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SUPPLEMENT TO THE POLK COUNTY NEWS

COLUMBUS, N. C., OCTOBER 25, 1906

A GREAT SPEECH BY MR. CRAWFORD

An Exhaustive Exposition of Discriminating Tax Laws, Which Benefit Special Interests to the Detriment of Toiling Millions.

TALK THAT MEANS SOMETHING

Gallant Representative of the People Adduces Conclusive Evidence in Substantiation of the Contention that Federal Taxes are Excessive, Unjust and Ought to be Reduced.

The great issue in the national campaign this year being the Tariff, or Federal taxation, it is deemed appropriate to reproduce here the very able and convincing argument of Hon. W. T. Crawford upon the subject, on the floor of congress, Thursday January 25, 1894. Mr. Crawford is handling this vexed question admirably in his present canvass of the tenth district as the democratic candidate for congress, but the speech presented herewith, which appeared in the Congressional Record at the time it was delivered, is by far the most powerful and exhaustive exposition of tariff laws that any southern representative has ever made.

In this extended argument, Mr. Crawford lays bare the injustice of high protective tariff laws and points out the excessive burdens such enactments impose upon the sons of toil. He takes the republican party to task for its deceptive practices and declares for "equal rights for all and special privileges for none." It is worth while to read every line of this unanswerable argument, inasmuch as it deals with vital issues that are still paramount. Mr. Crawford makes the matter so plain that no one can misunderstand and what he had to say then as now will have great weight with those who know him best.

The Argument Begins

The House being in Committee of the Whole on the State of the Union, and having under consideration the bill (H. R. 4854) to reduce taxation, to provide revenue for the Government, and for other purposes.

Mr. Crawford said: Mr. CHAIRMAN: I presume that every man in the United States of sound discretion has a pretty clear idea of the tariff, unless it be the philosophers of high protection. I am sure it would not be safe to ask a man in my State if he understood the tariff. (Laughter.)

The fact is, Mr. Chairman, the people have been investigating this question for themselves and have learned that a tariff is a tax pure and simple, levied by Congress upon goods and merchandise brought to this country from England, France, Germany, and the balance of the world; and they know that the people of the United States who buy those goods pay not only the cost in foreign markets, the freight across the Atlantic, the tariff tax collected in our ports, but a profit to the importing merchant, which is the sole inducement to the transaction; and they know further, that by reason of this tax the American manufacturers are enabled to sell their vast product, amounting to over \$7,000,000,000 annually, for an enhanced price to the American consumers of not less than \$1,000,000,000 every year, according to the estimates of the best authorities, every dollar of which goes into the pockets of the protected manufacturers. In the meantime the Government gets about \$200,000,000 as taxes. When the tax is levied for the purpose of raising revenue for the support of the Government it is called a revenue tariff; when it is levied with a view of aiding individuals in their private business, it is a protective tariff, and is called "protection to American industries."

Bears Heavily on Toiling Classes

Mr. Chairman, the people of this country have paid into the Federal Treasury since the Government was organized \$7,400,000,000 as taxes on imported goods, and how much has been paid in consequence of this to the American manufacturers in the way of enhanced prices of their products no one can tell, but certainly not less than \$30,000,000,000 according to the most reliable statistics. This does not destroy wealth, of course, but it takes it out of the hands of the toiling millions and concentrates it in the hands of the few like Carnegie, the great steel king of Bradock, whose income is \$5,000 a day. With the power to raise the price of their products as high as the imported goods of like character, with a duty of 40 to 100 per cent. added, and force the American people to buy them, is there any wonder that the manufacturing sections have all the surplus wealth of the nation!

Is there anything strange in the fact that Massachusetts is rich and North Carolina is poor, when you consider that the people of North Carolina have been forced to sell cotton and other surplus farm products in England, or at England's prices,

for a hundred years and invest the proceeds in New England merchandise, which costs them on an average of 50 cents more on every dollar invested than the same goods would have cost them in England? But it may be asked, why do they not buy their necessary supplies in England? The answer is, the Government of the United States is protecting the home manufacturer against competition with foreign-made goods, and will not allow such goods brought into this country without paying a heavy tax.

A Practical Illustration

Mr. Chairman, to illustrate the practical operation of the tariff law, let us suppose that a New York importing merchant buys \$100,000 worth of cotton or wheat in this country and ships it to London, sells it, and invests the money in woolen goods such as the American people are compelled to buy on account of the severity of our winters. When his vessel arrives in the port of New York the custom-house officer goes on board the ship and invoices the goods and ascertains the value or cost in London, which is \$100,000; the tariff tax under the McKinley law on this class of goods is 98 per cent., and this merchant must pay \$98,000 into the Treasury of the United States before he can take those goods out of the ship and put them into his store. Is there a sane man who will contend that the \$98,000 is not added to the \$100,000 before that merchant bills the goods for sale? If so, no sane man will believe him. [Applause.] This \$98,000 is the tariff. I think it is clear. Is it not plain to every man who is willing to look at the question from a business standpoint, that the American manufacturers, who pay no tariff tax, have a margin of \$98,000 in the transaction cited, and upon these margins the great trusts and combines are built along the whole line of protected industries.

tax was not levied with a view of raising revenue, but for the express purpose of giving the home manufacturers a monopoly of woolen goods, including every article of clothing, which is so essential to the comfort, the health, and the very lives of the people. What an exhibition of cold, merciless, and shameless greed. [Applause.] And gentlemen on that side of the House are bold enough to defend this reckless abuse of the taxing power, and with uplifted hands declare in plaintive appeals that it has been done for the protection of labor. Oh, labor, what crimes are being committed in thy name!

Mr. Chairman, we have come to the "parting of the ways." The Democratic party has always contended that Congress has no power to levy taxes except for governmental purposes. The Republican party is now contending, contrary to the teachings of the great men who founded and maintained that party in its better days, that tariff taxes should be levied for the purpose of protecting American manufacturers as an object and for the raising of revenue as an incident. Democrats contend that the people ultimately pay the tariff who buy the goods, and insist that no more taxes shall be collected than is necessary to meet the public demands of the Government. Republicans want to make the tariff so high that no foreign goods can come to our markets if such goods can be produced in this country by this false stimulation of protection.

Shall Discrimination Continue?

Sir, the issue in this battle is not upon the details of schedules in this bill, but it goes to the fundamental principle of the taxing power as provided in the Constitution. We are to decide whether or not this system of levying tribute on the 67,000,000 of people for the benefit of the few thousand shall be perpetuated indefinitely. The

during this period was 32 per cent., and by the compromise it was reduced to 25 per cent. And this was called "Clay's great American system." What would you gentlemen call it? Free trade of the rankest sort. It is interesting, Mr. Chairman, to note the progress of tariff legislation. The Whigs succeeded in the election of 1840, and raised the tariff to 35 per cent.; in 1844 the Democrats were triumphant, and the "Walker tariff" of 1846 was the result, and the rate of duty was reduced to 25 per cent. and remained unchanged for eleven years. This period from 1846 to 1857 has been characterized in this discussion and on every stump by the Republicans as "the era of free trade and ruin." The contention is false. As a matter of fact, it was the most prosperous period in our history. Mr. Blaine, the great apostle of protection, when he comes to write history, says in his Twenty Years of Congress:

"Moreover, the tariff of 1846 was yielding abundant revenue and the business of the country was in a flourishing condition at the time Taylor's Administration was organized. Money became very abundant after the year 1849. Large enterprises were undertaken, speculations were prevalent, and for a considerable period the prosperity of the country was general and apparently genuine. After 1852 the Democrats had almost undisputed control of the Government and had gradually become a free-trade party. The principles embodied in the tariff of 1846 seemed for the time to be so thoroughly vindicated and approved that resistance to it ceased not only among the people, but among the protective economists, and even among the manufacturers to a large extent. So general was the acquiescence that in 1856 a protective tariff was not suggested or even hinted by any one of the three parties which presented Presidential candidates."

Mr. Blaine says in this connection, that the Republicans had a plurality in the House in 1857, and elected Mr. Banks Speaker. This Congress reduced the tariff to 18 per cent., the lowest it had been since 1816, and not a word was said about the "free-trade panics" and ruin upon which so much

John Quincy Adams, in a report to the House of Representatives on manufactures, in 1836, answers the whole argument in a nutshell. He says:

The duty constitutes a part of the price of the whole mass of the articles in the market. It is substantially paid upon the article of domestic manufacture as well as upon that of foreign production. Upon one it is a bounty, upon the other it is a burden; and the repeal of the tax must operate as an equivalent reduction of the price of the article whether foreign or domestic. We say so long as the importation continues, the duty must be paid by the purchaser of the article.

Senator Plumb, a life-long Republican, said in the Senate in 1883:

Who pays these taxes? When a manufacturer of iron comes to the Senate and says, "I can live or I can make a profit if a certain duty is imposed," what is he saying? He is simply saying, "If you give me a certain duty you put it in my power to charge over that duty as an additional tax on the farmers of the United States."

Republican Promises Disregarded

Campaign after campaign you promised to reduce the war taxes on the necessities of life. How did you do it? You took the income tax off of the rich, which saved them \$70,000,000 a year; you took the tax off of manufactures amounting to \$127,000,000 a year, and put luxuries on the free list.

But no burdens of taxation were removed were removed from the shoulders of the common people who spent all their incomes in the support of themselves and their families, but on the contrary were increased. It will be remembered, Mr. Chairman, that President Arthur, as late as 1881, in a message to Congress, recommended a reduction of the taxes upon the necessities of life, using this language:

The present tariff system is in many respects unjust. It makes unequal distribution of both its burdens and its benefits. I recommend the enlargement of the free list, and a reduction of the duties on cotton, iron and steel manufactures, also upon sugar, wool and woolen goods.

In 1882 he appointed a tariff commission, composed of protectionists of the North, whose duty it was to make a thorough investigation of the whole tariff system. After spending months in the manufacturing centers examining experts as to cost of production and profits on the investments, this committee made a unanimous report to Congress recommending a reduction of 20 per cent. all along the line. By the time Congress came to act upon it, the manufacturers themselves had been heard from, and in obedience to their demand this report was thrown to the winds, and the tariff, instead of being reduced, was actually raised 10 per cent. [Applause.]

Reputed by the People in 1884

Notwithstanding this flagrant disregard of public sentiment, public demand, and party pledges, you again came forward as the especial champions of the people, and declared in your national platform of 1884 that you would "equalize the taxes and reduce the surplus." But the people reputed you as unfaithful servants and elected Cleveland President, and also a majority of the House. In compliance with all the Democratic platforms and in accordance with the time-honored principles of the party, as enunciated by Jefferson, Madison, and Jackson, he sent his famous message to Congress declaring that—

Our present tariff laws, the vicious, inequitable, and illogical source of unnecessary taxation, ought to be at once revised and amended. These laws, as their primary and plain effect, raise the price to consumers of all articles imported and subject to duty, by precisely the sum paid for such duties. So it happens that while comparatively few use the imported articles, millions of our people, who never use and never saw any of the foreign products, purchase and use things of the same kind made in this country, and pay therefor nearly or quite the same enhanced price which the duty adds to the imported articles.

The Mills bill was framed with a view of carrying out the suggestions of the President, reducing the tariff, substantially, to a revenue basis, and thereby relieving the people from unnecessary and burdensome taxation, but was defeated by a Republican Senate.

Voice of the Demagogue in 1888

This effort of the Democrats to reform the tariff aroused afresh the great moneyed powers of the nation, and every nook and corner of the country from one ocean to the other was visited by the hoodlums who were organizing for the defeat of Cleveland upon the basis of a money consideration. And the voice of the demagogue was heard in the land. From every stump the miserable slogan of "free trade, bankruptcy, and pauper labor" was the issue, and the only issue, when it was known by every reading man that the Mills bill carried a higher rate of duty than Henry Clay ever contended for. By false reasoning you attempted to mislead the people by claiming that the tariff made wages high and at the same time made the product of wages cheap and was rapidly developing a home market for the farmer's products, and in a general way had made this the greatest country in the world. It was insisted that by the mysterious force of the tariff the forests had been cleared, the railroads built, the mines opened, and the people educated. Away with such sham and pretense! This country has prospered in spite of this unjust, unjust, and iniquitous legislation.

Legislation has no power of creating wealth. Labor alone can do it. Legislation does control the distribution after labor has created it, and that is what the tariff is now doing, taking the hard earnings of the people and giving it to the rich as a bonus to induce them to manufacture clothing, hats, and farm implements.

In the campaign of 1888 it is well known, Mr. Chairman, that the Republicans defended the existing law and never once suggested that the tariff would be increased or in any way modified. They carried the election and got full control of the Government, and when Congress convened a Ways and Means Committee was organized, with Mr. McKinley as chairman, and they proceeded to make a new bill, and then, as now, all the "infant industries," with their paid lobbyists, were present demanding their rights, and it is a matter of record that they dictated their own rates of increase, virtually writing their own schedules in that McKinley bill, as may be seen by comparing it with the hearings before the committee. The tariff rate was raised enormously on articles in common use; on ready-made clothing from 54 to 84



HON. W. T. CRAWFORD

by which the price of their products is made uniform throughout the country, so that they may divide the spoils without competition among themselves, thus forcing the American people to pay them the same price for all the necessities of life as the foreign goods cost with the tax added? The hat manufacturers gave the whole case away in their statement before the Ways and Means Committee, page 1171 Tariff Hearings. They say that a hat which costs \$15 a dozen in this country costs only \$8.18 in Europe. The law of 1883 had a tariff of 72 per cent. on wool hats; if added to the \$8.18 you have \$14.06; and at their instance the McKinley bill raised the tariff to 88 per cent., which they claim was necessary, on the ground that Europeans had learned the "ingenious methods" of American manufacturers and were underselling the American makers in this country. Now, add 88 per cent. to the \$8.18 and you get \$15.37. This explains itself. In this way mammoth fortunes have been acquired within a few years. By these unheard-of advantages 30,000 men own \$30,000,000,000, one-half the entire wealth of the United States; and these are the men who are clamoring for protection at our hands to-day. Mr. Chairman, these are the infants about to be destroyed by the paupers of Europe. It is pitiable to hear the wails of the gentleman from Pennsylvania [Mr. Dalzell], and the hoarse groans of the gentleman from New York [Mr. Payne], for their deliverance from the Wilson bill and the paupers. [Laughter.]

Cold, Merciless, Shameless Greed

The average rate of duty on the woolen schedule under the law of 1883 was 69 per cent., and the imports under that law amounted to \$84,850,000 in 1890, and the tax collected to \$37,208,500. In 1888 the Republican campaign committee "fried the fat out" of the manufacturers in order to elect Mr. Harrison, and when Congress convened and began to "inker" with the tariff, the woolen manufacturers combine demanded of Mr. McKinley that the tariff on woolens should be raised from 69 to 98 per cent., and it was done, and the imports dropped to \$35,792,000 in 1892, upon which a tariff tax of \$35,076,160 was collected. This enormous

Constitution of the United States, Article I, Section 8, provides that "The Congress shall have power to levy and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States." We see that Congress is limited by this grant of power to levy taxes upon the people, both as to the objects to be taxed and the application of the money when collected. It is believed that even just taxation is a necessary evil, and a burden upon those who pay it.

But no patriotic citizen objects to paying his fair quota of taxes to support the Government in its due course of administration, in order that law and order may be maintained for the protection of life, liberty, and the individual pursuit of happiness, which is the prime object of government. The people are willing to contribute millions for revenue, but I say here and now, so far as my vote is concerned, not another cent shall be paid as a tribute to home industries or any other industries. We stand here to-day in defense of the toiling, tax-paying masses against the encroachments of the Government upon their rights. They are not able to send lobbyists to Congress to plead for relief, and they do not flood this House with protests and petitions, but they are watching with anxious eyes the result of this contest. They instructed us at the polls in 1890 and again in 1892 on this issue, and we are here to execute their will in spite of the combined money power, in spite of the howls of the beneficiaries of this vicious system of robbery, and in spite of the protests of that side of the House. [Applause.] We will rock this country from ocean to ocean until taxes are levied only for revenue and the proceeds applied exclusively to the support of the Government, economically administered. [Applause.]

Blaine in 'Twenty Years of Congress'

Under the administrations of Washington, Jefferson, and Madison the average tariff was 15 per cent. Henry Clay, when urging his compromise in the Senate in 1833, said, "Now, give us time; cease all fluctuations for nine years, and the manufacturers in every branch will sustain themselves against foreign competition." The rate of tariff

oratory has been wasted in this debate, the great lights of the Republican party, like Charles Sumner, Henry Wilson and Hamilton Fish voting for the reduction, voting for what you gentlemen are pleased to call free trade. Sir, these disciples of the new school of protection are looking back over a period of forty years, with their minds loaded with the old stock of campaign thunder, to the exclusion of historical truth, and are still shouting, "Behold the free trade and ruin of 1846!" These latter-day saints have departed from the faith of the fathers on this great question. You occupy the seats in this House which they filled with distinguished ability, but you have repudiated their policies, ignored their teachings, and spurned their wisdom. [Applause.]

The Morrill Tariff

The Morrill tariff of 1862 was passed as a war measure and raised the tax to 40 per cent., and Mr. Morrill urged its passage on that ground alone. The Republican platform of 1863 declared that—

It is due to the labor of the country that taxation should be equalized and reduced as rapidly as the national faith will permit. Now the Republican party insists that it is due the American labor that taxation shall be increased as rapidly as national faith will allow. Hamilton, Clay, John Quincy Adams, Grant, Logan, and Plumb thought that the tariff is a tax and that the consumers of this country pay it. Mr. McKinley and all you distinguished gentlemen profess to believe that it is protection to American labor and is paid by the foreigner who sells the goods in this country. Alexander Hamilton says, in 1791, in a report on manufactures:

It is true his general proposition that the consumer pays the duty. Henry Clay says in his great tariff speech of 1830:

We do not derive our ability from abroad to pay taxes. That depends upon our wealth and industry; and it is the same whatever may be the form of levying our contributions. Mr. McKinley says: We propose to raise our money for public expenses by taxing the products of other nations rather than by taxing the products of our own. "Shades of the mighty Clay!"