade. Like many other college men, he will be a free trader until he comprehends how difficult it is to succeed in life and just how protective tariffs restrict the ruinous competition of our working people with low paid and humbly housed foreigners."

"We will be pleased to have you join us," replied Bill and the traveling salesman simultaneously. "Will you not be seated?"

"You are a protectionist, I judge?" added the traveling salesman good naturedly, when the farmer and the young college student had become comfortably seated.

"I am, indeed, sir," asserted the farmer earnestly. "So ought every American citizen to be. I am for the full dinner pail."

"Oh, rubbish," laughed the young college student. "You protectionists, my dear uncle, always play to the gallery. You never rely upon reasonable arguments but endeavor to terrify workmen, thereby hoping to scare them into voting for a protective tariff with

threats of hard times, no work, no wages, starvation and ruin. The day is now past when our intelligent labor can be influenced by such fraudulent and extravagant arguments. Protective tariffs have departed never to return, until it can be proven that the farmer and workmen will benefit under them."

"To convince anyone that the economic policy, termed protection, is of real benefit to the farmer and workman, two methods are possible," responded the farmer. "The first method is to be learned through argument or from books and is defined as theoretical. The other method must be learned from the observations of practical experience and might be termed the practical method. The two methods are distinguished from each other by designating them as theory and practice. Bill Cobb, as his story illustrates, has learned the benefits derived from a protective tariff by endeavoring to operate a business under a tariff that is not protective. His failure has been his lesson, his teaching has been from the daily experiences of his life and business. As a college student, you can be convinced only by the theoretical method or by reason. Now theoretically the advantages of a protective tariff can be best demonstrated by comparing the national prosperity of the country under protection with the widespread depression under non-protective tariffs."

Tariff Laws and Custom Duties.

"May I ask what is your definition of a tariff and what is the precise difference between free trade, tariff for revenue, and protective tariffs?" queried the traveling salesman.

"A tariff, sir," responded the farmer, "is the amount of money that our government requires a foreign merchant to pay to it before he can land his products upon our shores and sell them in our markets. He must pay us for the privilege of selling in our markets since we have built up the United States from a wilderness, developing the most profitable market and the best purchasing public in the world. There can be no justifiable reason why our people should allow a foreign merchant, who employs

foreign workmen and does not even contribute to the support of our government, to receive the benefits of our markets, unless he pays us for them. The tariff law, which is passed by Congress, is thus a list or schedule of such imported articles that must pay to the government this amount of money, otherwise known as custom duties. As you all know, the foreign merchant sending goods into this country is called an importer and when goods are sent out of the country, they are said to be exported. Duties are specific when levied for a certain specified amount of money, as 10 cents per yard or per pound. Ad valorem duties are levied according to the value of the goods or upon a percentage basis, such as 10 per cent. of the declared value. Compound duties are a combination of both specific and ad valorem duties. Thus the rates of a tariff are specific, ad valorem and compound, but there are only two kinds of tariffs, protective and for revenue."

"What becomes of this money, collected by the government," cautiously inquired Bill, for he had followed the farmer's remarks only with considerable difficulty.

"The tariff or custom duties constitute a large portion of our national revenue, used to pay the current expenses of the nation. In 1910, our total revenue was \$899,640,373, while our custom duties amounted to \$333,683,445. In 1912 our total revenue was \$938,522,481, while our custom duties amounted to \$311,321,672. The United States must have sufficient money to meet its current expenses and maturing obligations, for our country has but little income, except what it secures by internal revenue taxes or by duties upon imported goods. Since direct taxation, with the exception of income taxes, is not seriously favored, much of our revenue must come from taxing foreigners, or from custom duties."

Free Trade.

"What is the distinction between free trade and a tariff for revenue?" interrogated a short, thick set gentleman, who had walked over to the group from across the aisle, and leaning over the

shoulder of the traveling salesman, now introduced himself as Mr. Noss of New Bedford, Mass., an executive officer in the United Textile Workers of America.

"Free trade," continued the farmer, "is an economic status where no tariff laws whatsoever exist. There is no restriction in the form of custom duties imposed upon trade or commerce. Trade is as free and as open as between the several states of the Union. Under free trade, it is claimed that everyone would be employed at that occupation for which he is best fitted. There would be a survival of the fittest. Before the world was civilized free trade existed everywhere. To return to free trade would mean that the entire world would soon be reduced to the same level from which it came, but it is doubtful whether any modern nation would be willing to return to such conditions. No country of any prominence or civilization is today without tariff duties, except semi-barbarous and savage races. It was Napoleon Bonaparte who said: 'If a nation were made of adamant, it could not stand up under free trade.' George Washington said: 'Harmony and liberal intercourse with all nations may be recommended by humanity but we should constantly keep in view that it is folly in one nation to look for disinterested favors from another. There can be no greater error than to expect or calculate upon real favors from nation to nation. It is an illusion, which experience must cure, which just pride ought to discard.' James Madison said: 'The theory which would leave to the sagacity and interest of individuals the development of industry and resources, supposes that all nations concur in a perfect freedom of commercial intercourse. But this golden age of free trade has not yet arrived. A nation leaving its foreign trade to regulate itself might soon find it regulated by other nations into a subserviency to a foreign interest. Rather than be dependent upon foreign sources of supply, let us favor internal and independent sources instead, and let the general rule of consulting cheapness alone, because foreigners, for want of a ready and profitable market at home, have shipped their goods into the United States at

prices below their current values at the place of manufacture.' Thus with Napoleon, Washington and Madison opposing free trade, it is apparent that other statesmen realize the disadvantages attending its restoration throughout the world, particularly since Democratic free trade principles have absolutely destroyed our great merchant marine and shipping of earlier days."

Tariffs for Revenue.

"How do you account for the fact that England is called a free trade country?" observed the young college student.

"Because free trade and a tariff for revenue are regarded as identical in many ways. In reality, England has a tariff for revenue, which as its name indicates, is levied for the purpose of raising revenue only to help pay the expenses of government. The supporters of this form of a tariff law, now having a doubtful majority in Great Britain, all believe in free trade theoretically, but as they must have money to run their government, they consider a revenue tariff as a necessary evil. If they could obtain revenue in other directions or by other means, all custom duties and tariff would be abolished, for since all government expenses would be paid from other sources, tariffs could be supplanted by free trade. Revenue duties are imposed upon those products that are usually not produced at home; protective duties are placed on articles that are produced at home. In England, the necessities of the poor, such as tea, sugar, coffee and tobacco pay the larger share of this revenue, with the result that revenue tariffs directly weigh upon the poor, for tariff taxes in England are 80 cents per capita more than in United States. However, let me add that after the present European wars have been terminated, England will again become a strong protective tariff country in order to protect her commercial interests."

"Do the Democrats, who publicly maintain that they stand for a revenue tariff, actually believe in free trade?" asked the traveling salesman sceptically.

"If they are consistent, they believe in free trade for the United States," an-

swered the farmer. "President Wilson and Mr. Champ Clark believe in absolute free trade while most Democrats agree with Senator Hollis of New Hampshire, Senator Thomas of Colorado, and Senator Williams of Mississippi, when they continually declare in the United States Senate that the Democratic party, if retained in power, will soon cut the tariff to a free trade basis."

"A lot those gentlemen know about running a mill, or a farm," caustically commented Bill. "They would not be so eager to place our workingmen and women in competition with foreign labor if they had ever had any practical business experience. Our country would be suffering terribly today if free trade instead of protective tariffs had prevailed since 1896. Our dependence upon Europe at the present time for supplies would mean destruction."

"Correct you are, sir," admitted the labor leader. "Those well-meaning gentlemen know more how to tell us in what manner to run our business but less how to do it themselves. It is just the difference between theory and practice, for it is one thing to tell how to accomplish a result but quite another matter to actually effect it."

Protective Tariffs.

"What do Republicans and Progressives stand for," testily inquired an aristocratic, silver-haired gentleman, who had joined the party and introduced himself as a gentleman from Mississippi, but in appearance bearing a marked resemblance to that dignified character, popularly known as a Kentucky Colonel. "Might I ask what their position upon the tariff question is, so as to be perfectly fair by permitting these gentlemen to compare their position with that of the Democratic Party."

"Certainly," responded the farmer, "they advocate the maintenance of a protective tariff, which as its name implies, aims to protect the American farmer, workingman and manufacturer from disastrous foreign competition. It protects us in our home trade by making a taxpayer of every foreigner who sends us goods and also shields our own labor and skill from the underfed labor

and underpaid skill of every other country in the world. It compels the foreign merchant to pay into the U. S. Treasury what he has saved by not paying his working people as much as our workmen receive. Protectionists maintain that since the foreign merchant pays much less for his labor than we do, he can make his goods for much less than we can in as much as the labor cost in farming and manufacturing constitutes by far the largest proportion of the final cost of production. If foreign goods are then sold in our markets at lower prices than our goods can be sold for, they necessarily will be purchased instead of our goods. This lessens the demand for our merchandise, consequently our mills must close down and work and wages must cease. The continuation of such an economic policy produces unemployment and hard times, for the commodities that our workmen and working women once made will then be produced by foreigners."

"Are not all excessively high duties protective tariff duties?" interrupted the gentleman from Mississippi.

"By no means," rejoined the farmer. "Protective tariff duties may be either high or low, so may tariffs for revenue. Many duties in Democratic tariffs are as high if not higher than duties in Republican tariffs. Under protection, high duties are imposed upon foreign goods only when such goods are being made in this country, or upon competitive commodities. Under tariffs for revenue, high duties are imposed upon articles not manufactured in this country, for in this manner sufficient revenue is obtained from the wares which must be imported."

Protection vs. Free Trade.

"How does the protective tariff operate compared with free trade?" queried Bill, endeavoring to relieve the visible embarrassment of the gentleman from Mississippi, who had always been convinced that protective duties must necessarily be high duties.

"Protection means American markets for American taxpayers, but free trade means American markets for foreign taxpayers," answered the farmer. "Recently the Democrats have undertaken a

campaign to capture foreign markets. In 1910 the manufactured products of our people amounted to \$20,000,000,000. Of this, \$2,000,000,000 found a market abroad, while \$18,000,000,000 was consumed at home. It should be our endeavor to extend our dollar market by every means in our power, but this should not be done at the sacrifice of our greater market, the nine dollar market. We shall never be stronger abroad by making ourselves weaker at home, for a revenue tariff or free trade never built a factory in the United States, never opened a mine, never built a fire in a furnace, but they have more than once extinguished fires built under protective tariffs. A revenue tariff as well as free trade, is primarily based upon large importations and every dollar's worth of goods imported means a dollar's worth less made by us."

"But your arguments are against the continuance of protective tariffs, not for them," exclaimed the young college student, "for if I can buy goods or groceries at lower prices from foreign merchants than I can from our merchants, why is it not good business for me to pursue such a policy? To buy in the cheapest market and sell in the dearest will certainly reduce the cost of living in a very short time."

"How can we buy commodities when we are not earning money to buy them with?" asked Bill very seriously. "If the foreign merchant wins our markets, as you now propose he shall do and also retains his own markets by means of protective tariffs, where can we sell the goods that our working people produce? Where will we obtain money to buy in the cheapest market, when foreigners are earning wages instead of us? You may be certain that no foreign nation will surrender its market to us, particularly if we are too weak to retain our own markets. During the last year, I have seen more bargains in food and clothes than ever before in my lifetime, but I could not bother about low prices when I was not earning enough money to buy a square meal."

"Why could you not earn money like anybody else?" retorted the young college student, somewhat disconcerted by Bill's remarks as he realized that one

well established fact in life's experience more than outweighs myriads of delicately spun theories.

Consumers Must be First Producers.

"Ah," laughed the farmer, good naturedly, "that is the weak point in the elaborate policies of free trade and tariffs for revenue. Their supporters cannot see far enough ahead to understand that if we buy from foreign merchants because of their low prices and cheap labor, we must gradually lessen the demand for our own American products, until ultimately our mills must close down and labor be unemployed. Where there is no work there can be no wages. Where there are no wages or reduced wages, buying capacity must diminish in proportion to earning capacity, so finally our working people are anxious to secure merely enough to provide for the barest necessities of life. You cannot expect to give our business to foreigners by taking the work from our own people and then ask them why they have no money, when they are out of work. Low prices and no work are not attractive to American labor, particularly when once the foreigner obtains a firm hold upon our markets and has us in his power, thus enabling him to raise his prices just as he pleases. Democrats assert that our workmen must compete with the producers of the world in order to provide the consumer with articles at the lowest price. The lowest price (with them) is the one great aim, but prices are no lower today than under Republican protection. Prices before the European wars commenced did not decline but continued to go higher than prices under Mr. Taft's administration. However, the mere idea of low prices blinds them to the results of actual experience. A price low in dollars and cents must be considered in connection with the consumer's ability to pay the price. Democrats consider us all as consumers, as if it were not necessary for us to produce before we consume. You cannot divide the nation into producers and consumers when primarily the consumer must be a producer. The Democrat keeps his eye fixed on the price, while the protectionist claims that

prices under protection will come down through competition, so he fixes his eye upon work and wages, believing that you can spend no more than you earn no matter whether prices are high or low. Abraham Lincoln said: 'The condition of a nation is not best whenever it can buy the cheapest, for if it is compelled to sell correspondingly cheap nothing is gained. We must not aim towards buying cheap and selling dear, but to have constant employment which can be secured only by ample, steady and certain markets to sell the products of our labor in.' Cheapness, therefore, to the consumer means that as a producer he must compete freely with the worst paid labor of any and every country, so that under tariffs for revenue and free trade, cheap goods mean cheap men and women. The cheapness of free trade and revenue tariffs has undermined the Welsh tin-plate industry, the Irish lace industry and the English steel industry. Upon this theory of free trade cheapness, England is gradually being transformed from the work shop of the world to the sweat shop of the world."

Protection Means High Wages.

"Is it true that foreign workmen receive less than do our own working people?" interrupted the traveling salesman.

"Yes, indeed," replied the farmer. "In Japan, a laborer must work 6 1/2 days, in Italy 4 1/4 days, in Austria 3 days, in France 3 days, in Germany 2 5/6 days and in England, the highest wage country in Europe, 2 1/2 days to earn as much as in one day here in the United States. The Tariff Board, in its report upon foreign cotton, woolen and paper industries showed conclusively that wages were much higher in this country than elsewhere. Recently the British Board of Trade, under the direction of a free trade official, stated in a comprehensive report upon wages and the cost of living throughout the world, that American workmen receive 130 per cent. more in wages than do Englishmen, while it costs us but 53 per cent. more to live. President Samuel Gompers of the American Federation of Labor,

says: "My facts indicate (1911) that money wages in America in many trades are double those paid abroad. Whether the cost of living in America is greater to the workingman depends entirely upon the standard of living he adopts while in America. If he voluntarily lives the life of self-denial, that he compulsorily lived in his native land, his outlay will remain about the same. Even then he will hardly be able to escape gaining something from the superior supply of good things in America." You must therefore conclude from these facts which I have stated that wages are higher in this country than abroad and if what I have stated might be questioned, the fact that the emigration of foreign workmen to United States has been continually on the increase should indicate that better working and living as well as wage conditions are an incentive for them to cross the ocean."

"Why should England, which is practically a free trade country, pay more to its workmen than do all other protective tariff countries, except the United States?" asked the young college student? "Is not the difference in wages between the United States and England due to the fact that we are comparatively an undeveloped country, making labor scarce and wages higher?"

"English wages are higher than those of other protective tariff countries except the United States because she has been established for years in a commanding trade position and also because English labor unions have forced wages higher each year," said the farmer. "But while many are benefiting from these wages, there are many more who are unemployed and do not benefit. England has attained her present wage scale only after centuries under protection, while Germany and France within a score of years have almost equalled her wage level, and other protective tariff countries are making rapid progress towards higher wages."

Are We More Efficient Than Foreigners?

"Although wages are higher in the United States than in other countries

and labor is the principal item in the cost of production," broke in the young college student, "nevertheless our workmen are more skilled than foreign workmen. In an hour we turn out so much more product than foreigners do that the difference in quantity and quality of our commodities offsets the lower wages and longer hours prevailing abroad. We produce as much in eight hours as foreigners do in twelve."

"That is not correct," exclaimed the labor leader. "It is an argument employed by persons who have never seen foreign people at work. Although we might at one time have produced more for each unit of the day because of our machinery, it must not be forgotten that American machinery manufacturers are now establishing their machines in foreign mills, erecting factories throughout the world and maintaining a large corps of officials to teach foreign workmen the proper operation of these machines."

"But how about the ability and efficiency of the foreign workman himself?" interrupted the traveling salesman.

"The foreigner inherits his trade training from many preceding generations, since abroad a trade is handed down from father to son," replied the labor leader. "Further, he is required to serve a long apprenticeship, sometimes a dozen years, before he is admitted as a member of a trade. What textile operative is therefore better equipped than the English cotton or woollen worker? What iron or steel workman is better than the German? What artisan can make superior lace to that of the Irish spinner, or lay claim to more finished work than the French shoe maker or the Chinese silk fabricator? France can take our cotton and Germany our copper and fashion them into wearing apparel and utensils that surpass in skill and ingenuity the work of any other country. Recently, an English firm bid \$34,000 for a contract to supply high grade bunting to our navy when our factories could not produce a similar high grade of bunting for less than \$44,000. Progress and efficiency with industrious work have developed farming abroad to such an extent that although favored by climate and natural conditions, we produce but one-

half as much crop per acre as Germany and England, while the United States and Russia fall into the lowest class of food producers per acre. When you understand that more than 75 per cent. of our public school pupils leave our schools at the age of 14 to go to work without any trade or vocational training whatsoever and many foreign emigrants of little education also enter our mills, then you will realize that the American workman is often under a serious handicap, instead of having an advantage with which to start his life work."

"Do not government reports at Washington prove that the units of production for each American workingman rise higher than those of the foreign workman?" retorted the young college student.

"Our government investigators have never been successful in ascertaining units or costs of production in foreign mills, simply because the foreign merchant is unwilling to reveal his business secrets to any tariff agent with the probability that his cost figures may be divulged to his competitors throughout the world," responded the labor leader.

"You certainly do not place much confidence in our American working people," rejoined the young college student. "If you are a labor leader, why not encourage American labor and not humiliate it."

"National pride, my young sir," seriously said the labor leader, "must not blind us to facts as they exist. Now the protective tariff seems to me to mean just as much a closed shop to American workmen in their competition with foreign workmen as does the labor union to organized employes in our country. Protection means a closed shop for American workmen against the world."

Does Protection Benefit our Working People?

"But the American workingman does not actually receive the benefit of this protection," suggested the gentleman from Mississippi. "His employer appropriates the larger share of the tariff benefit for himself. What advantages do the miners in Colorado and the mill hands in Lawrence and Paterson receive from the operation of protective tariffs?"

"The Census Bulletin of Manufactures for 1910," answered the labor leader, "shows that employes in this country receive about 40 per cent. of the value which they add to a product in making it, while the manufacturer receives 10 per cent. of this value, out of which wear and tear and salaries, etc., must be met. The majority of the miners in Colorado receive from \$4 to \$5 a day but in the old country they would receive only from 50 cents to \$1 a day. The wages in Lawrence and Paterson run from \$8 to \$22 a week as compared with from \$2 to \$12 a week in foreign lands. In case any employer, however, does not share the benefits of protection with his workmen then our labor unions demand it."

"Does every American workingman and woman require this protection from foreign competition?" observed Bill. "How about the railroad man, the bricklayer, the carpenter, the plasterer, plumber, stone mason, moulder, painter, barbers and clerks in banks and stores?"

"These trades," remarked the labor leader, "do not require protection, for they are protected from foreign competition by geographical and natural conditions. They never come in direct competition with foreigners. The results of such labor as theirs cannot be transported across the ocean and placed side by side with the product of American farms and mills on the shelves and counters of American stores, thereby coming into immediate competition with the product of American industry. The same absolute protection shields the newspaper, the lawyer, the engineer, the physician, etc. But all these workers are dependent for work and wages upon our mills and our farms. In turn the prosperity of our mills and farms is dependent upon their protection from foreign competition. Consequently the basis of national prosperity is the maintenance of a protective tariff."

Oriental Competition.

"Should competition with Japan and China be seriously considered in the continuance of a protective tariff policy?" asked Bill of the labor leader.

"Yes," he replied. "Until the Russo-Japanese war, we always regarded Ori-

entals as inferior to us, even unworthy of association. But certain labor unions have for years realized the danger of skillful competition from the Orient, so in 1902 they procured the passage of the Chinese Exclusion Act. Today California excludes Japanese from her shores because of the large farm colonies they have established and the low wages for which they do efficient work. The General Electric Co. is now completing the electrification of Japan and the poorest houses are now lighted by electricity. There is a watch factory at Yanagishinia which produces 400,000 pieces annually, almost equal to the best watches made in New England but paying its workmen about 70 sen or 35 cents a day. A great deal of the land used formerly in India and Japan for poppy growing has been diverted to cotton growing and cotton factories are being erected near by these fields. China is rich in mineral deposits and is rapidly becoming a modern industrial nation. Ex-President Eliot of Harvard stated recently that the Chinese impress one with their industry, patience and cheerfulness as workers while the Japanese are exceptionally skillful in spinning and weaving cotton. As a result of his trip through the Orient, he became convinced that the Orientals would soon demand a prominent share of our trade."

"With present-day swift and cheap transportation, this Oriental competition can be brought directly to our markets," interrupted the farmer with much fervor. "Therefore, how can we compete with such cheap but efficient labor when the cost of water transportation is small compared with our railroad freight charges? It costs less to send a bushel of wheat from Brazil to New York than from Denver to New York and yet it is claimed that our farmers do not need protection."

Democrats and Hard Times.

"You are certainly a calamity howler," snapped the gentleman from Mississippi, concealing his indignation with much difficulty.

"Perhaps I do overestimate the evil effects of free trade or tariffs for revenue, but I prefer to yell aloud as a

calamity howler than permit hard times, suffering and unemployment to be brought upon us by Democrats," sharply replied the farmer. "Has there ever been any Democratic administration during which we did not have hard times? The last serious industrial depression, when the American workingman was without work and wages for a prolonged period, was from 1893-6, which period coincided with that of the last Democratic Administration. From 1896 to 1912 under protective tariffs, this country has enjoyed unexampled prosperity, but commencing in 1913 through 1914 under Democratic tariffs, business is becoming more depressed and the numbers of the unemployed are constantly growing. The war in Europe may temporarily prevent foreign goods from entering our country but this condition of affairs will not be permanent."

"If hard times are peculiar only to Democratic administrations, how do you account for the panic of 1907, during President Roosevelt's administration?" rejoined the gentleman from Mississippi with a confident air.

"The so-called panic of 1907 was a financial and not an industrial depression," answered the farmer warmly. "President Roosevelt's activity against trusts and corruption created an uncertainty in investments, with the result that people hoarded their savings and would not put their money out at interest. This stringency in the financial situation caused banks to call in their loans, embarrassing certain big financiers, who were unable to pay their debts at once. Financial panics affect bankers and speculators, who are suddenly called upon to convert their assets into cash to pay their loans. Industrial panics affect general business, closing mills and factories, depriving working people of their livelihood. A disordered currency system was also a partial cause of the panic of 1907 but the new currency law, whipped into shape by Republican Senator Weeks of Massachusetts, will probably prevent serious future financial disturbances. However the new Currency Law cannot make prosperity. Banks do not make prosperity, they live on prosperity. The protec-

tive tariff makes business and business makes prosperity, for business under protection deposits money in American banks instead of in foreign banks. Give a man a chance to do business and banking will be good, for banks must first have depositors before they can loan money. The impractical and unwise economic policies of the Democratic Party are the causes of our present industrial depression. This country has suffered six periods of extreme prostration of business, in 1819, 1837, 1857, 1873, 1893 and in 1913, and it is a striking fact that each one followed after great reductions in tariff rates."

Hard Times Followed the "New Freedom".

"Is it not a fact that many of the unemployed to whom you continually refer as being out of work today are loafers and tramps?" inquired the young college student.

"You are wrong, sir," exclaimed the traveling man turning towards the young college student. "I thought as you do until I read the reports of the charity organizations in cities like New York, Chicago and San Francisco. Last year, the street cleaning departments of the various large cities were besieged for any kind of work from men, who fed at public soup houses and kept warm in public buildings and over gratings. The Jewish Agricultural and Industrial Aid Society of New York said during the winter: 'There are at least ten city men waiting and ready to go on the farms as hired laborers to every job ready for them on the farms. The real difficulty is not in finding city men willing to become farmers but in finding farms and farmers for the employment of city folk. These men are intelligent, sober, alert, of good physique and they want work.'

"Your statement that because a man is unemployed he must be a loafer or a tramp is similar to President Wilson's reply to a delegation of middle western manufacturers, representing 33,164 factories, 1,084,000 employees and an annual pay roll of \$792,365,000, who journeyed to Washington on May 28, 1914, with a desire to co-operate with Congress for the relief of the hundreds of thousands

of unemployed. President Wilson told them that the present depression of business was merely psychological. Unfortunately the President has endeavored to make many dramatic political plays in order to impress the people of the country that his policies are working satisfactorily. For instance, when the future of the tariff bill was darkest, he declared that he had learned that a wealthy and insidious lobby was at work against it, but the lobby committee with Senator Overman at its head has never reported, after many months of investigation. When the currency bill was under fire, Secretary McAdoo asserted that the New York banks were conspiring to depreciate the value of two per cent. U. S. bonds, whereas those very banks were large holders of such bonds and would be seriously injured by any impairment in their value. When the trust bills were before Congress, the President announced that he had unearthed a vicious conspiracy by stating for publication that a small publishing house in New York had sent out two hundred letters, asking the subscribers to its magazine to write to their Congressman protesting against certain features of the trust bills. Nevertheless neither the President nor any of the Democrats has ever mentioned their political conspiracy in opening up a press bureau for the purpose of advertising through newspapers that bad times were passing away with the dawning of a new era of prosperity which has not as yet really dawned."

"These charges of widespread conspiracy emanating from the Democrats," broke in the labor leader, "are as ridiculous as the statements of Secretary Redfield, who told the Boston Chamber of Commerce that it was nonsense for American business men to claim they could not compete with Europe because wages were less there, for all that would be necessary for them to do would be to sell for lower prices and pay more wages. If the Secretary will tell us how to pay more wages and sell for lower prices without a protective tariff, every labor man and manufacturer would welcome his advice. I am for as high wages as labor can obtain but I am

sensible enough to know that we cannot receive higher wages unless business is profitable to the manufacturer."

Lower Tariff but Higher Prices.

"Well, gentlemen," asserted the gentleman from Mississippi, "if unemployment does temporarily prevail, because of economic readjustments due to a change in the tariff, this slight industrial depression is more than compensated for by the reduction in the cost of living."

"Neither the Underwood tariff law, nor any other low tariff law has ever brought spectacular relief to those upon whom the burden of the high cost of living falls with the most crushing force," replied the farmer. "The tariff is but a small factor in the cost of living. The Payne-Aldrich law decreased many of the duties upon almost every article that goes on the table of the American workman but no lower prices resulted, because of these tariff cuts. The special investigation of the causes of the high cost of living by Congress demonstrated that the decline in the number of farmers and farm products with the increase of consumers in cities was a large element in the increase of prices. The cost of living has increased throughout the world and not alone in the United States. Prices were going higher every day and not becoming lower, even long before the European wars commenced. The high cost of living is not due to the tariff, but as the Secretary of Agriculture told the farmers at Manchester, N. H., to the decreasing purchasing power of gold, of which there has been a large production, to the wasteful extravagance of our people and our government, to high wages, to costs of distribution and transportation, and to the increase in city and decrease in the farming population. It is even claimed that the cost of delivering a small parcel in a large city is 8 1/4 cents, and the consumer must add such expenses as this to the cost of living. Of course very recent increased prices are due to the wars abroad, where much destruction of economic forces is taking place."

"Is not the tariff duty a tax to be paid by the foreign merchant and importer?" interrupted the gentleman from Missis-

siippi impatiently. "Does not the foreign merchant or importer then add this tax to the price of his goods, thereby raising the final price to the American consumer by the amount of this tax or duty?"

"You presuppose that we must buy our goods from foreign merchants," answered the farmer. "Protectionists always maintain that we should buy from our own merchants, so we therefore avoid the increase in price, which foreign merchants may ask because of the tariff duty."

"As a matter of fact, do not the American merchant and manufacturer then raise their prices, so as to receive more profit for themselves?" retorted the gentleman from Mississippi. "If we can purchase an article for \$1.00 and the tariff duty is 20 cents, the foreigner will charge \$1.20 when the duty is imposed. What prevents the American manufacturer from also charging \$1.20, and what difference does it make to the consumer whether he pays \$1.20 to the foreigner or the American? The consumer is more concerned with the increase in the price due to the tariff duty than he is with those who make profit from the sale of the goods."

Protection with Low Prices.

"The American consumer is very vitally concerned with whomsoever makes the profit," exclaimed the farmer, "inasmuch as he should be the producer of the goods he consumes. If the American producer-consumer bought all his goods from foreigners, he certainly would pay the foreign price plus the tariff duty but a protective tariff requires him to buy his goods from his American neighbor and his neighbor to purchase from him. When we buy of each other, the tariff duty is not added to the price of the goods we make, because experience under protection has conclusively demonstrated that competition among home merchants and manufacturers reduces the prices of home products. Production at a low cost from competition, and with improved methods, is the dominant feature of business under protection. The net result of this domestic competition is that many articles that fifty years

ago were regarded as extravagant luxuries, such as woollens, silks, broadcloths, watches, gloves, cotton prints, groceries, etc., can now be purchased at low prices by everyone. In 1850, there were no cheap, good illuminants for the house of the plain man but today we have coal oil at eleven cents a gallon instead of one dollar, as well as gasoline, vaseline, paraffin and a thousand other oils. Steel rails sold once at \$130 a ton but today sell at \$27 a ton, while the price of tin plates is continually going lower. Protection broke the European monopoly over the United States and stimulated production here, increasing our supplies and improving our industrial and farming processes, thus gradually reducing prices throughout the country. The strenuous home competition prevailing during the operation of protective tariffs has in turn forced the foreigner to reduce his prices as our prices decline in value, until finally he must either pay the entire duty himself or remove his factory to this country, if he desires to retain the American trade for his mills."

"Are there not some instances where the tariff duty tends to increase prices, particularly when competition is not so very brisk?" remarked the traveling salesman.

"Yes, but very few indeed," replied the farmer, "and upon those articles the smallness of the import duty compared with the final cost of these articles to the ultimate consumer, constitutes a low fraction of this final cost. The importer, jobber, manufacturer and retailer all add their profits to the import price, thus making the final selling price much more than the import price. Now the tariff duty is but a fraction of the import price, the average duty rate of the Payne-Aldrich law was 40 per cent., while even in our highest tariff laws few items pay more than 50 per cent. Consequently the actual tariff duty compared to the final cost of the commodity to the consumer is so small an item, that a reduction in the tariff duty of even 50 per cent. would have but little effect upon the final selling price. In fact whenever the tariff is reduced, the reduction is spread out over so vast a surface

in the purchases of a hundred million people, that any reduction in the final selling price would be absorbed by the middlemen."

"Would you be willing to cite a few examples to prove that the tariff duty is small when compared to the final selling price, which the ultimate consumer must pay for his goods?" requested the traveling salesman.

Wool and Woollens.

"If it will not be too tiresome, I will be glad to comply with your request," said the farmer. "For instance, let us take Schedule K, the wool and woollen schedule, which has been regarded as containing many excessive and oppressive tariff rates. If the ultimate consumer were to receive the entire benefit of the Underwood law, which places wool on the free list and reduces the duty on cloth to 35 per cent., he will not get much. It takes three and one-half yards of cloth to make a suit of clothes and the difference under the new law in reduced cost of cloth for a summer suit would be perhaps 60 cents, if foreign goods, and 40 cents, if American goods, while for a winter suit, it would be about 95 cents for a suit length of foreign goods and 60 cents for a suit of domestic woollens. What tailor could be expected to lower the price of his suits by such small figures as these, especially when the greater majority of tailors use domestic cloth? If the entire tariff on woollen goods were removed, the reduction on the very popular medium 12/14 ounce cloth would be 15 cents a yard for three yards or 52 1/2 cents on a suit of clothes. No American consumer could buy a \$20 suit of clothes for \$19.47 1/2, for the retail merchant or jobber would appropriate the reduction for himself.

Cotton Goods.

"The cotton manufacturer of the South and the East would count himself as fortunate to average a profit of one cent per yard upon the cloth he manufactures. Today his profit is but a small fraction of one cent per yard, if he should make any profit at all. If the entire profit our manufacturer ever should make were to be given to the ultimate consumer, he would save about three cents on a shirt

selling for one dollar and a half while his wife would save about two and one-half cents upon a shirtwaist selling for three dollars. Recently two pieces of cloth were traced from a cotton mill in Fall River, Mass., to a very prominent department store in New York City, where they had been made up into ladies' shirtwaists. The first piece of cloth that sold at the mill for 17 cents was made up into a plain shirtwaist that retailed across the counters at \$2.50, while the second piece of goods, better in quality that sold at the mill for 22 cents was made up into a shirtwaist frilled with machine embroidery that sold at \$8. In each one of these shirtwaists were but two and one-half yards of cloth and the expense of making the cloth up into shirtwaists was but small compared with the price paid by the ultimate consumer at the department store. If the entire duty upon cotton cloth were to be removed, reducing the price of the cloth two or three cents a yard, it is very doubtful whether such a small saving of eight or ten cents in shirtwaists selling for \$2.50 and \$8.00 would be deducted from the final selling price.

Wheat and Flour.

"It is said that the free listing of wheat will cheapen bread. Let us suppose that the consumer would receive every cent of the tariff reduction. Four and one-half bushels of wheat will mill into a barrel of flour. The duty upon four and one-half bushels of wheat in the Payne-Aldrich law would have been about one dollar and ten cents. The barrel of flour makes 370 loaves of bread. If you divide the duty upon each barrel of flour by the number of loaves of bread the barrel of flour will make, you will find that the duty on each loaf is one hundred and ten three hundred and seventieths, or less than one-third of a cent on an eight cent loaf of bread. If flour were admitted free, the reduction would be ninety-five three hundred and seventieths or approximately one-quarter of a cent on a loaf of bread. With the entire reduction of 25 cents a bushel on wheat and 25 per cent. ad valorem on flour, the rates of the Payne-Aldrich law, you can observe just how small a

saving the ultimate consumer would have. In fact, like free listing hides and reducing the duty on shoes, as was done in the Payne-Aldrich law, little benefit will ever be derived by you and me, for the retailer and jobber monopolize any such small reductions for themselves."

"The illustrations that you have cited," asserted the labor leader, "demonstrate that a reduced cost of living must come through other means than tariff reduction. As much as we might like to believe in the Democratic claim of high wages and low prices under revenue tariffs, we realize that this would mean that prices must be lowered by cheapening the product of labor, or eventually lowering wages. But to live in a country of cheap living means as a rule that there is less opportunity to save compared with countries where wages and the standard of living are higher and there is progress and a cheerful outlook for working people. Free trade and revenue tariff countries are those countries where the standard of living is lowest and the work that is done is compensated by small wages. The American workman can live for as little in the United States as any foreign workman can live for in his own country. If the American spends more for his living than the English workman, that does not prove that living costs more here. We Americans spend more for our living simply because we have it to spend and not because we must spend it."

Protection Not the Mother of Trusts.

"Has not protection been the mother of trusts?" the young college student inquired of the farmer.

"There is not a single so-called trust in the United States that would be so seriously affected by the overthrow of protection as its independent competitors would," replied the farmer. "Trusts have shared in the benefits of protection, but are not the results of protection. Trusts are the natural and logical evolution of contemporaneous industrial conditions, and just as do labor unions and the high cost of living, they exist throughout the world. The trusts of Germany, France and free trade Eng-

land are the strongest in the world, but in this country the successful prosecution of the Sherman Anti-Trust Law maintains competition and dissolves these large trusts. Neither protection nor competition under protective tariffs are conducive to the formation of trusts."

"Do you believe that it is wise to place trust-made products upon the free list?" inquired the labor leader.

"Nearly all the large American manufacturing concerns have erected plants in foreign countries to supply foreign markets," continued the farmer. "By placing their products on the free list it would be profitable for these concerns to enlarge their foreign mills and ship into the United States rather than expand in America. American factories in England, France, Germany and Japan, paying much lower wages than our domestic mills, could compete with the home plants with a considerable margin of profit. Of course American stockholders would receive the profits, but the wages and work would go to foreign workmen. For instance take the free listing of meats and cattle. The American beef packers have absolute control of many packing houses in Argentine, Uruguay and Paraguay, so that our tariff reductions have doubtless resulted in increased profits to beef packers. Beef is soaring higher every day but the cattle raising farmer has been hard hit by the free listing of his cattle. When the tariff upon trust-made products is reduced, not the strong and wealthy but the small manufacturer is the first to go to the wall. The little man is the first to succumb to foreign competition."

"Is it not true that highly protected industries sell their goods for less in foreign countries than they do in the United States?" broke in the young college student.

"Sometimes they do, but not often, and then only to establish a selling market for their goods. When our manufacturers have accumulated a surplus they dispose of it at times in foreign markets at a low price in order to undersell their foreign competitors. To keep this surplus product at home and sell it at cut prices would be that each one would compete against himself.

Such a policy would soon drive them out of business. Instead, they retain their home market, where prices are lowered by competition with other domestic manufacturers, and then endeavor to conquer foreign markets, where they must sell for low prices in order to overcome the prejudice against American goods and fear of an American commercial invasion, as well as meet bounties paid to their foreign competitors by foreign countries, in the form of reduced freight rates."

"Do you think that it is a 'square deal' to sell American goods to foreigners at lower prices than to our own people, even for the reasons you mentioned?" retorted the young college student.

"No, if it were the usual practice," answered the farmer, "but since a very small portion of our manufactured goods is sold for less abroad than here. I would reply that in such cases it is justifiable in order to build up our foreign markets. Those Democrats, who urge our merchants to develop foreign trade, cannot criticise any low prices to foreigners. However, under protection, the trade practice of cutting prices abroad is not followed as much as people claim. Low prices upon American goods in foreign countries can be attributed usually to the fact that the goods are second hand or out of date or have been made by American plants located in foreign countries."

Protection Increases Foreign Trade.

"Do not high duties interfere with the successful development of our foreign trade?" commented the traveling salesman. "How can we build up our commerce when we are hampered by tariff restrictions on all sides."

"Under protective duties, which may be high or low, our foreign trade has increased marvellously, but under revenue tariffs or free trade our foreign trade has declined," replied the farmer. "Under protection our exports have exceeded our imports and are larger than exports under revenue tariffs, but when the Democrats are in power our exports decline way below our imports and the balance of trade is against us."

"What do you mean by the balance of trade?" broke in Bill, feeling that he had

maintained a discreet silence long enough.

"The balance of trade between two countries is the relation between their exports and imports," continued the farmer. "A favorable balance of trade exists where our exports, or what we sell to foreign nations, are larger than our imports, or what we buy from foreign nations. It is called favorable because we can pay for our imports from the money derived in the sales of our exports and have something left over for ourselves. In 1908 under protection our exports exceeded our imports by 666 millions of dollars; in 1912, 551 millions and in fact our exports have continually been larger than our imports during the last sixteen years of Republican administrations. However under the Underwood law, our total foreign trade is less than in 1913, the last year of the Payne-Aldrich law, and our imports have increased 81 millions over those of 1913 and exports decreased 99 millions for only nine months' operation of the law. If conditions were normal throughout the world, with no European wars, our imports for the full year under the Underwood law would exceed our exports, the first time for many years."

"What effect will the large crops of the West have upon our foreign trade?" inquired the gentleman from Mississippi.

"With big crops," replied the farmer, "there should be a balance of trade in our favor, but only for a limited time. The operation of the Underwood Tariff Law plainly indicates that the balance of trade is going against us, which accounts for the large exportation of gold from the United States. Although this exportation of gold may be partially due to very low money rates in New York, sales of American securities by Europeans, relative firmness of the European discount market, money sent by aliens and expenditures made by American travelers in Europe, and European wars,—nevertheless the underlying basis is that Europe demands gold for the goods she has sent into this country, since we have not sold enough to foreign nations to counterbalance their claims against us with debts, which they owe us."

Free Trade Diminishes Foreign Trade.

"Cannot examples be cited of a serious decline of a nation's export trade because of that nation's adopting protection?" rejoined the gentleman from Mississippi.

"No," said the farmer. "In fact, prohibitory tariffs have usually induced large exports. When American exports were hardly admitted into England upon any terms, English goods were pouring into this country. American exports were the highest during the last half century, when the tariff walls of the United States were highest. Today, there are enormous importations of Brazilian coffee, Argentine hides, Cuban sugar and tobacco to the United States, and all of these countries lay heavy burdens on the importation of American products, and purchase an insignificant amount of our goods. There is no friendship in trade and if our exports do not pay for our imports, then our gold must supply the deficiency. At one time Great Britain excluded our wheat, but she purchases it today only because she must have it. Foreign trade is dictated by selfish motives and not from a consideration of public welfare. We sell what we can and receive a foreign credit in return for our goods, which we can cash. The foreigner only buys what he wants and if our sales do not equal in value the purchases we make, then our money pays the difference and the balance of trade is against us."

"If revenue tariffs have caused our foreign trade to diminish in volume, how do you account for the large foreign trade of free trade England?" questioned the young college student.

"The foreign trade of England is on the decline," responded the farmer. "The high protective tariff country of Germany had, until the European wars, the largest foreign trade per capita. England's supremacy in trade depends upon her commerce with her own colonies. To maintain her position, England has established colonies like Canada, India, Australia, etc., upon every continent and protects her shipping, the medium of exchange between these colonies, by huge subsidies. Now all these colonies have high protective

duties, but allow preferential rates to their mother country. Thus England has declared for free trade but unblushingly protects her merchant marine and her colonial markets. Requiring food-stuffs for the British Isles, she advocates free trade for the world but has never taken any action to remove the protection from her strongest industry, shipping, nor has she ever attempted to place her colonial markets upon a free trade basis. In fact, her colonies are raising their tariff duties. Canada after receiving more favorable concessions by the Underwood law, than from the Reciprocity act, has increased her tariff with the result that many Americans are following the advice of Eugene N. Foss, ex-Democratic Governor of Massachusetts, in transferring their plants to Canada, in order to compete with England on Canadian soil. The U. S. Steel Corporation is planning to erect a \$10,000,000 steel plant across the border. Recently our consul at Bombay, India, stated that our steel plants might have found a large market in India, if it were not for the fact that the Indian Government regulations restricted government purchases of iron and steel material to English mills. British steel mills in India, paying seven cents a day to women and eight cents a day to native men, are now sending cargoes of rails into San Francisco. Mr. C. P. Perin, the American representative of these mills, remarked lately at a public dinner, that he was sorry to be the instrument through which this was done, but since we had taken down the barriers to help people who get eight cents a day to sell their product in this country, he intended to have his rails sold in the American market."

Protection not an Artificial Stimulant.

"It seems to me that the protective tariff places this country upon an artificial basis," remarked the gentleman from Mississippi. "It acts like a stimulant and all stimulants are injurious. It shuts us off from the world and encourages the investment of capital. Within a few years there is over-investment with an inflated industrial system, which sooner or later must collapse, resulting

in panics. Why not allow the business of the country to have a slow gradual growth and develop what we are best adapted for, rather than build up an artificial business, which cannot meet foreign competition and is so enervated that it periodically breaks down. If a protective tariff is a wise policy for the encouragement of beet sugar growing in Colorado, why is it not the best policy to pursue for the cultivation of cocoanuts in Maine? The American consumer is no better off in one case than in the other, for he must pay the bill in both cases."

"Any policy that encourages the investment of capital in factories and in farms creating employment for labor at good wages is certainly not a stimulant but a sound economic policy," responded the farmer rather warmly. "The ideal industrial condition of a nation is everyone at work. Protection is not intoxication but bread and butter. The principle which underlies protection is the retention of the markets of America to the American people. It means that the work of this nation shall be done by the people of this nation. Since we have no lack of raw materials, any policy which enables our people to do our own work in fabricating these raw materials is the system which will keep our mills busy and our workmen employed. Industrial inflation, as you call over-investment, results from watered stocks and not from giving work and wages to American citizens."

"But certainly, you would not encourage any industry that could not be profitably conducted, such as growing cocoanuts in Maine?" added the gentleman from Mississippi with a self reliant smile.

"Protectionists are at least sane and reasonable," responded the farmer testily. "You have selected an extreme case, but if it were possible to cultivate cocoanuts in Maine so as to give employment to American labor, then protectionists would favor a tariff on cocoanuts, for competition within a short time among coconut growers would soon reduce prices. The means of protection may be artificial, like houses and clothing, armies and navies, but the necessity of

protection is the most natural thing in the world from youth to old age. Where would we be today if we had followed the advice of free traders and depended entirely upon Europe for many of our supplies? The first thing a living being does is to seek food and shelter, and defend itself against danger. It pays to encourage your own family and keep work in the nation. But you must not forget that protection not only aims to give work and wages to our people but to establish diversified industries, so that our resources will be developed in all lines and not in a few, as under free trade. For as a nation, the maintenance of a well-balanced and evenly distributed industrial and agricultural system makes us independent of other nations in both times of war and peace. By reason of this very independence, we can make what terms we desire with other nations. What a blessing it is, that with all Europe at war, we are able to maintain ourselves in our home market by our own industries and from our own resources. But if the Democratic policy were to have been followed during the last decade, the United States would be dependent upon Europe and the suffering of our people today would have been extreme, when all Europe became isolated by war. Is it not more advantageous for us to sustain our prestige by such an economic policy rather than by dint of arms?"

Protection and "the South".

"Why is it any more necessary for us to have protection upon farm products than upon cotton? The South asks for no protection upon its cotton for we are confident that we can compete with the world," asserted the gentleman from Mississippi.

"The South fears no competition, because she has a monopoly of the world's cotton," retorted the farmer. "When Sea Island, Egyptian, South American and Oriental cotton become strong competitors, the South will fight as hard for protection upon cotton as she successfully did for peanut oil, linseed, flaxseed, hair of Texas angora goat, tobacco, rice, whisky, oranges, peanuts, fluorspar, mica, coarse cotton goods, all

Southern products, which are protected by duties in the Underwood law, while the duties upon the products cultivated and made in the North and the East were cut to the quick. But recently a number of Southern planters with a view to the protection of their sales of cotton requested Congress to exclude Egyptian cotton from New England, because of a supposed pink boll worm it might contain, but even a Democratic Congress found it difficult to conceive how this imaginary insect could crawl from Massachusetts to Mississippi, so refused the demand of these cotton planters.

No Tariff Wars Under American Protection.

"Do not protective tariffs in one country incite other countries to levy protective tariffs, and thereby create tariff wars?" ventured the traveling salesman.

"Occasionally," admitted the farmer, "but to avoid tariff disagreements, protectionists compromise such differences by means of maximum and minimum rates and reciprocity treaties. The former method permits the President to increase duties to a certain level or decrease them to a certain level in return for similar action taken by foreign nations. Thus by proper adjustment all friction between the countries is eliminated. Reciprocity treaties, however, exchange what we have a surplus of for the surplus of foreign nations, by lowering or removing duties under special act of Congress, such as our reciprocity treaties with Cuba and Hawaii."

"Why then did so many Republicans oppose the recent Canadian Reciprocity bill?" interrupted the gentleman from Mississippi, certain that this time the farmer would be caught in a trap.

"Because they were convinced that it would prove injurious to our people," answered the farmer good naturedly. "From 1854 to 1866, a similar reciprocity treaty existed between Canada and the United States. Under this law Canadian imports in eleven years increased 500 per cent. while our export trade to Canada increased but 15 per cent. Notwithstanding this advantage that Canada had gained, she increased her duties on articles not particularly mentioned in the

treaty, thereby violating an implied agreement with us that our tariff relations should be friendly. Consequently the treaty was abrogated. Protectionists apprehended that the Reciprocity Treaty of 1911 would terminate in the same manner and not reduce the cost of living in the slightest, in as much as the tariff is but a small item in the high prices of today. The McKinley tariff bill, however, favored reciprocity treaties with South American countries that would not give away everything for nothing and not injure the farmer or the manufacturer to benefit foreign countries."

Protection Fits Us for Every Industry.

"Is it not advisable for a nation to make those products which its people and resources are best fitted to manufacture?" affirmed the young college student. "Why not become efficient like the Ford Company?"

"How are we to tell and who is to determine what we are best fitted for?" declared the labor leader in reply. "If all the nations should agree to apportion out the business of the world, it would be necessary to experiment to find out what the several countries were best fitted for. The first law of nature is the survival of the fittest, so that unless the younger nations were to be protected under the competitive conditions that prevail today, they would always remain drawers of water and hewers of wood for the powerful countries. The United States never dreamt that it could manufacture until protected from foreign competition. Europe maintained that America should always be a farming country, while industrial enterprises belonged to them. But our colonial forefathers disagreed with Europe upon this point, for they learned that Europe would only buy our farm produce when she exhausted her own, so that between times America would often be on the verge of bankruptcy and in continual dependence on Europe. In 1650, we began to protect our own industries until in 1710 the English Parliament resolved to discourage manufacturing among Americans because it would lessen their dependence upon Great Britain. In 1719, a

law was passed forbidding iron manufacturing in the colonies. In 1732, all trading in American made hats was prohibited by England. In 1765, Parliament prohibited the emigration of artisans to the colonies. In 1781, the exportation of woolen machinery from England to America was forbidden. In 1782, of cotton machinery, and in 1785, of iron and steel machinery. In 1799, the emigration of miners was forbidden so that the colonists could not mine coal. In 1792, fifty thousand pounds sterling were subscribed at a single meeting at Manchester to be invested in English goods and shipped to this country to glut our market and blast our rising manufactures. In 1816, Lord Henry Brougham stated in Parliament: 'It is worth while to incur losses in order to stifle in the cradle, by the glut, those rising manufactures in the United States, which the Revolution forced into existence, contrary to the usual course of things.' Under the free trade policy, which England desired to force upon this country, we soon became the laughing stock of Europe and were unable to make any favorable terms of trade, for all our colonial government could do was to offer our farm products to the world, of which Europe had often an overabundance. Our forefathers soon realized that protection was necessary, so in 1789 the American congress passed a protective tariff law, which stated it was enacted for the encouragement and protection of manufactures."

"Today are not conditions quite different?" broke in the gentleman from Mississippi. "Why cannot we all become as efficient as the Ford Motor Company?"

"The protective tariff is responsible for the Ford Automobile Company," answered the labor leader. "Ten years ago, our automobile manufacturers could not compete with Europe but under protection we have built up a marvelous industry, that pays three times the wage of the foreign automobile industry, while a ruthless domestic competition, has decreased prices and made our cars the cheapest and the best in the world. The Ford Company was developed, and continues

to receive the benefit of protection, but it can operate with less protection than all the other automobile companies because the average labor cost is but \$90 for each Ford car compared to \$1,322.44, the labor cost of the Packard car. As the protective tariff covers principally the difference in wages between here and abroad, it is evident that the Ford car requires less protection than other American companies. The profit sharing system promulgated is not as ideal as a protective tariff, for the former pays high wages to a few for working at high speed, while others are necessarily unemployed, but the protective tariff gives as high wages as possible to a large number of workers. But lately the Ford system was required to drop 6,000 men temporarily, whereas protection has so diversified industry that it tends to maintain steady work for everybody."

Universal Free Trade Impossible.

"Will not other nations follow our example in reducing our protective tariff?" suggested the young college student. "If we take the first step towards free trade, as we did in the Underwood law, other countries will do likewise and we shall all gradually approach free trade."

"Foreign nations will no more follow the economic policies of the Democratic Party than they have the peace plans outlined by Secretary Bryan," observed the farmer. "As Europe has strengthened her armies and navies for war, so is she doing with her tariffs for trade. Upon the conclusion of the present European wars, the trade of the world will be more important than ever before. Great Britain is contributing large appropriations to her steamship companies, while Germany was enhancing her trusts to take advantage of our low duties. In 1846, Cobden prophesied that five years after England adopted free trade, every civilized country would be for free trade, but instead, Germany, France, Holland, Russia, Greece, Spain, Italy, China and Japan have become strong protectionists, while free trade has ruined English agriculture, increasing steadily her army of unemployed."

"Why should we not extend the free-

dom of trade now existing among the several states of the Union, to the entire world, with a special plea for the cultivation of friendly relations?" asked the gentleman from Mississippi.

"Because as your senator, John Sharp Williams, recently stated: 'The world is not yet civilized,'" rejoined the farmer. "Would we destroy our military supremacy by removing our army and navy? Why should we destroy our trade supremacy by removing our protective tariffs? The establishment of free trade and tariffs for revenue is based upon the assumption that humanity is different from what it really is. If men and women were so perfect that their love of human kind would banish selfishness but retain in them the same energy, self-sacrifice and industry in behalf of others that they would manifest in behalf of themselves, then we might inaugurate free trade. Since but one-third of the world is Christianized, the principle of brotherly love in trade is not understood by all nations. Does it imply selfishness to look after the interests of the country we now live in, when European wars indicate that even today the successful elimination of all selfish elements cannot be accomplished immediately? It was intense patriotism, not selfishness, that led our ancestors to refuse to buy or wear anything of foreign manufacture. To protect our acquisitions and resources makes towards progress in each community. Even our United States are bound together in a system of mutual protection called government."

Hard Times Not Due to European Causes.

"Is not depressed business in this country merely a reflection of poor trade conditions throughout the world, due to European wars and a periodical slump in foreign trade?" remarked the traveling salesman.

"The policy of protection," continued the farmer, "has had a century and a quarter of alternate triumph and defeat. The triumph has been followed by prosperity and defeat by hard times. The last business depression was in 1893 under a revenue tariff, but business has been prosperous up to 1913 when another

revenue tariff was enacted. Of course European wars create an extraordinary condition but until they transpired, this country was becoming more overcast with poor times. Trade conditions throughout the world depend more upon the United States than the United States does upon conditions abroad, although Democrats always seize upon some occurrence in foreign countries to divert attention from the real economic evils in this country.

"Although the importation of foreign products has been entirely cut off, or greatly diminished, because the development of foreign agriculture and industry is halted during the European wars, nevertheless our independence of Europe for supplies under these conditions is a very forceful evidence of the wisdom and beneficial results of the Republican Protective Tariff policy, in that it has built up within this country our own home market with various industries to supply it. There is no doubt that, if the Democratic Tariff policies had prevailed during the last twenty years, our country today would be overwhelmed with distress if the foreign sources of our daily supplies were so thoroughly cut off.

"With the present European wars occupying foreign countries, comes the opportunity for us to build up our foreign trade, but woe betide anyone who in the confidence of our present independent position should come to the conclusion that we will retain this position for all future years, and that protection is consequently a dead issue. At the conclusion of the present wars, European industries and agriculture will again revive with much activity, and as our markets will then be the best in the world, large imports can be expected, particularly when foreign workmen will be very glad indeed to take the lowest possible wage that will guarantee to them a daily living."

Protection and the Farmer.

"May I ask, why you, a farmer, should complain about dull times, when your grain crop is the largest in the history of the country?" inquired the gentleman from Mississippi.

"Because all branches of trade are

interdependent," responded the farmer. "No one industry can live by itself. If mines, mills and factories are closed down because we buy goods they produce from foreigners, the buying power of mechanics and workmen is reduced at the retail stores. No matter how large our crop may be, if we cannot sell it at a profit, because people receive no wages to buy it, then we farmers are not benefited. As Mr. James J. Hill recently said: 'More than a bumper wheat crop will be needed to speed up the wheels of American industry again, for although the bumper grain crop will go to the farmer, this will not make business better for merchants and manufacturers, for many articles are now paying 60 per cent. duty but selling here cheaper than the American article, due to the differences in wages between here and abroad.' The American farmer sells about 86 per cent. of his product at home, so that our home market is clearly worth many times that of the markets of the world, while the farmer also remembers that he needs protection for his products in as much as his crops arrive later than those of foreign countries and his land and farm labor cost three to four times as much as the farm land and farm labor of any other country."

"Wool and beef are today selling at higher prices than under protective tariffs, so what justification have wool and beef dealers for their claims of hard times?" asserted the gentleman from Mississippi.

"Because through fear of tariff reduction, our farmers slaughtered their sheep and cattle, realizing that they could not compete with foreign countries. Europe and South America now control our beef and wool markets and with their monopoly, prices will increase to such heights as they desire, particularly when the wars in Europe offer a good excuse. Free trade always results in surrendering the control of prices to foreign people, who know us not whenever profits are concerned. The fact that prices of wool and beef have increased certainly refutes the claim that the tariff is added to the price at which the articles without protection would be

sold, for neither wool nor beef are now protected. In fact the keen domestic competition under protective tariffs had kept prices much lower than they are today under free trade, which substantiates the claims of protectionists, that protection means work and wages with competition making towards low prices. Competition under protection reduced the price of sugar to lower levels than ever reached since the Underwood law has been passed."

Free Trade Theories are Unsound.

"What difference does it make whether we receive low wages with cheap prices under free trade or have high wages with correspondingly high prices under protection?" asked the traveling salesman. "Is it not six of one and a half dozen of the other?"

"If we have a Democratic tariff, wages will be low but prices may be high or low," replied the farmer. "When the foreign merchant controls our market, they will be high. But if American wages are high under protection, then the American workman is safe, for if prices are high or low, he will always have enough to buy with. The American workman has only one thing to sell, and that is his labor, but he has many things to buy, not only flour, meat and clothing, but sugar, coffee, tea, spices and tobacco. Thus when wages are reduced he is not certain that prices will fall, but when wages are high and continuous, he need not worry for he is assured of the ability to buy what he needs."

"Could not workers, who are unemployed, because their work is being done more cheaply by foreigners, turn to some more profitable employment with great benefit to themselves?" suggested the young college student.

"When an industry declines because of foreign imports, men are dismissed," declared Bill. "The dismissed men do not turn to some more profitable employment but try to find work at other factories of their trade which also suffer from depression and have no employment for additional hands. After having tramped the streets for many weeks, the unemployed skilled workers must take

up any odd job to escape starvation. They then become porters, general laborers, dock laborers, street car men, etc. Some sell bootlaces on the street, some become loafers, some go to the workhouse. Thus the free importation of foreign manufactures constantly degrades skilled and highly paid mechanics to the ranks of casual labor. To even think that an industry if left to itself will find the most useful and profitable employment is wrong, for habit tends to lead along old lines in preference to improved methods, and often cautious men are afraid to venture into new business, when foreign firms make every sacrifice to undersell and ruin them."

Protection is Constitutional.

"But after all is said and done, there is no Constitutional authority for the imposition of a protective tariff," declared the gentleman from Mississippi.

"The first tariff bill in 1789 showed that protection was constitutional," replied the farmer. "In 1828, James Madison, who attended the Constitutional Convention and had also helped to frame the first tariff law, wrote to Joseph C. Cabell that the constitutionality of protection could not be questioned. From the year 1640, the various colonies and states imposed protective tariffs for the benefit of manufactures. The wise men who framed our constitution conferred upon Congress the right to 'regulate commerce with foreign nations' as well as the power 'to lay and collect taxes, duties, imposts and excises.' (Article I, Section 8). In fact the constitutionality of protection was never doubted by our earlier statesmen until the threatened secession of South Carolina. South Carolina with slave labor desired free trade for her cotton so she maintained that the protective tariff system must be abolished. The Southern States gradually shifted to this position, realizing the advantage of having free trade in cotton, until at the time of the Civil War the unconstitutionality of protection was inserted within the articles of confederation of the Southern States. Franklin, Washington, Jefferson, Madison, Calhoun, Webster and Clay, with many

other illustrious statesmen have testified to the fact that our forefathers recognized their power as constitutional when they framed the first tariff act of 1789, as a protective tariff measure."

Protective Policy Always Consistent.

"But have not protectionists shifted the grounds of their argument as expediency would dictate?" rejoined the gentleman from Mississippi. "In colonial days, the claim that protection would permit infant industries to develop was the strong campaign slogan; later the claim for a protective tariff was that it diversified industries, thereby providing a home market for agriculture and manufactures; while today the claim is that protection equalizes the difference in production and labor costs between the United States and other countries, giving work and wages to the American workman."

"Protectionists cannot be charged with bad faith or inconsistency, because the economic results of protection have not only been to build up infant industries but also to diversify them, establish a home market for their products and equalize the wage scales between the United States and foreign countries in such a manner as to give work and wages to our working people. Because these benefits are derived from protection and protectionists claim them does not prove that they shift from one argument to another. As our industries developed and our markets grew, new phases of the tariff question arose. Our home markets gave employment to millions of workmen so that in addition to the growth of infant industries, home markets, and diversified business, the wages of our employed increased, thus the question of the maintenance of proper wages became allied to that of the protective tariff."

Democratic Inconsistencies.

"Have the Democrats ever admitted the wisdom of protection?" asked the traveling salesman.

"Before 1828, when South Carolina threatened to secede, the Democrats were protectionists, but since protection was of less benefit to the South, with its

monopoly of cotton and slave labor, Democrats gradually drifted towards free trade. However, in 1884 and in 1888, they explicitly stated in their platforms that the rate of wages was higher in this country than in other countries and that an adjustment of tariff rates must not deprive American labor of the ability to compete successfully with foreign labor; therefore they promised not to impose any lower rates of duty than would protect the high rate of wages prevailing in this country. Grover Cleveland upon assuming office repudiated these campaign planks by endeavoring to enact a revenue tariff bill."

"The small increase in imports of 81 millions during the first year of the Underwood tariff law cannot injure this country very much, particularly when importations under protection are usually very large," asserted the gentleman from Mississippi to the farmer when he had concluded.

"Ah, not only did we import 81 millions more but our exports decreased 99 millions," rejoined the farmer. "Compared to 1912, our imports under the Underwood law increased 240 millions; compared to 1909, 583 millions; compared to 1908, 700 millions. Until the European wars had commenced, the importation of foreign goods in large quantities had just commenced and only the fact of these wars prevents millions of dollars' worth of domestic goods from being made by foreign workmen to the disadvantage of our own labor. As soon as commerce on the high seas becomes secure, imports will again be dumped into our markets from both foreign non-combatants and European fighting nations at a great price sacrifice.

"In so far as large importations of foreign goods under protective tariffs are concerned, we must learn to discriminate between a large healthful importation of foreign goods, which comes from the desire of well paid labor to get the best in lines in which we may be excelled by foreigners, and a large unhealthful importation under free trade, because men purchase abroad since manufactures are stifled at home. This latter importation is a constant drain on the country, contrasted

with importations under protection, when the security of the home market is always maintained."

Future Protective Tariffs.

"Should the rate of duty under protective tariffs be equal to the difference in the cost of production between the United States and foreign countries?" inquired the labor leader.

"Yes and a little more," replied the farmer. "To have a tariff duty just to equal the difference in costs of production of various articles would be to enact a competitive tariff and not a protective tariff. For if we should make our duties just equalize the difference in productive costs, foreigners will be enabled to manufacture abroad and send their goods made by foreign labor into the United States, as it costs much less to ship by water than by railroad. Our freight charges would amount to more than the ocean transportation charges paid by foreigners. But by making our duties just a little higher than the actual difference in production costs, we not only give to Americans an advantage in their own markets but compel foreigners to move their plants to America. Canada is today forcing our merchants to erect mills within her borders by just such a protective tariff policy. To illustrate what I mean by forcing foreign plants to come into this country, let me cite the case of the Fiat Automobile Company, which, learning that the protective duty upon automobiles was to be raised by the Payne-Aldrich law slightly higher than the difference in costs of production between Italy and the United States, removed their factory from Italy to Poughkeepsie, N. Y., where American labor at American wages is employed instead of Italian labor at Italian wages in Italy."

"Will the duties under protection tend to increase or decrease in the future?" asked Bill, who had followed the conversation attentively.

"That will depend upon conditions throughout the world," answered the farmer. "However under protection the actual average rate upon total imports has gradually declined from 44 per cent.

in 1869 to 18.58 per cent. under the Payne-Aldrich law. Whether the next protective tariff law will have a lower average rate than the Payne-Aldrich law depends upon decreases in the difference in wages between here and foreign countries."

Protection the Best Practical Policy.

"It would appear to me," commented the traveling salesman, "that the protective tariff has stimulated production, invention and energetic endeavor on the part of the American people. It has diversified our industries, planted factories in the midst of farms, created home markets for every kind of home products, developed our country after the Civil War, and still protects our labor. It assures us bread, by assuring us employment. Although it may be a great attraction to the poor to have Democratic promises of cheap food, it is a greater blessing to be able to buy food by honest and respectable employment under protective tariffs. Every man who earns his bread by the sweat of his brow knows deep down in his heart that to protect American agriculture, labor and capital against the rest of the world is not only right but sensible, necessary, patriotic and wise. We are trustees for future generations and consequently should not waste away our country to experiment with a few pet theories of the Democratic party."

"Correct," interrupted the labor leader. "My father recognized the merit of a protective tariff in its encouragement of labor and industry. As the head of a large household, he discovered that his children would only work hard when it was absolutely necessary. He thereupon offered them ten cents a quart for all the blackberries they would pick, when the neighbors' children would have willingly accepted eight cents a quart. As a result, a group of indolent youngsters developed into a hive of industry. Land was cleared, rocks and stumps taken out and the entire yard cultivated as a farm. This stimulant, as free traders would call it, was a blessing not only to one family but to the entire neighborhood, which it transformed."

"Protection aims to stimulate trade."

said the farmer as he turned towards the labor leader. "It encourages industry. You are correct. There may be inequalities in the tariff laws themselves but all protectionists favor a non-partisan tariff commission which will inform us from time to time as to whether duties are too high or low. The commission will also have the power to recommend revision of tariff rates, treating each case upon its merits, apart from favoritism and special interests."

"Well," exclaimed Bill to his fellow travelers as the discussion was drawing to the close, "I am convinced that protection is a wise economic policy for this country to follow. I may not be able to explain why but I shall always be a protectionist. It is like knowing a tune, which you cannot forget but which keeps singing and humming itself in your mind. You cannot get rid of it to save your life, nor can you whistle or play it but if any one else tried to whistle or play it, you could detect the false note instantly and it would jar upon you. The false note which I have detected in free trade and revenue tariffs has been the jar I received in the celluloid business. One experience in a lifetime is enough, so hereafter my stand will be with the protectionists."

Protection the Best Theoretical Policy.

"I am inclined to agree with you," added the young college student, good naturedly, as he laughingly turned toward his uncle, the farmer, and remarked: "Your arguments have been convincing. Both in theory and practice, the maintenance of protection seems to be justified."

"Young men," declared the gentleman from Mississippi as he was about to break away from the little party, "you have been frightened into favoring protection. The fear of foreign competition as well as competition itself with the low paid labor of foreign countries is purely imaginary, entirely psychological."

"From your remark, I must be a psychological failure," suggested Bill, as he turned inquiringly towards the staunch old Democrat from the South. "Have I hypnotized myself into believing that I

have been a business failure and out of a job for months?"

But the gentleman from Mississippi did not deign to answer Bill's observation, but instead departed jauntily down the aisle, still confident that bad times existed only in the vivid imagination of Republicans, Progressives and all other straight laced, stand pat protectionists.

"Well, gentlemen," laughed the farmer, "we all seem to be of one mind except our Southern friend, but when the Southern cotton monopoly is threatened by the importation of cotton cultivated in foreign lands and the South also becomes dotted with industrial enterprises, all Southern gentlemen will re-enforce John C. Calhoun, when he said, 'We should be a little more Americanized and instead of feeding the laborers of England, feed our own.' Protection has established for us an excellent home market, diversified by many varied industries, which are independent of Europe. The present wars abroad should thoroughly convince all our citizens, that if for no other reason, protective tariffs should be sustained. To be at all dependent upon other nations in such exigencies as prevail today would mean great hardship for us. Although the Underwood law had commenced to undermine the stability of our home market we should all be thankful that protective tariffs since 1896 have so strengthened it and our industrial independence that today we can supply our own needs while all Europe is oppressed with war and suffering from starvation."

After the farmer finished, the little group broke up. The labor leader crossed the aisle, resuming his seat, and the farmer and his nephew reversed their seat. Leaning back, the traveling salesman turned to Bill and said: "We must all agree with Abraham Lincoln, when he stated that if we buy manufactured goods abroad, we get the goods and the foreigner gets the money, but if we manufacture the goods at home, we get both the goods and the money."

To which Bill quietly replied: "Abraham Lincoln was a sad but a wise man."

As the train rolled on, the traveling salesman became absorbed in his news-

paper, while Bill found much food for thought and sober reflection by endeavoring to determine just where he could cast his vote in behalf of protection where it might have the best effect.

FAMOUS MEN ON PROTECTION.

Benjamin Franklin:—"I suggest the evident propriety of enabling Congress to prevent the importation of such foreign commodities as are made from our own raw materials. When any article can be supplied at home upon as low terms as it can be imported, a manufacture of our own produce ought not by any means to be sacrificed to the interests of foreign trade or subjected to injury by the wild speculations of ignorant adventurers."

George Washington:—"The safety and interest of a free people require that they should promote such industries as would render them independent of other nations for essential, particularly military, supplies."

Alexander Hamilton:—"It is expedient to develop a home market. Theories of free trade are all right but not practical, since the conduct of other nations is not guided by free trade principles. Since the foreign demand for foodstuffs is always uncertain, therefore manufactures and agriculture in the United States should supplement each other. Protection creates a home market for our own goods, establishes new industries and protects those already established."

John Adams:—"The United States must repel trade monopolies with trade monopolies and commercial regulations by commercial regulations."

Thomas Jefferson:—"We have experienced what we did not then believe, that there exists both profligacy and power among foreign nations to exclude us from the field of interchange with other nations. To be independent for the comforts of life, we must fabricate them ourselves. Shall we make our own comforts or go without them at the will of

a foreign nation? He, therefore, who is now against domestic manufactures must be for reducing us, either to a dependence on foreigners or to be clothed in skins and live like wild beasts in dens and caverns. If those who quote me differently will keep pace with me in purchasing nothing foreign, when equivalent of domestic fabrics can be obtained, notwithstanding price, it will not be our fault if we do not have a supply at home equal to our demand and wrest control from foreigners."

James Madison:—"There is a rage for high duties, which is hard to resist, for until all other nations concur in free trade the interests of the United States will be best promoted by further restrictions and high protective duties."

James Monroe:—"Satisfied, I am, whatever may be the abstract doctrine in favor of free trade, provided all nations would concur in it and it was not liable to be interrupted by war, which situation has never occurred and cannot be expected, that additional protection should be afforded to those articles which are connected with the independence of the country."

John Quincy Adams:—"Under a protective tariff the nation has risen from a death of weakness, imbecility and distress to an eminence of prosperity, unexampled in the annals of the world."

Andrew Jackson:—"Adequate protection should be extended to our farmers, manufacturers and laborers, so that they may be placed in fair competition with Europe. A careful tariff is wanted to pay our national debt and afford us safety and liberty, and, last but not least, give a proper distribution to our labor which must prove beneficial to the happiness, independence and wealth of our community."

Henry Clay:—"The greatest want of civilized society is a market for the sale and exchange of our product. This market may exist at home or abroad, but it must exist somewhere, if society prospers. The home market is of first im-

portance, for we can never depend upon the foreign market."

Daniel Webster:—"The true way to protect the poor is to protect their labor. Give us work and protect our earnings. In Europe, the question is how men can live? With us, the question is how well they can live? Protection touches every man's bread, for where there is work for the hands of men, there will be work for their teeth."

John C. Calhoun:—"Under protection, the farmer will find a ready market for his surplus produce and what is almost of equal consequence a certain and cheap supply for all his wants. Protection will greatly increase our mutual dependence and intercourse, for it is time we should become a little more Americanized and instead of feeding the laborers of England feed our own."

Millard Fillmore:—"Our gold produced in California is now going to foreign countries in payment of goods purchased abroad. In the meantime, due to the removal of protection, our manufacturing plants are broken down by competition with foreigners, the capital invested in them is lost, thousands of honest and industrious citizens are thrown out of employment and the farmer to that extent is deprived of a home market for the sale of his produce. This destruction of home competition has enabled the foreign manufacturer to advance the price of his goods."

Abraham Lincoln:—"When we buy manufactured goods abroad we get the goods and the foreigner gets the money. When we buy manufactured goods at home, we get both the goods and the money."

U. S. Grant:—"The American system of locating mills next to the plow and the pasture has produced a result noticeable by the intelligent portion of all commercial nations."

Horace Greeley:—"The ten years (1824-1834), when the protective tariff was predominant, were onwardly and

generously prosperous. No opponent of protection can show any ten successive years as uniformly prosperous."

James A. Garfield:—"Protection has made us industrially independent with a steady, healthy growth."

James G. Blaine:—"Under the influence of the new protective system, despite the sudden outburst of a great civil war and all the evils that accompanied it, including the industrial paralysis of the eleven seceded States, the country was enabled to sustain itself and to revive and increase in an extraordinary degree its manufacturing industries, and generally to enter upon a course, which, for nearly twenty-eight years which close the century of our tariff experience, has given to the United States a prosperity beyond that ever enjoyed by any country, ancient or modern, in this hemisphere or the other, upon any continent or upon the isles of the sea."

Benjamin Harrison:—"I believe that the protective system has been a mighty instrument for the development of our national wealth and a most powerful agency in protecting the homes of our workingmen."

William McKinley:—"This policy of protection must be maintained and continued, because it represents to us the highest possible civilization and the best and noblest destiny. They talk about things being cheaper from the other side. There is nothing cheap from abroad to this people that means idleness among ourselves. A revenue tariff levels down; a protective tariff levels up. A revenue tariff would cheapen products by cheapening men; a protective tariff would cheapen products by elevating men and getting from them their best skill, their best genius, their best invention."

William H. Taft:—"The present business system of the country rests on the protective tariff and any attempt to change it to a free trade basis will certainly lead to disaster."

Theodore Roosevelt:—"Every class of our people has benefited by the protective tariff. During the last few years the merchant has seen the export trade of this country grow faster than ever in our previous history. The manufacturer could not keep his factory running if it were not for the protective tariff. The purchasing power of the average wage received by the wage-worker has grown faster than the cost of living, and this in spite of the continual shortening of working hours. The accumulated savings of the working men of the country, as shown by the deposits in the savings banks, have increased by leaps and bounds.

"The farmer has benefited quite as much as the manufacturer, the merchant and the wage-worker. American farmers have prospered because the growth of their market has kept pace with the growth of their farms. The men on those six million farms receive from the protective tariff what they most need, and that is the best of all possible markets.

"The genuine, underlying principle of protection has worked out results so beneficial, so evenly and widely spread,

so advantageous alike to farmers and capitalists and workingmen, to commerce and trade of every kind, that the American people if they show their usual practical business sense, will insist that when these laws are modified they shall be modified with the utmost care and conservatism, and by the friends and not the enemies of the protective system. They cannot afford to trust the modification to those who treat protection and robbery as synonymous terms."

. . .

Napoleon Bonaparte:—"If a nation were made of adamant it would be crushed to powder by free trade."

. . .

Bismarck:—"Let Germany imitate the tariff system of the United States, because it is my deliberate judgment that the prosperity of America is mainly due to its system of protective laws."

. . .

Joseph Chamberlain:—"Those countries which have adopted protection have improved in a greater ratio and more rapidly than we have ourselves in England."

THE FREE TRADE MILLENIUM.

His head wuz full er theories;
he talked 'em by the job;
His speech w'en shelled was one part
corn an' ninety-nine parts cob.
It sounded purty; some o' the boys
they said 'twas jest immense;
"The sound's all right," sez I to them,
"but where in time's the sense?"

He called purtection "robbery,"
like all the Cobden school,
He said free trade wuz righteousness,
the modern golden rule.
"Is't right ter rob your wife and kids,"
sez I ter him, "is't right
For foriners to git our work
while we must starve or fight?"

"It's sound economy," sez he,
"to let the cheapest sell."
Sez I, "My friend, that barb'rous rule
would drag us down to hell.
Ter purtect yer home and famberly
may be a deadly sin—
But them's jest the kind er sinners
thet St. Peter passes in."

"Free trade 'ud save fer you," sez he,
"on food, an' cloe's an' rent."
Sez I, "Meat's dear 't a cent a pound
'f ye haven't got no cent.
Free trade it robs yer wallet
an' steals yer meat an' corn,
An' offers ye big bargain sales,
w'en all yer money's gone."

I ast him, "Wouldn't a pauper
find it purty middlin' hard
To be a dude with trouserin's
at thirteen cents a yard?
We'd wear di'mon' studs fer buttons
if they sol' 'em fer a nickel,
But if we had no money
we'd be in the same ol' pickle."

"Free trade will usher in," sez he,
"the gran' mellennial age
Foretol' by seers an' prophets
ez the worl's gret heritage."
"Oh, w'en the big mellennium comes
'twill be all right," sez I,
"W'en our rivers flow 'ith honey
an' our shade trees bloom 'ith pie;

W'en the angels drop down manna
from the bendin' firmerment;
An' we hol' our han's an' take it
an' don't have to pay a cent;
W'en food drops in our open jaws
w'ile loafin' in the shade,
W'y then 'twill be a bully time
to interduce free trade."



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