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### SPEECH

### HON. SIMON CAMERON, ON THE TARIFF.

In the Senate of the U. States, June 15, 1860.

Mr. CAMERON. Mr. President, coming from a State deeply interested in the subject under consideration, I may be expected to discuss it somewhat at length. Nothing, however, can be further from my intention at this time. My colleague has in his able and lucid speech, consuming more than two hours, entered so fully into the details of the measure, that nothing I might be able to add would sensibly affect the result. Besides, upon a motion to postpone, an argument from one whose opinions upon this subject are so well known would be superfluous. My views in regard to the great question of protection have undergone no change from the beginning. As it seemed to be the necessity of the country then, so it appears to be my mind now. With my colleague, however, it is otherwise; he confesses to a change of sentiment touching the policy of Government toward the industrial interests of which it is, or should be, the jealous guardian, and I hail the change as an omen of further changes for the better on his side of the Senate Chamber. I regret that so few of his political associates thought proper to remain in their seats during his argument; for until I discovered that five of those Senators in their places, one of whom, if I mistake not, was asleep, I had confidently expected sufficient aid through his influence to carry the bill which has received the support of the House and needs his cordial approval. If changes are to be made in favor of the measure, they must be looked for on that side of the Chamber, for it may be considered a settled question that Republican Senators only wait opportunity to vote against postponement for the bill when it comes upon its final passage.

Mr. HANMOND. If the Senator will allow me to interrupt him, I would like to make a count on his side of the House.

Mr. CAMERON. That is not my business. Besides, the Senator from South Carolina will allow me to say, that the other side is the one on which the impression is to be made. I had for a long time believed and trusted that the workings of my State were to get some relief during the administration of Mr. Buchanan. Son of Pennsylvania as he is, and raised to the high, I may say, proud position he now holds by the votes of the laboring classes, it was not too much to expect of him that he would have advanced himself of that high position to benefit the State which has honored him so much. In the various messages he has sent to us, he has declared himself in favor of that sort of protection which we desire in Pennsylvania. But, sir, I begin to fear that we shall get nothing from him; and if my colleague should fail to secure the five or six expected votes from among his political associates, I shall despair of obtaining any measure of relief for the industrial interests of the country until the Senate and the Administration shall cease to be controlled by the present Democratic party. Those five or six expected votes would, if brought to the aid of this side of the House, carry prosperity and happiness to the three millions of people my colleague and myself represent. Nor will the regrets which must follow the defeat of the beneficial measure under consideration, be narrowly selfish in their nature; because we hold to the doctrine that Pennsylvania cannot prosper except her sister States in the Union shall enjoy that prosperity in common. We believe that the advantage of every part must redound to the advantage of every other part. While you, gentlemen of the South, are protecting your peculiar institutions, you ought, at least, not to forget that we of the North have a peculiar institution to protect and encourage—our free white labor. But I will not pursue this subject further, and would say nothing more were it not for the purpose I have to correct some errors in the statement of the distinguished Senator from Virginia, the chairman of the Committee on Finance.

He began by telling us that no change was necessary in the revenue system from the wants of the Government; that a change had not been asked for by the manufacturers, and that this bill is defective in all its details. He has forgotten that he has been at the head of the Finance Committee of the Senate during this Administration, and for many years before. That Mr. Buchanan came into power with a full Treasury, with over \$17,000,000 in hand and but a trifling debt. That the debt has been increased by him over \$40,000,000. That the \$40,000,000 of debt and the surplus of \$17,000,000 makes, together, \$57,000,000 squandered by the Administration, besides the income of the present tariff, which the chairman of Finance says is ample for the support of the Government. The chairman of Finance also pays a high compliment to the ability of the Secretary of the Treasury. I have not the same confidence in him. I have no belief in his fitness for the place he now occupies. He is doubtless a man of integrity, but out of his sphere. He inaugurated his administration by a blunder; by buying the public debt at a premium of about sixteen per cent. in the belief that his income was inexhaustible, and within the same year was compelled to ask for a loan to meet the ordinary wants of the Government. His reports, so far as I remember, have been a series of mistakes and miscalculations. I shall not enter upon details, but one striking blunder may be cited as a case in point. In one of his estimates, arguing against the necessity of a modification of the tariff, he said he would receive during the then current year \$12,000,000 from the duty on sugar.—When the money was counted he found but \$4,000,000—showing a mistake of \$8,000,000.

It was an error of judgment; he should have remembered that the year on which his estimate was based was to all others an exceptional year, owing to the fact that unusual frosts during the year preceding had cut off the home crop increasing the price and causing a large importation. The *ad valorem* duty on this large importation at the high prices induced by the destruction of the home crop, produced so large a revenue from this source alone, that a statesman must at once have seen that such an increase would not be likely again to occur. A blunder like this by a gentleman at the head of the Treasury Department, should render us cautious in receiving his estimates as a basis of legislation.

When the Chairman of the Committee on Finance says that the country asks for no change in the revenue laws, he forgets the hundreds of petitions with their thousands of names of laboring men attached, asking for relief. If he has read the petitions referred to the Committee on Finance, he must have seen that not only the iron and coal interests, but every other branch of industry throughout the country has been prostrated. That in my State, as elsewhere, men were seeking vainly for employment, while those dependent on the labor of their strong arms were asking for bread—for the necessities of life, indirectly dealt to them here by those to whom the luxuries of life have become common because of their continued abundance. In all the establishments now in actual operation, the laborer is working at greatly reduced wages, while the employers are reaping no profit on the capital invested. He should know that the stability of free governments depends upon the intelligence and moral culture of the governed, that the laborer and the artisan should be afforded the means of so educating their children, which means are only to be derived from the protection and encouragement of those branches of industry necessary to the development of the resources of the States.

Mr. Hunter. I said, "except the iron interest."

Mr. Cameron. Does the Senator think he can get along without the iron interest of Pennsylvania and other States? Does he remember that the annual value of the manufactured products of Philadelphia alone is \$250,000,000, or twenty per cent. more than the entire broad-cloth crop of the United States? Has he not heard that the products of the factories and workshops of the young city of Cincinnati amount annually to more than \$112,000,000? That the commerce of the great northern lakes reaches every year the enormous sum of \$750,000,000? But I do not agree with him that it is the iron interest alone that needs protection. The various industrial interests of the country depend upon each other. When one is suffering depression, the others sympathize with it, and thus the wrong becomes common to all. On the other hand, when you encourage one you indirectly quicken all the rest. In evidence of my statement that it is not alone the iron interest that is asking for the passage of this bill, I cite the attention of the Senator to the fact that every Republican Senator stands ready and anxious to put this measure on its final passage, and to record their votes in its favor. They would not do so did not their constituents demand it at their hands in behalf of their interests.

The Senator has read many letters to show that the bill, as it comes from the House, is a bad one—that no change is necessary. Unfortunately, all those letters, as I understand them, are the productions of foreign agents of iron manufacturers. I believe there were no Americans among his correspondents, save the custom house officers; and who has yet to learn that custom house officials will make just such statements as those in authority above them dictate? Sir, the whole system of our revenue is in the hands of foreigners—at the mercy of foreign capital, I might say. Fifteen years ago there were importing merchants in our cities, men of capital and experience, men of intelligence, who devoted their entire energies to the business of commerce. They sacrificed much to insure, not their own prosperity solely, but the prosperity of our great commercial cities, seaport or inland. Where are they now? Driven into other pursuits, some of them into hopeless bankruptcy, by a system which permitted, and still permits, the agents of foreign capital and pauper labor to operate fraudulently upon our commercial interests. Let us look at the system. The British manufacturer sends his agent to New York; the agent establishes a commercial house, and gives another name to the concern—his own, perhaps; to this agent the British manufacturer furnishes the goods to be sold in our markets, invoiced at a price to suit himself. On that invoice the duty is laid. The single article of steel occurs to my mind just at this point. Will gentlemen believe that the raw iron from which the steel is made sells in the Liverpool market for a higher price than the steel is invoiced for in the New York custom house? Strange as it may seem, indicative of fraud as the transaction may appear on its very face, such is the fact. The same is true of all other articles of trade coming into our ports to compete with American manufactures. Take the article of cloth, mentioned by my colleague. Formerly we got a large amount of it from England, and we manufactured quantities at home. But our home manufacturers have been driven out of the business entirely, so that there is not to day a single manufacturer of broadcloth in the United States. The large factories erected to carry on the business under the tariff of 1842 have been given over to other, and in some cases, baser purposes. Some have gone into the manufacture of carpet yarns; others have been dismantled of their appliances, and turned to some little account in other directions. We now get nearly all our broadcloth from Germany, where it is manufactured in accordance

with a system something like this: a man has an establishment in which he has invested a large capital. When he is about to make up an invoice, he goes to his clerks and workmen, and ascertains the amount of cost of the raw material, and the cost of the labor put upon it. He sums up these items, and the total is the amount of the invoice which enters the custom house on our shores with the goods. It comes here invoiced to a partner, and is sold for two or three times the invoice price. Take the article of horse shoe nails. In Germany, the country blacksmith is the manufacturer.—He goes to the country storekeeper for his iron takes it to his shop, and makes it into nails, at three cents per pound. He can make eight pounds per day, and on this pittance of twenty four cents he lives, supports his family, and finds his own fuel. The nails are sent here invoiced at six cents a pound, and sold at a price just low enough to command the American market.

These, sir, are but a few of the articles upon which frauds are committed against the revenue laws, but they are fair samples of the working of the system. One of the great benefits we shall derive from the passage of the bill now before us, will be the destruction of the system of false invoices and public warehouses, by which the foreign manufacturer is enabled to control our capital—that is, he sends goods here and stores them in Government warehouses at no expense to himself.—There they are suffered to remain until prices rule to suit his interest. In this way he saves the interest on the duties, not paying them until the goods are taken from the warehouses, and is always ready to glut the market with the surplus of unsaleable and unfashionable goods of Europe, whenever our own manufactures are prostrated by an alteration of our ever changing revenue laws.

Among other things, the Senator from Virginia produced a letter from some foreign importer of iron in New York in opposition to this bill. Their argument is based upon a false statement, made for their own purposes, by which they make it appear that the duty, charges, and commissions are an actual protection of fifty-three per cent. to the American manufacturer. An American statesman should not go abroad for arguments to build upon a revenue system. The foreigner, coming here only to make a fortune out of the depression of our trade and business; to return home to enjoy it, can have no sympathy with the prosperity of our country, and ought not to be permitted to legislate for us, nor, in fact, to exercise any control whatever over our legislation. The statement purports to be the cost of importing railroad and common bar iron from Wales at the present time. In opposition to that statement, I desire to present another from one of the most intelligent iron masters in Pennsylvania, as a thoroughly educated iron manufacturer, perhaps, as there is in the world. He is, besides, a man of learning and veracity, and is more extensively engaged in the business at this time than any man in the country. His statement is in reply to a letter I addressed to him the other day, after the Senator from Virginia had exhibited his statement from a foreign importer in New York.—He says:

"The object of presenting such a statement is palpable on its face. It is to make it appear that certain expenses in the purchase of iron are peculiar to importations from foreign countries, and which American iron is free; also, in quoting the lowest priced common bars at the period of greatest depression in value, and at the highest rate of insurance and freight, with exorbitant commissions for buying, shipping and inspecting, and another throw-in of bankers' commission and interest.—(Why did they not also add a charge for profit?) All these items produce on a low value a high percentage, viz: 294 per cent. This added to the 24 per cent. duty, the present tariff, he argues, is 53 per cent. protection to the American manufacturer. "I wish it were true that we American manufacturers had none of these charges to pay; but let us see how we stand in relation to the Welsh iron-masters."

"The Welsh works can deliver rails and bars at Cardiff at a cost of 5s. and 6d., and at Cardiff not exceeding 1s. per ton, or 25 cents, making a total on shipboard of \$1.50 per ton.

American Mills.		Receiving and shipping.	
Danville to Philadelphia,	\$ 75	25 cents	
Safe Harbor to Philadelphia,	2 00	25 cents	
Cambria to Philadelphia,	5 00	25 "	
Pottsville to Philadelphia,	2 00	25 "	
Phoenixville to Philadelphia,	1 00	25 "	
Scranton to New York,	3 75	25 "	
Trenton to New York,	1 75	25 "	
Mount Savage to Baltimore,	3 00	25 "	
	\$22 25	\$2 00	

Average, 2 78 25 cts.  
 Making a total of \$3 03 per ton on shipboard, or double what it costs the Welsh masters.

Insurance and Freight from Cardiff.

Per ton. Insurance.	
Northern & eastern ports, 12s. 2d.	1 per cent.
Southern Atlantic ports, 12s. 2d.	2 to 1 1/2 per cent.
Gulf ports, 8s. 4d.	2 1/2 to 1 1/2 per cent.

Average freight & insurance, \$3 75 1 1/2 per cent.  
 Insurance and Freight from Philadelphia.

Freight. Insurance.	
Northern & Eastern ports, \$2 50	1 per cent.
Southern Atlantic ports, 2 25	1 per cent.
Gulf ports, 4 00	1 1/2 to 2 1/2 per cent.

Average freight & insurance, 2 75 1 1/2 per cent.

Comparison.

Cardiff. American.	
Expenses from mill to ship, \$1 50	\$3 00
Freights to ports of entry, 3 78	2 75
Prime on freights, 5 p. c.	19
Total average,	5 89 p. c. 6 51 p. t.

Difference in favor of Cardiff 52 cents per ton.

"The charges of commission for buying, shipping, and inspecting, are only incurred when intermediate parties come between the buyers and manufacturers, and are as applicable to American as they are to the foreign iron. Interest is also a matter of negotiation, but generally very largely in favor of the British manufacturer."

Condensed Comparison.

Cardiff. American.	
One ton of railroad iron, at 25	\$6 82
10, at \$4 90,	\$50 00
Expenses to port of entry, as above,	6 89
	6 51

Duty, at 24 per cent., as given,	
	6 60
	39 31
Difference in favor of Cardiff,	56 51

"Now, rails from Cardiff can be put in New Orleans at a time for less than \$40 per ton, duty paid. We could not do this, unless we put the iron at \$33 50 per ton, which is simply an utter impossibility."

I have another statement, from the same gentleman, showing the production and consumption of iron in the United States for the year 1849, in which, as will be seen, the question is presented in its economical as well as its statistical aspect:

Pig and forge iron, converted into—		Domestic.		Foreign.		Total.	
Rolled, hammered, and wrought-iron, of every description, including cut nails, boiler iron, &c., &c.	519,081	298,275	817,356				
Iron for foundries, &c., &c.	337,154	55,400	392,554				
Total manufactures of iron from pig-iron.	856,235	353,675	1,209,910				

NOTE.—The above is not the quantity of pig iron, but the product of it.

Cool used in manufacturing the above iron.		Domestic.		Foreign.		Total.	
Rails, bars, boiler iron, nails, cast-ings, &c.	866,235	358,678	1,209,910				
Coal, at 5 tons per ton.	5	5	5				
	4,281,175	1,768,390	6,049,565				

The coal used in producing the above iron, consumed in the U. S., amounted to 6,049,565 tons. Of which our own mines furnished 4,281,175 tons.

And the mines of Great Britain,		Iron Ore.	
	1,768,390		
856,235 tons domestic iron, at 3 1/2 tons of ore per ton,	2,396,822		
353,675 tons foreign iron, at 3 1/2 tons of ore per ton,	1,237,873		
1,209,910 Total.	4,234,695		

Men employed and persons supported.

DATA.

Twenty tons of pig iron; 8 tons of rails; 6 1/2 tons of rolled bars, &c. Each represent one man employed one year, or a family of five persons supported one year. I take as the average eight tons of iron per man—thus:

Dom.		Foreign.		Persons.	
856,235 divided by 8 gives	107,030	or 535,150			
For'n. 353,678 "	44,210	or 221,050			
Total 1,209,913	151,240	756,200			

Consumption of food at \$80 per head, which is much lower than is usually taken by political economists.

Of food.	
535,150 Amer. people, at \$30 each, gives	\$16,054,500
221,050 for'n's in their country, at \$30	6,631,500
756,200	22,686,000

The above figures are all inside of the actual facts, and will be safe to stand on. An accurate detailed statement, which I take it, you do not expect of me at this time, would add largely so some of the above aggregates.

In order to show the relation existing between the productive interests and all other branches of industry, I desire to present the following statement of the tonnage furnished the Reading railroad and Schuylkill canal from a single manufacturing establishment in one year:

Reading railroad—Tonnage to and from Phenix Iron Works for the year ending December, 31 1859.		INWARD.	
Iron ore,	7,845		
Pig iron,	5,668		
Anthracite coal, 62,089 tons, less 5 per cent. discount,	59,335		
Bituminous coal,	278		
Old rails,	1,228		
Fire-brick,	667		
Total tons, 2,210 lbs. each,	75,021		
Equivalent to 84,023 tons of 2,000 lbs. each.			

OUTWARD.	
Total quantity of manufactured iron, &c., of all kinds,	8,513
Total tonnage, 2,440 lbs. each,	83,534
Equivalent to 93,775 tons of 2,000 lbs. each.	

Schuylkill navigation—Tonnage to and from Phenix Iron Works for the year ending December, 31 1859.		INWARD.	
Iron ore,	8,036		
Pig iron,	3,549		
Suapstone and sand,	606		
Anthracite coal, 3,043 tons, less 5 per cent. discount,	2,891		
Bituminous coal,	768		
Limestone,	15,845		
Equivalent to 34,454 tons of 2,000 lbs. each.	28,712		

OUTWARD.	
Manufactured iron, &c.	12,356
Equivalent to 49,996 tons of 2,000 lbs. each.	41,068

Recapitulation.		Schuylkill navigation.		Reading Railroad.		Total.	
Inward,	28,712	75,021	103,733				
Outward,	12,356	8,513	20,869				
	41,068	83,534	124,602				
Tons, 2,000 lbs. each 45,996	93,775	139,771					

In addition to the above, there was a considerable tonnage of merchandise, such as oil, brass, steel, rope, hardware, &c., used at the works.

The town of Phenixville contains over six thousand inhabitants who are dependent on the iron works; and whatever transportation or passenger business they afford is directly due to the fact that the manufacture of iron is carried on at this point.

The quantity of rails and bar iron manufactured at the Phenix works in the year 1859, was 24,350 tons of 2,240 lbs. each, so that the transportation on the Reading railroad and the Schuylkill navigation of raw materials (saying nothing of the hauling done in wagons by nearly 200

horses and mules) was 5 1/2 tons for each ton of manufactured iron.

The freight to the Reading railroad alone on the above 75,021 tons exceeded \$98,000.

This fact will serve to show how important to transportation companies is the development of the iron business.

The Phenix Iron Works could have supplied fifty per cent. more manufactured iron during the past year if the orders could have been obtained. Of course, in that case, the tonnage of raw materials would have been correspondingly increased.

I also desire to submit, in this connection, a statement of the cost of importing iron under the present tariff, (1857,) furnished by the old and highly respectable house of E. J. Eting & Bro., importers of iron, in the city of Philadelphia. This iron is for an invoice ordered of factors in Liverpool, and the statement will be seen to conflict seriously with that obtained of the foreign importer, by the Senator from Virginia. Here is the statement:

£1, at \$4 44 and 10 pr. ct. exchange, \$4 88	
Commission, 2 1/2 pr. ct. on \$4 80,	12
	\$5 00
Duty, 24 pr. ct. on \$4 80,	1 15
Total per pound sterling,	6 15

Shipping charges in Liverpool pr. ton, 2s. 6d. Freight to Philadelphia, 1s. 0 Primage, 5 pr. ct. on 15s., 0 9

Price of iron 48 pr. ton, at \$6 15 49 20 Insurance, 1 per cent on cost, 49

Cost, delivered in Philad'a, per ton; 54 07

UNDER THE TARIFF OF 1846.

£5 15s (Oct. 22, 1849.) pr. ton at \$4 44, \$25 55

Liverpool shipping charges, 55

Duty, 30 pr. ct. on \$26 10; exchange, 10 pr. ct. insurance 1 pr. ct.—\$28 97, at 30 per cent, 8 69

Other items, 4 cents; British exchange, \$2 61; freight, 12s. 6d.—\$2 92; insurance, 26 cents, 5 83

Cost, delivered at Philad'a, per ton, 40 62

In concluding my remarks on this branch of the subject, I will here present a tabular statement showing the quantity of railroad iron imported into the United States, with the yearly averaged price, as well as the appraised value thereof:

Years.	Tons.	Price per ton.	Appraised value.
1847,	13,537	\$51 01	\$680,348
1848,	29,489	41 38	1,219,185
1849,	69,163	32 56	2,252,246
1850,	142,036	26 32	3,738,031
1851,	188,636	26 03	4,901,452
1852,	245,626	25 36	6,228,794
1853,	298,995	34 87	10,426,037
1854,	282,666	42 49	12,020,309
1855,	127,517	29 16	4,993,900
1856,	155,496	29 74	6,179,280
1857,	179,505	41 58	7,455,596
1858,	75,745	39 41	2,987,576
1859,	69,966	32 49	2,274,032
Average, 1878,167	34 79	65,356,879	

Thirty per cent., equal to 10 \$10 43 per ton. 1854 to 1859, both inclusive, 6 years, quantity 890,695 tons.

Price per cent., \$40 32.

Thirty per cent., equal to \$12 10 per ton.

From this it appears that \$51 01 per ton was the maximum price of rails on shipboard between the years 1847 and 1859, inclusive.—Thus, with an *ad valorem* duty of thirty per cent. yielded a revenue of \$15 30 per ton; making the cost of the iron here \$66 31.—

But on referring to the table, we find the price of iron to have fallen to \$26 03, in 1851, with a duty of only \$7 80; thus showing that when we need the most protection we get the least under the operation of *ad valorem* duties. A specific duty in any one of those years would have prevented the depressions in our business and the prostration of the industry of the entire country in consequence. Taking, as set down in the statement just submitted, the average cost of railroad iron per ton, it will be seen that, under the *ad valorem* duty of thirty per cent. the duty per ton was \$12 00; or ten cents more than the specific duty proposed in the Morrill bill.

I have many more statements of a kindred nature among my memoranda, but will not exhaust the patience of the Senate in reading more of them at this time. I will only inquire, if the bill is not right, why do not the chairman of the Committee of Finance and his political friends alter or amend it? I will vote for any bill which proposes substantial protection to the prostrate and suffering labor of my State, come from what quarter it may. It