

**TAX REFORM.**

**A VIEW OF TARIFF TAXATION AND SURPLUS REVENUE.**

**SHOWING THE BLIGHTING RESULTS OF PROTECTION.**

**On the Farmer, the Laborer, the South, and the Country at Large.**

COMPILED BY E. L. SHUFORD.

THE SURPLUS ISSUE.

This country is confronted with an anomalous state of affairs. We have locked up in the United States Treasury an idle surplus of \$130,000,000; more than \$180.00 for every day since the birth of our Savior. More money is piled up in the vaults at Washington than there is in the treasury of any kingdom, monarchy or despotism on the planet. Indeed, we have a greater amount than hoarded than have the three leading nations of Europe. The fact of a surplus so gigantic clearly demonstrates that taxation is unnecessarily high. Why should the people be taxed beyond the reasonable demands of the Government? Besides, no one will deny that a large surplus is a perpetual menace to an economical government and invites unwise legislation, jobs, rings, and a long train of evils. An old and honored Democratic statesman of an emphatic turn of mind used to say, "that it was as hard to run a powder-house in hell as an honest government with a plethora treasury." But how small is this surplus when we think of the amount which never sees the Treasury, the effect of which is felt in every department of business, and the maintenance of which enhances the cost of living to every man in the land. You ask can there be a more effectual or pernicious method of contracting the currency than by collecting by taxation a large sum in excess of the needs of the Government and locking it up in the Treasury? It seems so, for this tax, or tariff if you please, which put 217 millions in the Treasury last year, placed during the same period one thousand millions into the pockets of manufacturers and monopolists. The Government says to the monopolist, I do not need to tax these people, but I will hold them while you extort. And the Republican party, the cunning agent of monopoly, shielding itself behind a so-called protective system, frames a law that yields \$5 of private taxes to the manufacturing monopolies, whilst it puts \$1 of revenue in the vaults of the Government. Do you doubt it? We give you a touchstone to test it. For every dollar's worth of imported goods that we buy and pay an average of 47 per cent. on, alongside in the merchant's store are \$5 worth of such competing American goods as are sold 47 per cent. higher than they would be out of the United States, and of course 47 per cent. higher than they would be if it were not for the present tariff. If we reduce the tariff we not only provide for a reduction of the surplus, but for every \$1 we leave out of the Treasury we leave at the very lowest estimate \$5 in the pockets of the people. This withdrawing from the channels of trade the money of the people, the life blood of commerce, is equally injurious, equally destructive of every interest in every section of the country. The whole circulating medium of this Nation, including both metals and the paper currency, is \$1,336,000,000. Only half of this amount is in the hands of the people, a moiety of it being hoarded up in the coffers of monopolists and in the Treasury of the Government, barely leaving \$700,000,000 to do the business of this vast country. Of this amount 350 millions will be collected this year in Federal taxes alone; more than half the volume of currency employed in trade,

more than forty thousand an hour, more than \$5 ahead for every man, woman and child in the land, more than \$30 ahead for every voter in the Republic. The business of the country cannot stand the strain. A national panic stares us in the face. The President says "all the authority and expedients, within executive control barely prevented a panic last year "and these appear now to be exhausted." It must be averted, and can only be done by lowering taxes. We cannot afford to stop to quarrel as to how this shall be done, or on what. The spirit of compromise has marked the wisest legislation of this country. The greatest intellects which have adorned the pages of American history did not deem it derogatory to their manhood to concede something to the opinions of others. We must compromise. We must make concessions to one another. This is the wisdom of private and public life. This is the spirit of Democracy. In this great country, with its teeming population of sixty millions, its vast area, its great diversity of soil and climate, there are necessarily conflicting interests, but there is no conflict, real or imaginary, in the State or in the United States, which cannot be satisfactorily adjudicated, if we but apply to its consideration the patriotic spirit of moderation which marks the President's Message and the Mills Bill. The Democratic party appreciates the fact that during the past 25 years immense sums of money have been invested in the various manufacturing interests of the country, and any legislation should have due regard for capital so invested. Its policy is not destruction, but reduction and salvation.

FREE TRADE NOT AN ISSUE.

Notwithstanding the avowed pledges of both parties to revise the tariff and reduce the surplus, the Democratic party is confronted on the threshold of every attempt to redeem its faith by the opposition of the Republicans in Congress who seek to justify themselves by crying "free trade." As for the question of "free trade," it seems to us that the President in his message laid the matter to rest. He says: "It is a condition which confronts us—not a theory. Relief from this condition may involve a slight reduction of the advantages which we award our home productions, but the entire withdrawal of such advantages should not be contemplated. The question of free trade is absolutely irrelevant; and the persistent claim made in certain quarters that all efforts to relieve the people from unjust and unnecessary taxation are the schemes of so-called free traders is mischievous and far removed from any consideration of the public good."

FAIR TRADE.

The Democratic party is a fair trade party and its opposition to war-tariff, robbery of the people for the benefit of a favored class, is well known. It is absurd to talk of free trade and it shows either ignorance or a wilful spirit of misrepresentation. It takes an immense amount of money to run this Government even when economically administered, and we will continue to raise a revenue from the tariff on imports for all ages to come. Of course true statesmanship requires that this tariff be so adjusted as to do the most good and the least injury to the masses of American people. The Democratic policy is to reduce taxation gradually and wisely in order to benefit the people generally, rather than a few thousand people who have heretofore monopolized the benefits of protection at the expense of labor, the farmer, and the country at large. With most raw material free, and a gradual reduction of from 15 to 20 per cent. in the tariff on manufactures it can be easily seen by any fair-minded man that the effect would be to stimulate production, extend our markets, and as a matter of course allow a margin for

the increase of the wages of the operatives, besides insuring them more constant employment. The Republican policy has been free trade in labor, bringing American labor into direct competition at home with imported pauper labor (Harrison having declared himself again and again in favor even of Chinese labor); and protection for combinations and trusts, for the centralization of power and wealth into the hands of a few who arrogate themselves to be the governing class, to tax consumers, to oppress labor, limit production, and destroy our trade with foreign countries.

THE MESSAGE.

The lines, however, are well drawn and the difference between the two parties is well defined on this question. The President's Message is the bugle note and "the people" are rallying to its support *en masse*. For years the people have been made to submit to the yoke of monopolistic oppression. But the slogan has sounded, the President has come to the rescue with a courage unprecedented—with an intellect unclouded and with a single stroke of his pen has cleared the way for tariff reform. The Nation is still reading his message. Its words foreshadowed victory to his party and to the country. The people have been asking in piteous tones, why this unnecessary taxation, and the reason is to be found in "the message," that the few might prosper while the masses suffer.

The issue then before this great Republic is, to sum it up, simply this: Shall our system of taxation be that which takes from the people only of their earnings to support the Government, or shall it continue to be a system which wrings from the people one thousand million dollars annually more than goes into the Treasury for the enrichment of private individuals; the continuance of an idle surplus or inordinate pensions to prevent it. That is the issue and no amount of misrepresentation can conceal it. The President has left it with the people. The flag of tariff reform will soon float in triumph and when once the people inscribe victory upon it the child has not been born that will ever see defeat written over it.

THE TARIFF A TAX.

Industriously indeed has the Republican party sought to impress the public mind with the belief that the tariff is a subject so mysterious, so difficult and intricate that only those versed in statecraft and studying economy by the midnight lamp could understand it, while the advocates of tariff reform have been remiss in presenting and driving home the plain truth and immutable fact that a tariff is a tax and the heavier the tariff the heavier the tax. There are over four thousand articles on the tariff list and the man who buys any article on that list, whether it be made of iron or wood, of cotton or silk, of wool or hemp, whether it be a threshing machine or a horse-shoe nail, a steam-engine or a bottle of Jamaica ginger; whether it be made in this country or any other country, pays a tax which averages now 47 cents on the dollar into the pocket of the manufacturer if he buys the home made article, or into the Treasury at Washington if he buys the imported article. Whether it be a protective or a revenue tariff the tax is paid in either case by the consumer and the merchant or the man who sells the article is the tax gatherer. When levied and collected for the Government it is a revenue tariff—when levied for the purpose of aiding individuals in their enterprises it is called a protective tariff and in the latter instance where protection begins revenue ceases, as under our present tariff the revenue to the Government arises from imports not produced or manufactured in this country or from those goods which the people will have in spite of tariff laws.

The average tariff rate in 1850 was

27 per cent, in 1857 it had been reduced to 18 per cent, but in 1866 it was raised to 40 per cent. and it was then declared: "This is intended as a war measure or a temporary measure and we must as such give it our support." These were the exact words used in Congress by the father of the bill.

More than 20 years have passed since the war closed and the war tariff still remains; yea, it has increased from 40 to 47.10 per cent.—and yet in a time of profound peace, with a suffering people and an overflowing Treasury the Radical party is opposing the Mills Bill calling it a free trade measure when as it now stands it only proposes to reduce the tariff 4 per cent. still leaving a tax of \$43 on the hundred.

THE MILLS BILL.

It is a stupendous outrage, but it is idle to disguise the fact that the Republicans are determined to prevent any modification of the present tariff.

Under their policy "the millions own nothing and the few own millions." The monopolists are determined to insist on a literal application of that Scripture: "unto every one that hath shall be given, but from him that hath not shall be taken away even that which he hath." It is significant that there are at this moment in the corridors of the Capitol at Washington the representatives of fifty thousand monopolists. They know that the Mills Bill means cheaper clothing, cheaper food, cheaper tools, and cheaper houses. It means putting down monopolies and trusts. It means (whether the Radical Senate succeeds in defeating it or not, a Democratic President this fall and a Democratic majority in both branches of Congress as well. It means the perpetuation of Democratic supremacy and the eternal principles of truth and justice. We admit that in the adjustment of this tariff there is great latitude for argument. These manufacturers have been raised on the "Government test of protection" and the great question is "how to wean without stunting." "They have been on the big drunk of protection" for so long that the problem is how to reform and sober them up. This is the momentous question of political economy.

The way-faring man however can understand the actual workings of the tariff. It requires no literary training for a man to understand that he is injured in pocket when he is saddled with a tax of 50 per cent. or \$7.00 on a \$14.00 suit of clothes and the man who sees to convince him that this is done for his protection will bring his labors to an unhappy end.

LUXURIES AND NECESSARIES.

The taxes levied in the States are imposed on the property, every one paying in proportion to his wealth. But tariff taxes fall more heavily upon the necessities of the poor than upon the luxuries of the rich. The poor man's blanket or his wife's shawl pays a tariff ten times as high as the rich man's diamonds. The Republican party proposes to leave high taxes on the poor, relieve the wealthy and pay bounties to monopolists. So it comes to pass under the present tariff that when the farmer's wife goes to her merchant to buy a woolen shawl she is taxed 86 cents on the dollar \$3.50 for the shawl untaxed, \$6.51 with the tax on. Now if the banker's wife wants a seal-skin sacque she is only taxed 20 cents on the dollar or 68 cents less than the farmer's wife. If the manufacturer's wife desires silk stockings she may have them under the law 25 cents less tax than the planter's wife who may desire to purchase worsted or woolen stockings. And yet for years the Republicans have refused even to consider the feasibility of reducing these taxes and harmonizing their discordant elements. When it narrowed itself down to a contest between the rich

man's pocket and the poor man's back the Democratic party did not hesitate to espouse the cause of the back and defy the world, the flesh and the devil in the fight.

When the Democrats demanded free bibles the Republicans refused but gave free playing cards and perfumery. When we demanded a reduction upon the absolute necessities of the people they freed bank checks and bank deposits from taxation. The truth is that the protective system as devised by the Republican party is the parent of the millionaire and the tramp both equally a curse to American society. This system makes palaces for some and hovels for others. It has congregated the wealth of the country until in America it is accepted as axiomatic, "The rich have grown richer and the poor poorer." It is the wealth and not the talent that is dominating in Governmental affairs. But tariff reform would sweep the country with cyclone power; if for the brief period of a single day we could substitute for the indirect system the direct one of collecting Federal revenue and the tax-payers be thus enabled to realize the hardships and the enormity of this tax. The people have never been brought to fully understand this question while the advocates of monopolies have arrayed the harlot of protection in fine linens, silks and satins, and her horrid features thus masqueraded, she is tolerated and allowed to go abroad in the land and into every nook and corner corrupting the voters and scattering her "league-tracts" as thick as Autumn leaves in the highways and by-ways. Pope never uttered a truer sentence than when he said:

"Vice is a monster of so frightful mien,  
As, to be hated, needs but to be seen;  
Yet seen too oft, familiar with her face,  
We first endure, then pity, then embrace."

THE THEORY OF PROTECTION.

As we understand it, we will briefly state the theory of protection as advocated by the Republican party.

1st. They assume that "protection" creates a home market for the farmer.

2nd. They assert that high tariff increases the wages of the working man and protects him from pauper labor.

3rd. They say that the wealth of this country is the direct result of the present tariff. All this is claimed for protection. Home market "pauper labor" and "rich country" is the modest theory of protection.

INFANT INDUSTRIES.

The old cry of infant industries has about died out, for, if you can get the manufacturer's "blood up he will tell you he can beat the Europeans at their own game." Of course they are still sucking the bottle of protection and some, even when the voice of Gabriel shall be heard, and the last trumpet shall sound, some infant with hoary locks and a body plethora with bounties and profits gathered from the tills of the poor and wrenched from the honest hand of toil, will stand upon the shores of time and cry infant industries and more protection!

HOW THE TARIFF EFFECTS THE FARMER.

We regard the claim that the farmer is benefited by protection as the most untenable proposition advocated by these boasters. It is a most audacious misrepresentation and is an insult to the farmer's intelligence. Referring now to the fact, of which we boast, that our system of Government is the most paternal system under the sun, that it spreads the *egis* of its protection over every citizen alike, treating all as children of a common parent. Let us see if this is not an idle boast. Paternal O! how much of duty that word conveys. Paternal duty implies maintenance and protection to every child alike, sprung from the same loins. Cruel indeed would be the father who would if he could take from the earnings of three of his sons engaged in tilling the soil to make wealthier, the already prosperous one engaged in manufacturing, yet that is just what this paternal Government is doing and has been doing for many years. "It has been hardening the hand of toil to soften the hand of ease."

When you remember, that tariff taxes are laid upon over 4,000 articles including nearly everything that the farmer uses on his farm, iron