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PROTECTION

TO

HOME INDUSTRY.

Ans
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MEANING OF THE PROTECTIVE POLICY—SOME OF ITS LATEST FRUITS—
CAUSES OF THE DECLINE OF AMERICAN SHIPPING—HOW OTHER COUN-
TRIES HAVE ENCOURAGED THEIR SHIP-OWNERS AND MERCHANTS—THE
BENEFITS DERIVED FROM THE USE OF MACHINERY.

THE PATRIOTISM OF TARIFF PROTECTION.

THE doctrine of Protection to Home Industry, no matter by what means, grows directly and inevitably from the idea of nationality. The nation exists of itself and for itself—not by the grace or for the benefit of any beyond its boundaries.

The nation's chief duty is to attend scrupulously to its own welfare. It is to pursue its own ends by its own means, strenuously perfecting its organic law and enhancing its internal vigor, while also growing outwardly so far as it may do so with prudence and without trenching upon the rights or meddling with the affairs of others. In thus pursuing with diligence its own advancement, it necessarily acts with pure selfishness, tempered as that selfishness may be by enlightened regard for the rights of others.

Although nations may agree between themselves to unite their efforts permanently for certain purposes, such as the suppression of piracy, and certain of them may from time to time form temporary alliances for specific objects, these arrangements are always based upon the advantage to be derived by each contracting party. No voluntary and gratuitous bestowal or surrender of an advantage is

for a moment thought of, and when a pretense is made of a so-called nobler motive it may safely be assumed to cover schemes that would not bear the light.

It can not be seriously disputed that this exclusive property of each nation in itself, this assiduous caring by each for its own special weal, and this watchful semi-antagonistic attitude of each toward its neighbors, have the same beneficial effect upon each that comes to individuals from each person being perfectly convinced that his fate depends upon his own exertion of his faculties—that his task is to till his own field and mind his own family and business, being well assured that he and his, and not others, shall reap the harvest and enjoy the fruits of diligence and thrift.

Rivalry, perhaps without enmity, and antagonism, perhaps without animosity, constantly animate the nations in their attitudes toward each other; each standing ready to win from another wealth, population, or territory which the other may be unable to retain.

The old-fashioned way of gaining population from a neighboring country by invading it and carrying off its inhabitants as slaves is no longer practiced by civilized nations, and the acquisition of territory by similar means is perhaps not so frequent as it once was, but the newer style of aggrandizement by winning the wealth of a neighbor through industrial assaults and trade invasions is now in the fullest activity.

In this modern and highly civilized style of warfare, improved machinery takes the place of improved artillery; the enemy's forces—his industrial population—are driven from their guns by missiles of textiles and metal wares, and are destroyed in their homes by starvation rather than by bullets in the field.

It is clear that the patriotism which can sleep through this industrial warfare and suffer this trade spoliation, and can only be roused into activity by the danger and passion of flagrant war; which can vote the public money to maintain rarely-used armies, navies, and forts, but can not give the slightest aid or comfort to the real and constant defenders of its country's independence, its industrial soldiers, is a patriotism belonging to periods long gone by, and is of little more present use than a bow and arrow. The spirit of loyalty is forever the same, but it must now learn to promote its country's welfare by the arts of peace, pursuing its ancient and honorable aim by the new methods.

One branch, or perhaps the main trunk, of the controversy between free trade and protection begins here, for some moralists

count this peaceful patriotism as of doubtful propriety, it being in their opinion not consonant with the spirit of universal philanthropy which ought to rule in Christendom. But against this view stands the patent fact that no less in peace than in war all mankind have knit themselves into nations, and have found self-preservation as necessary for nations as for individuals. Any community holding slipshod ideas on this point dissolves, and perishes as a body from incompetence to survive.

Doubtless the most important peaceful means by which a modern nation protects itself is that of tariff legislation. By tariff laws, which exact in advance from the foreign producer or his merchant a part of the price to be paid for his goods in the protected country, the native producers and their factories are sheltered at their work somewhat as are the crew, engines, and armament of a modern war vessel by its armor.

Without looking deeply into the history of tariff laws, we find that import duties were levied for revenue by Greeks and Romans, and that in the middle ages, when Europe was split into countless petty jurisdictions, the same rudeness marked the tariffs of its different parts as characterized their other legislation, the transportation of merchandise being thereby grievously harassed. It was subject not merely to a single payment of uniform, regular, and publicly declared duties on passing the frontier from one great nation to another, but capricious and complicated charges were made even in passing from one province to another of the same kingdom.

The abolition of all those internal transit duties and complications, and the substitution for them of a single clear law governing a whole great empire—"the removal of all custom-houses to the frontier," as was done for France by Colbert, in the reign of Louis XIV., was a gain for the solidity of states and for humanity which at this period can with difficulty be appreciated.

The latest and one of the most beneficent instances of the removal of such internal tariffs is the formation in Germany of the Zollverein, or Customs-union, by the numerous states which now compose the German Empire. Upon this point, as on so many others, the United States started where older nations arrived after long efforts; that is, with perfect free trade between all parts of the great nation, and an absolute cordon of separation from all other nations around its entire frontier in respect to tariff laws as to all other laws.

It must be observed that only when the common interests of contiguous regions so prevail over their differences as to draw them

into political unity, with a common treasury and boundary, may the customs frontier between them be abrogated.

The provinces of old France were at least semi-independent states, and the abolition of their inter-provincial tariffs was merely an incident of their coalescing into a compact nation. The Zollverein was but the precursor of the union of states even more independent, now composing the German Empire.

Tariffs for entire kingdoms or empires having been thus generally established, each nation has experimented upon revenue tariffs and protective tariffs as the good pleasure or policy of its rulers from time to time dictated—England especially, after having acquired the Protestant industrial refugees of France and Flanders, who brought with them so many valuable arts, having been perhaps more ferociously protective than any other country until about a generation ago. A temporary superiority over all other nations in its resources of coal and iron, and in the development of its skilled labor, then induced its rulers, the manufacturing and trading classes, to make its tariffs much less restrictive, while yet kept in exactly the condition deemed most advantageous for England, (for England at this moment draws a considerable part of her national revenue from import duties upon our tobacco and whisky,) they hoping to tempt other and less developed nations to follow by removing their tariffs upon British manufactures.

The system of regulating the commerce and influencing the industry of a nation by import duties, while at the same time replenishing its treasury, has grown up by slow degrees to such completeness as we now find, covering each nation as the skin covers each animal; it is an integral part of the plan of government in every country that is even slightly raised above barbarism; to abandon it would be not merely to renounce an important part of the public revenue, but would also leave to chance or rather to the mercy of rivals and enemies the maintenance of industries necessary to independence. It would at the same time be an abandonment, by any nation not already at the head, of all attempt to reach equality with other nations in the difficult but lucrative and constantly advancing arts of modern civilization.—*Joseph Wharton, in the Atlantic Monthly for September, 1875.*

If the duty is always added to the price, as free traders assert, how about the duty on wheat, barley, potatoes, corn, oats, rye, etc.? Is that also added to the price? Farmers know that it is not.

PROTECTION THE POLICY OF THE EARLY STATESMEN.

THE popular sentiment for protection is a recurrence to the doctrines of the founders of the Republic and to the policy with which the administration of Washington laid the foundations of the social existence of our National and Federal Union.

Dr. Franklin writes in 1771: "It seems the interest of all our farmers and owners of lands to encourage our young manufactures, in preference to foreign ones imported among us from distant countries."

Alexander Hamilton says in 1791: "To maintain between the recent establishments of one country and the long-matured establishments of another country a competition on equal terms, both as to quality and price, is in most cases impracticable. The disparity, in the one, or in the other, or in both, must necessarily be so considerable as to forbid a successful rivalry, without extraordinary aid and protection from the government."

Thomas Jefferson writes in 1815: "The prohibitory duties we lay upon all articles of foreign manufacture which prudence requires us to establish at home, with the patriotic determination of every good citizen to use no foreign article which can be made within ourselves, without regard to difference of prices, secures us against relapse and foreign dependency."

James Madison in 1828 says: "A further evidence in support of the constitutional power to protect and foster manufactures by regulations of trade—an evidence that ought in itself to settle the question—is the uniform and practical sanction given in that power, for nearly forty years, with a concurrence or acquiescence of every State government throughout the same period, and, it may be added, through all the vicissitudes of party which marked that period."

General Jackson says in 1824: "It is time that we should become a little more Americanized, and, instead of feeding the paupers and laborers of England, feed our own."

Daniel Webster says in 1833: "The protection of American labor against the injurious competition of foreign labor, so far at least as respects general handicraft productions, is known historically to have been one end designed to be obtained by establishing the Constitution; and this object, and the constitutional power to accomplish it, ought never to be surrendered or compromised in any degree."

HOW A PROTECTIVE TARIFF BENEFITS A NEW COUNTRY.

IN all thickly-settled farming and mercantile communities there are many persons not finding full or remunerative employment. To plant a manufacturing industry in such neighborhoods is, to them, a great benefit. It gives employment to their surplus labor, and creates a home market for products which before had to be taken long distances at heavy cost to find a market. Let me take our woolen mills here to illustrate what I mean. We, who lived here forty-three years ago, know how little employment there was then for labor, and how little market there was here for the farmer's products. I recollect cases where men traveled four miles to work, long days in June, for seventy-five cents, without board. A company, formed of mechanics, from Great Falls, conceived the idea of manufacturing woolen blankets by the side of our water-fall. When they came here there was no value in the rocks in the ledge which were quarried and put into the foundations of the mill, or that went into the dam; there was no value in the clay of the bank from which the bricks were made, and but very little in the wood and timber in the forest which was used in the building of the mill. When the materials were all gathered together and put into the shape of that brick mill down yonder, there was little in the whole of it except the labor of men in this community, well paid for, who otherwise would not have been employed. When that mill was completed there was so much fixed capital created by the surplus labor in this community without diminishing the productiveness of our farms, and planted there to be used so long as the mill lasted, for the benefit of this community. Now let us examine the machinery in that mill, and we shall find that, too, to be nothing but labor furnished in another section of the country. There was but little value in the iron ore and coal in the mine. You could probably buy all it would require for all the machinery in the old mill for two hundred dollars or less. The cost was for the labor used to put it in the form of machinery. The mill and all the machinery in it are mainly the product of labor, which would have been unprofitably employed, if not idle, but for the starting of this enterprise. Besides this, every other kind of labor in the vicinity was stimulated to increased activity, because all their products found a better market, and they were better able to buy and consume than ever before. Everybody has been benefited so far.—*From a Speech by Hon. Jacob H. Ela, of New Hampshire, Feb. 26, 1878.*

SOME OF THE BLESSINGS OF FREE TRADE AND NO RAILROADS.—The following notice of "old times" in Illinois, when there were no manufactures and no railroads, occurs in a biographical sketch of General D. D. Colton, of San Francisco, who, in 1836, while a boy, became a resident of Galesburg, Illinois. The sketch appears in the San Francisco *News Letter*.

Galesburg was then a wilderness. Black Hawk had just been driven west of the Mississippi in a short and decisive campaign, in which Winfield Scott was general, and Abraham Lincoln a private soldier. But the country was rough and new, and the normal condition of the inhabitants that of wretched poverty in all things save that of mere food. Of that they had enough. How poor were the people of the Northwest from 1837 to 1850 no one but an eye-witness can conceive. The present prosperity of that country is especially calculated to give a false impression of its former condition. It was in the days of almost unrestricted free trade, when the corn had to be carried to Liverpool, and manufactured goods brought from Manchester, and all at the farmer's expense. Corn they had plenty of, and they could eat it; therefore they were not hungry. They could also burn it for fuel, and so kept themselves warm enough in winter, but there its use practically ended. To export it was worth five cents the bushel, and all the bushels any farmer could raise would fetch but a small quantity of goods from Manchester.

THE FIRST LAW OF NATIONS.—Mr. Chairman, self-preservation is the first law of nature, as it is and should be of nations. The general welfare is of paramount importance, and any measure which does not keep this steadily in view, which does not foster and encourage American labor and American industry, is in opposition to the great law of life, and subversive of the principles upon which governments are established. We want to be independent in that broad and comprehensive sense, strong within ourselves, self-supporting and self-sustaining in all things. It is our duty, and we ought to protect as sacredly and assuredly the labor and the industry of the United States as we would protect her honor from taint or her territory from invasion. We ought to take care of our own nation and her industries first. We ought to produce for ourselves as far as practicable, and then send as much abroad as is possible, the more the better. If our friends abroad think this position illiberal, they have only to bring their capital and energy to this country, and then they will share with us equally in all things.—*Hon. William McKinley, Jr., of Ohio, in reply to Hon. Fernando Wood, 1878.*

EFFECT OF COMPETITION ON FOREIGN AND DOMESTIC PRICES.—The chief consideration that is urged by the advocates of free trade or tariff reform, so called, is that the duties fall upon the consumer; in a word, that the great mass of consumers in this country will get their products, their goods, their merchandise at a very much less price than they now do if free trade or tariff reform prevailed instead of the present policy.

Mr. Chairman, history and experience both teach us that the agricultural products of this country have in the main increased in price since the tariff of 1824, but that substantially all manufactured articles, articles that have been protected by that or successive tariffs, have been secured to the great body of the consumers at a very much less cost than they formerly were. And, Mr. Chairman, the price of articles has not only been diminished and the consumer benefited by the reduced price, but the quality of the article has in every instance been improved.

Home competition will always bring prices to a fair and reasonable level, and prevent extortion and robbery. Success, or even apparent success, in any business or enterprise will incite others to engage in like enterprises; and then follows healthful strife, which is the life of business, and which inevitably results in cheapening the article produced.

I assure you, Mr. Chairman, that the European product costs the American consumer very much less than it otherwise would but for the existence of domestic rivalry. Remove American competition from foreign manufacture and importation, and the price of every article bought which is manufactured abroad will increase, and we will be forced to pay whatever grasping avarice might dictate.—*Hon. William McKinley, Jr., of Ohio, in reply to Hon. Fernando Wood, 1878.*

WHO PAYS THE DUTY?—At a large meeting of the friends of protection for Canadian industries, held at Port Hope, Canada, on the evening of August 24, 1878, the following answer was given to the above question by one of the speakers, Mr. A. W. Wright, editor of the *Toronto National*: "There may be a man here in Port Hope who has been engaged in buying and selling scrap iron. When we had rolling-mills in Canada, it was worth from sixteen to seventeen dollars a ton; now it is only worth seven or eight, for now you have to export it to the American market and pay duty

there, because you have no mills of your own. A Yankee came over here to buy scrap iron, and, not getting enough to fill his vessel at eight dollars a ton, he paid sixteen dollars for what he bought of the same stuff on his own side. When he came back again the Canadian said to him: 'You only gave us eight dollars a ton, but over there you gave sixteen dollars; that is not fair.' The Yankee replies, 'Do you take me for a fool? I have to pay a duty of eight dollars over there on what I buy here, and can I give you as much?' *So we have to pay that duty because we have no help for it.*"

THE REVIVAL OF BUSINESS.—LOW PRICES FOR EVERYTHING.—In an interview with a reporter of the New York *Herald* at the middle of October, 1878, Judge Hilton, the head of the large dry goods house of A. T. Stewart & Co., referring to the business situation, remarked: "There is a marked improvement everywhere, and I look for a still more decided change in the early future. Merchants are here from all sections of the country to look at and purchase goods. They never could buy so reasonably as now; everything is at very low prices." He added: "We are, besides, exporting greatly in excess of our imports." "Why is that?" the Judge was asked. "Well, one reason is that so many fabrics formerly made across the water are made here, such as carpets, silks, hosiery, and dry goods. Working women can get a suit of beautiful cotton dress goods for nearly the same money that a print formerly cost." "How about the silk trade?" "The home manufacture of silks has very greatly interfered with the foreign silk trade." "How about the carpet trade?" "In good condition. Prices are lower from thirty to forty per cent. than they were a year ago. The fact is, everything is cheaper and cheaper."

Mr. H. B. Claffin, another prominent dry goods merchant of New York, was asked by the same reporter: "Does your experience thus far this year warrant your belief that better times are dawning?" "It does, decidedly. We are doing and have done better than last year at this time. More goods have been distributed from New York this season this year than there were last." "Then you are of the opinion that the bottom has been reached and matters are brightening?" "Precisely. Confidence is more general, sales are large, transactions are more easily made, bills are paid promptly and regularly, and the future looks well."

COST OF THE NECESSARIES OF LIFE IN FARMERS' HOMES.

SENATOR BLAINE, of Maine, delivered a speech on financial questions exclusively, before an Iowa audience, at Des Moines, on Thursday, October 3, 1878, in which he made the following allusion to the effects of a tariff for the protection of home industry.

I ask what single tax on any article that goes into the necessities of life, in your homes and houses, and on your farms, and in your domestic economy, what single one is there that oppresses you here in Iowa? Cut the tariff down; strike down all the vast accumulations and manufacturing wealth that have grown up under the protection of the tariff; that have made great communities in the East and in the West—because the tariff is no longer in the East. You are manufacturing in the West largely, enormously. Manufacturers are large patrons of the agricultural interests of the country—they make large markets for agricultural products. Is there any one—need I go any further?—is there any one thing to-day among the necessities of life that you would get cheaper if you would strike down the tariff? I would like to ask that question. Strike it out of existence to-day and what one thing among the necessities of life would you get cheaper? I admit that a few among the many luxuries might be cheaper. I admit that you could get a camel's-hair shawl, or French laces, or champagne wine, or Spanish cigars, and a fine brand of brandy a little cheaper, but among the necessities that come into the homes and the houses of the people there would be no difference.

You are mostly farmers, and I undertake to say that to-day the manufactured articles in the East for which your pork and flour are exchanged have dropped more heavily than pork and flour themselves, and I undertake to say in reference to cotton goods and woolen goods that you never saw a time in Iowa when a barrel of flour would buy as many of them. [Cries of "Never!" "Never!"] We are a smarter people than the rest of the world—a greater people—we are a more energetic, enterprising people. We are to-day running a race with all the great nations in Europe in fabrics. We are selling cutlery in Sheffield, cotton goods in Manchester, and watches in Switzerland. This is to your benefit. You may quote the high prices of 1862 for pork and flour, and I say to you with confidence and absolute certainty that that very year you couldn't begin at your boots and stop at your head exchanging your flour for as good a suit of clothes as you can to-day. You couldn't do it.

You couldn't buy a calico dress for your wives and daughters, you couldn't buy a pair of shoes, and you couldn't sleep under blankets, you couldn't put sheets on your beds, you couldn't put chairs in your houses, carpets on your floors; you could not buy any one article of domestic use as cheap as to-day for exchange, and it will get still cheaper.

THE PRESENT REVIVAL OF PROSPERITY LARGELY THE RESULT OF THE PROTECTIVE POLICY.

WE have the authority of the President of the United States for the following gratifying statements, contained in his speech at St. Paul, September 5, 1878.

First, of the reduction of our public debt.—The total amount of interest-bearing debt at the time it reached its highest point, the 31st of August, 1865, was \$2,381,530,294.96, upon which the annual interest was \$150,977,697.84. The total amount of interest-bearing debt on the 1st of August, 1878, was \$1,809,677,900, upon which the annual interest was \$95,181,007.50. It thus appears that in thirteen years the interest-bearing debt has been reduced from \$2,381,530,294.96 to \$1,809,677,900; a gain in the amount of the interest-bearing debt of \$571,852,394.96. The reduction of the annual interest charge is \$55,796,690.34, or more than one-half of what we now pay.

There has been another gratifying and important improvement in the state of the public debt. A few years ago our bonds were largely owned in foreign countries. It is estimated that in 1871 from \$800,000,000 to \$1,000,000,000 were held abroad. We then paid from \$50,000,000 to \$60,000,000 annually to Europe for interest alone. Now the bonds are mainly held in our own country. It is estimated that five-sixths of them are held in the United States, and only one-sixth abroad. Instead of paying to foreigners \$50,000,000, we now pay them only about \$12,000,000 or \$15,000,000 a year, and the interest on the debt is mainly paid to our own citizens.

Second, of the improved condition of our foreign trade.—The exports from the United States during the year ending June 30, 1878, were larger than during any previous year in the history of the country. From the year 1863 to the year 1873 the net imports into the United States largely exceeded the exports from the United States—the excess of imports ranging from \$39,000,000 to

\$182,000,000 annually. From 1869 to 1873, five years, our imports exceeded our exports \$554,052,607, or an average of over \$110,000,000 a year. During the years 1874 and 1875 the exports and imports were about equal. During the years ending June 30, 1876, 1877, and 1878, the domestic exports from the United States greatly exceeded the net imports, the excess of exports increasing rapidly from year to year. This is shown as follows:

Year ending June 30.	Excess of exports over net imports.
1876.....	\$79,643,481
1877.....	151,152,094
1878.....	257,786,964

Total excess of exports over imports in three years.....\$488,582,539

The total annual value of exports from the United States increased from \$269,389,900 in 1868 to \$680,683,798 in 1878—an increase of \$411,293,898, or 153 per cent. As we have already seen, the balance of trade in the last three years in favor of the United States is \$488,582,539, or an average of more than \$160,000,000 a year.

The total increase in the value of agricultural products exported from the United States in the year ending June 30, 1878, over the exports of the year ending June 30, 1868, amounts to \$273,471,282, or 86 per cent., the total exports in 1878 being \$592,475,813, and in 1868 being \$319,004,531.

Comments.—The foregoing favorable results of the fiscal policy of the government are undoubtedly among the most influential causes of the revival of national prosperity that is now in progress and is everywhere perceptible. Surely the policy of protection to home industry is entitled to a liberal share of the credit of producing these gratifying results. It has decreased our imports of foreign goods because it has largely kept the home market for the home producer. It has thus kept our gold from going into the pockets of foreign manufacturers, and it has employed our own people. By cheapening, through the development of our resources for the manufacture of agricultural machinery and railway supplies, the production and transportation of agricultural products, it has increased our exports of these products to foreign countries over \$273,000,000 in 1878 as compared with 1868. The increase of all our exports, joined to the decrease of our imports, has caused the balance of trade to be largely in our favor in the last three years, thus transferring a large part of our national debt from Europe to our own

country, reducing our shipments of gold abroad to pay interest on that debt, reducing the rate of interest thereon from six to four per cent., and bringing currency practically to par with gold. Ten years ago, in a speech in Congress on the 25th of January, 1868, the Hon. Daniel J. Morrell, of Pennsylvania, predicted precisely these results if the policy of building up home manufactures should be adhered to. He said :

If we will confine our imports of merchandise below the value of our exports we will secure national solvency, insure the convertibility of our currency at all times into coin at par, and, allowing the volume of the currency to be regulated by the demands of business, an abundance of money would make a ready home market for government securities at a low rate of interest. I risk nothing in predicting that our whole national indebtedness could be converted as rapidly as it can be called in into a long four per cent. loan.

The country is now, as we have said, and as all observant men will testify, entering upon a new era of prosperity for the whole people. The question arises, Shall protection, which has aided so greatly in accomplishing this revival of business, continue to stand as the policy of the government? The whole people, if they are wise, will make answer in the affirmative.

EFFECTS OF PROTECTION.—The New York *Herald*, in its issue for October 6, 1878, says: "It is most gratifying to know that American manufactured goods have a reputation for honesty which the English fabrics of late years have lost, and that to-day one can really obtain at home a better woolen, silk, or cotton fabric than could be had abroad at a price so much below their standard. During the process of testing silks of home and foreign manufacture—a process to which specimens of every known manufacture were submitted in New York some months ago—the American silks were found to be almost the only ones free from sizing and of absolutely pure quality. Such a silk never wears out under moderate and occasional wear, and at \$1.50 per yard should not be beyond the reach of industrious working women or the wives of workingmen. All this development of native resources and home industries is matter for congratulation, and will help to lay the foundation of a new era of national prosperity."

THE American free trader never believes that anything can be produced in this country as cheap or as good as it can be found abroad.

THE WEST FAVORS THE PROTECTIVE POLICY.

*From a Speech in Congress by Hon. Thomas F. Tipton, of Illinois,
May 23, 1878, on the Wood Tariff Bill.*

WE have a healthy balance of trade in our favor at this time; coin is coming into the country rapidly and will continue as long as we can maintain this balance of trade in our favor, and it would be suicidal to destroy this balance of trade and turn the balance against us, and thus create a demand in foreign ports for coin, and reduce the coin of the country. Let us maintain our present balance of trade at all hazards. It is greatly to be hoped that every industry of the country will revive, and the thousands of men now out of employment will find labor at fair wages.

Mr. Chairman, I oppose this bill because I understand it to be conceded by its friends that it will tend to reduce the price of labor. I oppose this bill because I believe it to be destructive of the interests of the laboring classes throughout the country. I believe it to be destructive of prices of both agricultural products and manufactured goods. I oppose this bill because I am opposed to the purchase of goods in a foreign market that can, with slight fostering care on the part of the government, be manufactured here by our own people. The United States bought from the year 1863 to 1873 (the date of the panic) over \$1,000,000,000 more of foreign nations than foreign nations bought of the United States. This over-purchase was one of the great causes of the panic. We are now selling more than we are buying, and instead of sending coin out of the country to pay balances against us it is constantly coming in.

I oppose this bill because it strikes at the inventive genius of this country and tends to depreciate the price and value of property. I oppose this bill because its provisions are destructive of the interests of the people of the North and will not materially benefit the people of the South. The people of the South have every facility for improvement and advancement that is afforded to the Northern States, and the sooner Virginia and the Carolinas understand that they can not make a living out of a low tariff the better. I think that the tariff should be wielded for the protection of all the diversified interests of this country.

Mr. Chairman, I want these gentlemen who favor this bill to advise me where the operatives of all the manufacturing interests of this country are to find employment when the manufacturing interests of the country are stricken down.

I oppose this bill because England is for it. I oppose this bill because every English free trader in the country is for it. I oppose this bill because the English manufacturers are for it. I oppose this bill because I think it wrong and inexpedient at this time. I oppose this bill because it strikes down our home markets by striking down labor, by striking down the great consuming interest of the country—I mean the factories.

WHAT THE SOUTH LOSES BY NOT MANUFACTURING FOR ITSELF.
—Judge O. P. Temple, in an address delivered before the Knoxville Industrial Association, says: “We import from other States all of our reapers, mowers, threshers, and engines; all of our chains, axes, shovels, spades, hoes, rakes, forks, wire, sheet iron, iron pipe, hinges, scythes, picks, willow ware, and rope, and even our axe and pick handles and wagon spokes; most of our plows, brooms, furniture, wooden ware, fire-grates, stoves, corn-shellers, horseshoes and horse-shoe nails, besides hundreds of other articles. The average cost of transportation upon thirty of these articles, as I learn from a leading hardware house, is seventeen per cent. as compared with the original cost; on stoves it is from twenty to twenty-five per cent.; on reapers, mowers, and threshers, fifty per cent.; and on fire-proof brick it is one hundred per cent. Hundreds of reapers and mowers are sold here that are manufactured in Chicago and Ohio; plows and axes, and even horseshoes, are brought from Connecticut; stoves are brought from Albany, Philadelphia, and Cincinnati; carriages are brought from New Hampshire; even brooms are brought from New York.” There is not one of these articles that could not be profitably manufactured in East Tennessee, giving employment to its people and keeping money at home that is now sent to other States. The protective policy applies to communities as well as to nations. It means that each nation and each community should do that which is best for its own interests.

MODERATE but stable specific duties tend to steady prices, and to sustain in adverse times our well-established industries. No nation can afford to allow its industries to be destroyed by foreigners whenever their exigencies or policy dictate a trade invasion. The frontier needs the protection of a tariff more than that of a chain of forts.

THE DAIRYMEN AND THE TARIFF.

GENESEO, Illinois, December 24, 1877. *To the Editor of The Chicago Inter-Ocean.*—In looking over the proceedings of the Dairymen's Convention, held in your city last week, I notice a resolution introduced, discussed, and adopted without a dissenting voice, requesting Congress to abolish the tax on salt. The discussion on the subject was laughable, if not disgusting. For selfishness and unadulterated littleness these dairymen take the palm. One would suppose, to hear them talk, that they were crushed to the earth by an oppressive tariff; that but for this terrible burden they could soon rise on the waves of prosperity.

Now what are the facts? A member of the convention, in giving directions for salting butter, says that three-fourths of an ounce of salt to a pound of butter is about the right quantity. Therefore it will take, say, five pounds of salt for 100 pounds of butter. In my little experience in handling butter I learned that it required about one pound of salt in addition to cover the bottom, top, and sides of the firkin. Let us assume that it takes six pounds of salt for 100 pounds of butter. Now, the tariff on salt is 12 cents on 100 pounds, or about one-eighth of one cent on the pound. When, therefore, our crushed and down-trodden dairymen sell 100 pounds of butter, salted with six pounds of salt, they pay a government duty of six-eighths of one cent. Say butter is worth 25 cents per pound, and they will receive \$25 for the firkin. Will some school-boy tell us what per cent. of \$25 is six-eighths of one cent? I am an old man, and my mind can no longer grasp the infinitesimals.

But let us look at this matter from another standpoint. The six pounds of salt requisite for 100 pounds of butter cost the poor dairymen, tariff included, about 9 cents, and he turns around and sells this same salt to the consumer for 25 cents a pound, or \$1.50, making a clear profit on his salt of \$1.41. Talk about "skin-flints" and "small bores;" the terms do not begin to do these men justice.

But, still further. Suppose Congress should abolish the tariff on salt. Is it at all certain that our dairymen would even then be relieved from this terrible tax of three-fourths of one cent on every \$25 worth of butter sold? A few years since Congress did reduce the tariff on salt more than one-half, but, the very same day that the new tariff went into effect, British salt dealers advanced their prices 15 cents per bushel, and the consumer in America got no benefit from the reduction.

J. M.

CAUSES OF THE DECLINE OF AMERICAN SHIPPING.

WE read the statistics of our decadence with astonishment and mortification. In 1857 there were carried in the foreign commerce of the country, to and from all our ports, more than \$500,000,000 of merchandise in American-built ships, while foreign ships of all nationalities carried but a little over \$200,000,000. Twenty years pass by, and in 1877 we find that American-built ships carry less than \$300,000,000, while foreign-built ships carry about \$800,000,000. In other words, the amount of merchandise carried in our foreign trade in American vessels has fallen off more than forty per cent. in twenty years, while the amount carried in foreign-built vessels has increased well-nigh four-fold in amount. In 1857 American vessels did five-sevenths of the whole; in 1877 they did little more than a quarter part of the whole. The highest point of prosperity, perhaps, ever reached by our merchant marine was in 1854, 1855, and 1856. But the cessation of the Crimean war, by which we had largely profited, followed by the panic and prostration of 1857, greatly depressed our shipping interest, and before we had fairly got under way again the war of the rebellion came on; our large cotton trade was suddenly stopped; our seamen betook themselves to our hastily-enlarged navy; piratical cruisers, bearing the Confederate flag, but really built and managed by Englishmen, took to the sea and made it so unsafe for vessels bearing the American flag that freights by them had to pay an enormous premium for war risks, and consequently merchants were compelled to send their cargoes by neutral vessels in order to insure safety and decrease expenses. These causes, in active operation with increasing effect for four destructive years, inflicted a terrible blow upon the merchant marine of America, and correspondingly developed and built up that of our great commercial rival—England. But the causes I have adverted to were yet but temporary in their nature, and we should in time have recovered from them. But during their operation another cause was still more potent, though silent, and that was the rapid transfer of the commerce of the North Atlantic to the steam marine. And in this field Great Britain made as rapid strides toward the control of the foreign commerce as we were making at home in the development of our internal commerce by the construction of our vast railway system. Indeed, the two developments seem to have kept even pace, as well they might, for every line of American railway that increased the facility for bringing our products to the seaboard by the same ratio increased the

demand for British-built steamships to transport them to foreign markets.

The free trader would persuade you that foreign nations no longer aid their steamship enterprises. Why, gentlemen, this is a most serious mistake. England has never withdrawn aid from her steamship lines until she had enabled them to defy, if not to destroy, competition. When the Cunard Line was first established, nearly thirty-seven years ago, England paid its projectors for mail service an allowance of \$900,000 per annum, if I mistake not, and this was continued, I believe, for the long period of twenty-five years, down to and including 1866; and for the last ten years England has paid mail allowances to her various steamship lines amounting in the aggregate to £10,000,000 sterling, or an average of 5,000,000 gold dollars every year; and France, emerging from her war with Prussia, wounded, bruised, bleeding, with two great provinces torn from her, with the vast expenses of the conflict to pay, with a superadded war indemnity of \$1,000,000,000, France, with all these disastrous and deadening discouragements, maintains her great steamship lines all over the world by paying them for mail service an allowance of more than 23,000,000 francs, or more than \$4,500,000, being equivalent to \$6 per mile sailing distance. Even Italy, which we scarcely recognize as a maritime power, pays yearly to her steamship lines more than 8,000,000 francs.—*From a Speech by Senator Blaine, at Chester, Pa., April 20, 1878.*

John Roach testified as follows, at New York, in 1878, before the Special Congressional Committee on Labor: "One of the first acts of the United States was the passage of a law protecting the shipbuilding industry; all other goods could come into the country on the payment of some duty, but the navigation laws shut out all ships. Thus we gained on Great Britain in shipbuilding," said Mr. Roach, "until we had exported \$47,000,000 worth of ships before other manufactured goods had begun to be exported. We lost our commerce, not through any want of enterprise, but because the place of our ships which were taken for the defense of the nation and driven off the sea during the war was taken by English ships. During the war," continued the witness, "a revolution was taking place in shipbuilding; the iron ship was taking the place of the wooden ship, the propeller of the side-wheel steamer, and the compound engine of the simple engine. We were so absorbed in our efforts to save the nation that we were unable to keep up with these improvements. After the close of the

war I purchased a site on the Delaware, and went to building ships. Let me give you the result. From 1871 to the present time, thirty-seven steamships have been built, having a tonnage of 84,000 tons, equal to 250,000 tons of sailing vessels. There are fifteen trades employed in the yard, and twelve employed outside, in building an iron ship. These ships have cost \$16,000,000, of which \$15,000,000 have been paid out for labor, and 5,000 persons have been kept in permanent employment. In 1870 this industry was scarcely known; now we have skilled labor sufficient to build seven times the number of ships now built."

Mr. Roach maintained that he could build an iron sailing vessel nearly as cheap as it could be built on the Clyde, but said that if the navigation laws were repealed it would be for the interest of the capitalists on the Clyde to unite to break down the American ship-builders.

HOW TO INCREASE OUR TRADE WITH MEXICO.

At the dinner given to the Mexican Minister to the United States, Senor Manuel de Zamacona, at Chicago, September 6, 1878, by the Manufacturers' Association of the Northwest, that gentleman, in the course of a most excellent speech, made the following remarkable statements, which show how greatly our government and people have neglected the cultivation of profitable commercial relations with our sister republic. Our commerce with Mexico and other countries can be largely increased if our merchants and manufacturers will display a little more enterprise, and if our government will encourage the establishment of steamship lines, as England, France, and other European countries, and even Brazil, have done.

Were not the fact before our eyes, it would be impossible to believe that the active, progressive American trade, which has found an outlet to the market of every country in Europe, has only avoided the great market lying just at the doors on the south, and constituting one of the largest centres for industrial products. The exports of iron goods and steel goods in the United States have been doubled during the last ten years. The exports of agricultural implements have been three times what they were in 1868, and that wonderful movement does not reach the country constituting the southern boundary of the United States. This movement of manufacturers of this country can be compared to those streams which push their way to distant climes without watering the banks along their course. Your manufacturers go as far as the East Indies, as far as Australia. They are invading, little by little, the southern republics of this continent. Mexico is the only exception, and the \$5,000,000 of American manufactures imported twenty-five years ago represent

the present imports from the United States into Mexico. And this astonishing fact becomes more singular before the striking proofs of the designs of Providence to connect these two countries with the ties of commercial relations. The slopes from the central table-lands of Mexico seem to be made on purpose to direct to the United States the natural products of our country; and, on the other side, the admirable system of navigation on the Mississippi river, with its thirty-three tributaries, seems to be a series of canals opened on purpose to convey to Mexico the abundant products of this country.

Among the most efficient remedies to promote the development of a larger commercial intercourse between the United States and Mexico, there are two which deserve special mention: one is the establishment of new lines of maritime connection between the United States and my country. At present there is but a single line of steamers established, and it is subsidized by the Mexican government. But the monopoly enjoyed by this produces the usual result—that the cheapness of transportation between the two countries is a mere delusion, and this is the reason why it is easier to ship goods in large quantities from Europe to Mexico than to ship the same from American seaports. That seems to be incredible, yet it is true. I can illustrate this single fact by my personal experience. Being in Europe two years ago, I had to send to Mexico a large lot of European goods—house furniture and articles of that sort. My one trouble was to make my choice between several vessels, both steamers and ships. There was no lack of accommodation. A few months afterwards I had to make the same arrangements in New York. I applied for transportation, and after having to wait a month for a sailing vessel, I paid almost double the freight I did from Europe to Mexico. The most necessary feature, however, in building up commerce between our countries, is the construction of an international railroad, a line of railroad connecting with the feeders which the Mexicans design to build. This is the most satisfactory solution that I have found in my endeavor to promote commercial intercourse between the United States and Mexico. By a connection of this sort I am certain that in a few years Mexico will be the best customer of the United States, and the United States will be the best market for Mexico.

AN EXAMPLE.—Belgium is a small kingdom, with about 5,000,000 of inhabitants. It is, however, one of the most industrial and enterprising countries of Europe. It has profited by the long reign of peace it has enjoyed to improve its condition. It has supplied arms and ammunition to the belligerent nations which have warred around its borders. Its rich pastures have replenished the markets of Paris and London. Its iron fabrics and its coal are sent all over the continent, and its exports to foreign countries have been large. Recently, with a view to the increase of the trade of the kingdom, the consular service has been reformed, as well as the mercantile marine. A line of steamers, ten in number, has been

established between Antwerp and Canada, to which the government grants a liberal subsidy for the carrying of the mail and for the extension of commerce. The government identifies itself with the solid interests of the country, and they, in turn, support the government. Why should not the same be the case in the United States? Why should not a republican government associate itself with the general welfare of its citizens?—*Philadelphia Press*.

THE BENEFITS OF MACHINERY.

THE English spinners smashed Arkwright's jenny because they thought it would ruin their business. The weavers did the same by Cartwright's loom. Yet, it would not be necessary for us to bring forward statistics to convince even a follower of Kearney that these inventions doubled the number not only of English spinners and weavers but the number of working Englishmen of all trades. The wealth of England, as to a principal part of its trade and commerce, is mainly their doing. The early commercial and industrial prosperity of our own country was very largely based upon cotton; but where would our cotton crop have been without Whitney's gin to clean it and Lowell's loom to weave it? The demand for American cotton was as nothing without the one, and could not be met without the other. By their great saving of labor they have given occupation to thousands and cheapened the apparel of millions.

We raised 2,000,000,000 bushels of grain last year. How many farm hands would it have taken to reap and gather this crop with the sickle and the hand? The fact is that to labor-doing machinery we owe the possibility of any crop at all in the larger part of the grain-producing regions of the interior. The *Scientific American* presents statistics showing that in our great grain-producing States, in consequence of the rapid introduction and improvement of agricultural machinery, the farmers and farm hands increased in number more than fifty per cent. during the ten years ending with 1860, and about thirty per cent. during the next ten, notwithstanding the losses incident to the war. This was thirteen per cent. more than their share of the gain of the entire population.

It is alleged that tens of thousands of sewing-women have been turned out of employment by the sewing-machine. The census reports show the reverse. First, that the earnings of sewing-women have largely increased since the introduction of sewing-machines;

and second, that the number of persons earning a living by sewing has increased since that invention was made in a ratio considerably larger than the ratio of increase for the entire population.

The machinery used for making shoes has not only sent American boots and shoes over the world, but reduced those made by hand to a small per cent. of the whole number, and yet increased the number of shoemakers and their wages. The wages of many operatives in cotton mills have been increased, while their hours of labor have been reduced and their product has doubled. The manufactories of the land which employ the greatest number of labor-saving machines have not only grown in number, but doubled the number of their employés and increased their wages steadily. The last quarter of a century substantiates this in every detail and every department. And at the same time that this machinery has so augmented the number and wages of the employed, it has reduced the cost of all the principal articles they have to purchase.

Those who complain of machinery as a destroyer of labor often forget the greatness of the demand for the products of both labor and machinery during the past quarter of a century. The great increase in the quantity of goods transported in the United States shows that the use of railroads, operated by steam and machinery, has made possible what could not have been accomplished had they not been built. The following figures show an enormous increase in the ocean commerce of the three great commercial nations of the world:

	1850.	1877.
Total foreign trade of Great Britain.....	\$1,262,000,000	\$3,616,239,690
France.....	588,000,000	1,516,158,500
United States.....	330,000,000	1,172,487,620

The complaint is made that steamships have crowded sailing vessels from the sea, which is true, but only in this way could the international traffic have been increased to its present proportions. What has been lost to sailors and ship-owners has been gained for the farmers and the mechanics of the world by increasing the facilities of transportation and consequently the demand for their products.

In a recent public address the Hon. Schuyler Colfax gave the following illustrations of the benefits of machinery:

Take the plow, the supreme necessity of agriculture, which used to be in the last century so bulky in size and so excessively cumbersome in draught. Who of you to-day would go back to the awkward plows of your ancestors?

Take corn-shellers. In the last century one man could shell but a few bushels per day, while now, with steam or horse power, two men can shell 1,500 bushels per day. It has been estimated that to shell the corn crop of the six great corn States—Iowa, Illinois, Indiana, Missouri, Ohio, and Kansas—in the fashion of the last century, the entire farming community of these States would need seventeen solid working weeks for corn-shelling alone, besides the time spent in plowing, planting, cultivating, gathering and hauling to the crib and thence to market. Look at wheat harvesting. It was not till the close of the last century that the cradle superseded the sickle—this labor-saving implement enabling a man to do in one day as much as six or seven men with sickles. Less than a half century ago Hussey took out the first mower patent, and it is less than a third of a century since McCormick commenced the manufacture which has made him so famous, and which, ten years later, gave to him and to America that greatest of machinery triumphs at the World's Fair in Paris in 1855. How impossible it would be to harvest the grain crop of America now with the sickle of the last century I need not pause a moment to prove. But, as I have shown, statistics establish beyond all contradiction that, in spite of all this machinery, there are more men engaged in growing, harvesting, and transporting grain than ever before; this resulting in the employment of more hands, while securing to the poor cheaper bread. Look at sewing-machines. How would you have clothed and put into the field so rapidly 1,000,000 soldiers for the Union without them? And the *Scientific American* proves by the figures of the census, that can not lie, that the number of persons earning their living by sewing has increased since their invention in a ratio greater than the increase of our population.

It is insisted that, as labor-saving machinery increases, the number of laborers must necessarily decrease in the same ratio. The *Scientific American* shows that in the manufacturing State of Rhode Island, from 1870 to 1875, when machinery was being so rapidly introduced, the aggregate number of laborers employed in manufacturing in that State increased from 49,000 to 56,000, and the wages paid per year from \$19,000,000 to \$23,000,000; and in Massachusetts, while there were but 43,000 persons employed in cotton manufactures in 1870, that number had increased in 1875 to 60,000, and the value of the goods manufactured had risen, in spite of declining prices, from \$59,000,000 per year to \$77,000,000.

FREE TRADERS declare that, large as our exports are, we would export still more of our agricultural and manufactured products if we would repeal our protective tariff. To show the fallacy of this assumption it is only necessary to cite the figures of our trade with Brazil. In the fiscal year ending June 30, 1878, we purchased from Brazil coffee and other products of that country, amounting to \$42,972,036. Now, what did Brazil take from us in exchange for her coffee in the fiscal year stated? Just \$8,686,704 of our agricul-

tural and manufactured products, and the remainder of the debt we owed her, \$34,285,332, in specie. As we impose no duty on Brazilian coffee, and no duty on any of the commodities we export, it is evident that Brazil did not buy our agricultural and manufactured products for the reason given by our free traders.

A TRIBUTE TO THE PROTECTIVE POLICY FROM THE HON. FERNANDO WOOD.

THE New York *Herald* having advised the dominant party in the National House of Representatives that it make no effort to revise the tariff during the closing session of the Forty-fifth Congress, the Hon. Fernando Wood, chairman of the Committee of Ways and Means, avails himself of the opportunity to publish a card in the *Herald* of October 14, 1878, denying that any further effort to revise the tariff will be attempted by him during the session alluded to. He says in this card:—*"I agree with you as to the impolicy of disturbing the present tendency to commercial prosperity in this country, and that Congress should do nothing to prevent or retard it. So far as I have any voice or influence you may rest assured nothing shall be attempted at the coming session which shall have this effect. The tariff should be materially changed. It is an unjust, unequal, and oppressive law, difficult to execute and injurious to the revenue as well as to those for whose benefit it was intended. But as the same opposition to its modification will exist at the next session as was manifested at the last, because the personnel of Congress will be the same, it becomes a question of policy as well as of justice to the interests to be affected whether, at this time, any revision should be attempted."*

In the above utterances Mr. Wood, unwillingly, no doubt, bears the highest tribute to the beneficial effects of our present protective tariff. He would not disturb "the present tendency to commercial prosperity in this country," brought about by protection, of course. Farther on he speaks of "justice to the interests to be affected" by tariff revision—this justice requiring that there be *no* revision at this time. These "interests to be affected" must be the interests of the public, or else we may presume Mr. Wood would not be influenced by any considerations in their favor to make the promise he has seen fit to publish in the *Herald*. Theoretically he continues, as his card shows, to anathematize the present tariff, but as a matter of fact he is forced to confess that it is working very well and should be let alone.