

HARD TIMES AND THE TARIFF.

SPEECH OF HON. CHARLES R. BUCK-ALEW.

Delivered at the Court-House at Sunbury, Tuesday Evening, Sept. 25, 1894.

An old and powerful party has authorized me to speak for it in the present canvass as its nominee for Congress in this Congressional District. I have accepted this trust as its representative for the time being with alacrity, but deeply sensible of the obligations and duties which that position imposes. Would that I could speak with almost unearthly wisdom, with supernatural power, in behalf of these principles and policies with which our great party has been identified in the past and to which it is committed at the present time. But you must accept in what I have to say tonight such imperfect utterances as shall be given me at the moment when they are expressed.

Gentlemen, we are emerging from a period of calamity and suffering commonly described as hard times, but not so severe and appalling as the hard times of 1872-73 which swept over the country to the great distress of our people, under a system of high taxation similar to that under which we have recently suffered. Allow me in the outset of my remarks to congratulate you, and I do so most heartily, upon the signs of improvement, gradual but sure, to be fulfilled entirely, and consummated only, under the beneficent operation of laws recently enacted, for the full fruition of which time alone is required.

The Democratic party, or its administration of the affairs of the nation, did not bring upon this country the hard times. They began before it was seated in power. The retiring President of the Republican party informed us in his final message that our exports had fallen off two hundred million of dollars. We were informed partially by his secretary of the treasury, and more fully upon investigation, that the treasury at that time was unable to meet its public obligations. That a loan even in time of peace would be necessary. Appropriations made by Congress were withheld because there was not sufficient money in the treasury to pay them. Our party took power, therefore, when this great collapse, if it was one, in public and private credit was under way. Our party could not have prevented what followed. It is not chargeable with the results which came to us in '93 and partially in '94. All intelligent men know this, or ought to know it, and even the humblest citizen, with the most limited intelligence, ought now to be able to see that this is true; that the hard times were the result of causes much more extensive, much more deeply seated, than a change of political power in the United States by its passage from one party to another.

One of the main causes was the collapse of trade and business in other countries of the world, preceding our calamitous conditions here; for in remote Asia, in South America, in Europe, even in the Islands of the Sea, before the hard times came to us they had spread over those great portions of the earth. It was impossible that this great country of ours, with one thousand five hundred millions of commerce with other countries, should escape the cyclonic movement of that great disaster. We have from seven to nine hundred million of exports and about an equal amount of imports annually, showing the intimate relations we occupy in trade and commerce with other countries of the world. Therefore, it was inevitable that hard times should come to these United States and that our people should feel them severely. Over-production in certain channels of enterprise and business in our own country had accumulated objects of trade and commerce that no longer could find foreign markets. To illustrate, wheat from Chicago and other parts of our country could no longer go abroad in large volume and bring to us returns. Wheat, as you all know, has fallen even below sixty cents a bushel, because the channels of foreign trade were closed to it. Foreign countries could no longer receive and disburse the results of our farming industries in the great valley of the Mississippi or anywhere else where cereals were produced.

There was another cause for the hard times, and one of much importance, and that was the unwise policy of our own Government, especially in the two sessions of the 51st Congress, when Mr. Thomas B. Reed presided over the House of Representatives, when there was a large Republican majority in the Senate, and when the same party held the office of President of the United States. It is not for me now, because I desire to speak upon other matters, to go over the history of that Congress and of that administration and point out to you what I consider to be their misdeeds, the unwise measures which they adopted, the headstrong and heedless measures that were enacted into laws, the effects of which yet remain to us and constitute a considerable element in the paralysis of industry, trade and business which we yet feel in all our borders and in all our homes. Even that measure on which they most

pride themselves as a party, in praise of which their leaders yet speak and write with vehemence, which cut off sixty millions of revenue from one article alone—the duty upon sugar. They also expended and scattered the sixty millions of dollars left in the treasury by the first administration of President Cleveland. They laid violent hands upon the fifty-four millions of reserved money in the treasury, placed there by law to sustain the credit of the Government paper in all its forms. They and the Democratic members of the House passed an additional pension act, which provided for expending some forty or fifty millions more a year upon a benevolent and generous policy with reference to our soldiers in the war; but the responsible majority in Congress did not provide the necessary means for paying the increased amount thus charged upon the treasury, along with other appropriations, and for that I arraign them.

In order to retain political power in the silver states of the west they passed the Sherman silver bill, requiring the Secretary of the Treasury to buy over fifty millions of silver every year, which the Government did not need and which the people would not take. They proceeded in the McKinley act upon which they pride themselves, to vote large sums of money to those people who would grow sugar cane in Louisiana and beets and sorghum in Kansas and California—putting their hands upon the public moneys confided to their care as trust funds, and made donations therefrom to men engaged in particular branches of industry south and west. The amount for the year ending last July was about twelve millions of dollars, and for the present year, based upon applications made to the treasury, amounts to about sixteen millions of dollars, and for the next year an estimated amount of twenty millions or more. So they imposed on us, in the form of gifts to favorite interests, the expenditure of from twelve to twenty million dollars per annum.

I might go on with other points, but I refrain. What was the practical result? When President Cleveland came into power the Treasury was substantially unable to pay its debts, because appropriations had been withheld for want of funds. The hard times were inflamed by these unwise and profitless measures to which I have referred, and which struck at public credit and impaired it. Government credit, if not the foundation, is the mainstay of corporate and individual credits in this country as in others. If the Government is weak and feeble in its finances, it is wasteful and profligate in its outlays, unwise in its legislation, all trade and money interests suffer, as naturally as effect follows cause in any other case which can be mentioned. Did not we see our Government four per cent. loans fall from 121 to 109 within a short time, the principal falling to an amount equal to three years interest upon these loans? Of course other commercial transactions sympathize with the downward movement of trade in public securities.

I pause, because this narrative of mismanagement, with the evil results to our people might occupy the whole evening in the narration. I will assume, therefore, that the hard times were partly caused by our relations to other countries because they could not buy from us the usual amount; that over-production had been going on in our own country, and vast quantities of produce and articles of trade and commerce remained unsold and prices fell, and industrial and manufacturing establishments, in all their branches, were paralyzed, throwing men out of employment and those who remained, working at reduced wages, and we had to contemplate strikes and popular disturbances. For all this, beyond all honest denial in the judgment of any fair-minded man, no matter what may be his affiliations politically or socially, the Democracy of the United States was in no way responsible.

Now what are they responsible for in this connection? If for anything they are responsible through their president and congress for what they have done in reference to hard times, to alleviate them and to improve the condition of our people. Have they performed the duty expressed by Milton in his versification of one of the psalms—"To raise the man in deep distress by just and equal laws." Now what have they done? Some people over-estimate the powers of government for good. They think the government can do almost anything to make everybody rich and happy. Unfortunately this is not so. What officials can do for the benefit of the people over whom they are placed is comparatively limited. Take that thought with you, turn it over in your mind and you will see how true it is.

The main source of prosperity of the American people consist in their ability to act for themselves. They are a free people. They have not only well developed physical powers, but their intellects have been cultivated by experience and by education. They are a people who act in the main for themselves, and the young man who goes out from the paternal roof seeks some employment in which he can increase and amass property and come in possession of the good things of the community in which he lives. He enters upon a trade, a call-

ing, a business; he puts his hand to the plow, to machinery in the manufacture of useful products; he goes out to do something useful and to act for the benefit of others as well as himself. It is this characteristic of self-help which makes us great beyond all other people on the face of the earth and our future promising and glorious. Whenever the American people cease to depend upon their personal effort, their thrift and their enterprise, and to look to the Government—like the Cockeyite—for support, then has begun for us a period of degeneracy and decay.

But, I return to my main thought, from which this is a digression. What has the Democratic party through its President and Congress done with reference to the hard times? Let us see. In the first place in order to restore governmental credit, which was deeply shaken, to restore confidence which had almost ceased to exist, Congress was called together to repeal the foolish and dangerous—I had almost said, the absurd—Sherman Silver Purchasing Act. After months of effort in Congress that bad law was repealed. In this our party fulfilled one of the pledges of its platform, made when Cleveland was nominated, and that was that we would maintain the parity of silver with gold. There should not be two kinds of dollars in this country, the one for the laboring man, worth fifty or sixty cents, and another for the rich man, worth one hundred cents. Our government kept the pledge which our party had made by repealing that act and restoring public credit and confidence in the money of the country; not only its money, which means gold and silver only, but its currency, which means what is improperly called paper money or securities. The leading men of the Republican party in both Houses of Congress were compelled to vote with us on that measure and did so. Even John Sherman, the author of the act which was struck at, voted for its repeal.

What next? The gold reserve of one hundred millions was impaired before Mr. Harrison had retired; a reserve which it was judged by Congress necessary to keep on hand to support the enormous mass of paper currency which the government issued and for which it was responsible. That reserve was impaired to the extent, I think, of eight or ten millions before President Harrison retired. The process of drainage upon that sacred reserve was kept up until it dropped down to about seventy millions. Speculation began and the gold was drained out of the different treasury depositories. What was done? Mr. Carlisle, the Secretary of the Treasury, boldly and honestly, but in strict conformity with existing law, made a gold loan of fifty millions of dollars, negotiating it at a very favorable rate so that it did not cost quite three per cent. Thus was the gold in the treasury replenished and the solidity of our credit carried forward until we could emerge from the condition in which we were.

I pass by other matters of economy in the administration of the affairs of government, in which Mr. Cleveland and his secretaries have restricted government outlay without impairing governmental efficiency, and I now come to the main measure with which our party has confronted the hard times and by which they have kept their pledge to the people substantially, if not wholly, given when Mr. Cleveland was nominated, that we would reform the tariff laws of the United States. I hear men complain that the new revenue measure was not acted upon and passed in due time, and consequently they blame those concerned in its passage with delay. The Mills bill, a similar measure, covering the whole field of duties upon imports, was under consideration in the 50th Congress until the 21 day of October following the December when Congress met, and then was not even voted upon in the Senate and failed of enactment. The McKinley bill was not passed until the end of September, 1890, although the party which passed it had both Houses of Congress by decided majorities, as well as the President, and were not embarrassed by a close vote in either the Senate or House in its enactment. The present law was enacted by the present Congress early in August, nearly two months earlier than the McKinley bill was passed by the Republican Congress four years ago. It therefore does not lie in the mouth of the party opposed to us to complain of time lost. Our party through its representatives in Congress, was two months speedier than they were when in power, in the enactment of a general tariff measure. But I will pass all these things which lie on the outside of the main matter upon which I propose to speak to you to-night. I dislike very much some speeches made in political contests. Speeches that consist of vituperation of men who may differ from us in opinion. Speeches which in the absence of sound ideas and sound reasoning consist of abusive expressions and slang, without enlightening the people, and yet excite in their passions of hatred towards their fellow citizens. I prefer speaking to the merits of measures and discussing them, if possible, with clearness and justice. If in proceeding in this matter I or my party stand condemned, let it so. Mr. Jefferson said all errors should be brought to the bar of reason

for trial and judgment, and just so it is with these government measures which from time to time arise for the consideration of the free and independent voters of these United States.

Now what is this great revenue measure, covering almost the whole field of government income, which Congress has enacted? I will endeavor to describe it and be as brief as possible, and with the doing of this my main object this evening will be accomplished.

In the first place, this new law, called the Wilson bill—named from the Chairman of the Ways and Means Committee of the House who originally reported it, relieves from taxation altogether, or reduces greatly, the several articles in the tariff schedules which constitute the food and clothing, shelter and fuel of our people; in brief, the necessities of life. A powerful hand has been reached out to the aid of our people, and burdens are to be lifted from their shoulders, and the good and necessary things of this world, which must be had by all our people to continue life, health and comfort, are to be cheapened and placed within the reach of all. To those things the hand of the government has been reached out benevolently and wisely, and in my judgment we are this night better off than we were a year ago in the matter of taxation upon the necessities of life to which I have referred. The McKinley act of 1890 taxed many things which were free before, articles of food and clothing never thought of by the taxing power until that measure was passed. Besides, some that were taxed before had the burden increased. They taxed potatoes 25 cents a bushel. Now, let me illustrate how that worked. The next season after the passage of that bill the potato blight swept over northern New York. The farmers there could not raise potatoes for their own consumption, and they were obliged to go over the Canadian border to get sound potatoes, where the potato blight had not prevailed. They had also to go over there to get sound tubers for planting their own land for the ensuing year. They were met with this 25 cents McKinley tax on potatoes. To this may be added, say, 10 cents a bushel for transportation and charges, making a tax of 35 cents. So potatoes that might otherwise be bought for 45 cents a bushel would cost 80. That did not mean additional cost to the farmer alone; it meant that much additional added to each bushel of potatoes that any citizen used as food in his home.

Now, off in Atlantic Ocean, 800 miles south of New York, are located the Bermuda Islands. They are washed along all their shores by the warm waters of the Gulf Stream, so they have an early summer, and in February or March the potatoes grown in the Bermudas may be found in the great hotels of Boston, New York, Philadelphia and Baltimore, and so on until June when our own new crop comes into use. The importation of Bermuda potatoes, therefore, would be a good thing to all our people who chose to have new potatoes before our severe climate permits their production, but in order to obtain them we must pay about 35 cents a bushel, a tax of 25 cents imposed by the government and the 10 cents as merchant's charges thereon. The rich hotels, that have business men for customers, who can afford to pay three or four dollars a day, serve them to their guests as a luxury, while the great mass of the people cannot afford to buy those potatoes at 80 or 90 cents a bushel, and perhaps more. What good does this law do to anybody? I have shown you two cases in which its evil effects are perfectly apparent and its unwisdom manifest, but the McKinley tariff act smote that innocent and useful article of food with a heavy hand.

Again, in our great cities, in our manufacturing districts, and in our mining regions, a bountiful supply of eggs is a good thing, and they ought to be had cheaply. When the McKinley act was being enacted it was found that eggs by the million were being brought into the United States and distributed in those places of dense population. They were not supplied in our own country because things more profitable could be produced here. That act taxed them 5 cents a dozen. You can easily see what that means to a man with a family of four or five persons who uses eggs freely during the year. He is compelled to pay a tax to our government which to him is considerable, although to the millionaire it would be nothing. That act even taxed cabbage heads three cents each, and were I disposed to joke I would say that the men who made that law were cabbage heads themselves.

But I will not weary you with details. This new law abolishes many of the taxes upon food, and reduces most of the remainder, and brings them within more moderate limitations, and perhaps it ought to have gone farther in that direction. So far as it has gone it is a righteous law and one of wholesome operation towards the great mass of our people.

Now what is the second feature of this new law? It reduces very heavily the taxes upon clothing, especially upon woollens, which are the ordinary kinds of fabric from which clothing is

made. If you will follow that law through all the schedules which relate to or are connected with articles of clothing, you will be astonished at the amount of relief which the law extends to the American people. It is impossible for you at a hasty glance to compare the old specific duties with the new ad valorem duties. You must have the treasury estimates for a series of years in order to make the comparison. But I will venture to say, speaking within bounds, that the clothing taxes are reduced fully one-third under the new law, and some grades of goods reduced more than one-half. This was rendered possible from two causes: First, by the repeal of tax upon wool and other raw products which enter into manufacturing, and, secondly, by the imposition of two taxes which were new at the time when this recent law was enacted, taxes of which I will speak presently.

I pass now to the third characteristic of the new law, and that is the release in whole or in part of the raw material used by manufacturing industries from Governmental tax. The tax on iron ore is reduced from 75 to 40 cents per ton; upon bituminous coal from 75 to 40 cents per ton. There is no tax upon anthracite coal and has not been. Of course tariff reformers insist that bituminous coal should be on the same footing as anthracite; that it should not be taxed at all because it is necessary to manufacturing industries and may be classed as raw material, although consumed in the using.

By the release of the tax upon wool an enormous change in American industries will doubtless be produced. Woolen establishments, that some years ago failed in all parts of the country in large numbers, may be restored to activity, and those still in existence, notwithstanding the difficulties they have encountered, will be enabled to extend their business, and new establishments will be erected and carried on among us. The result will be the employment of large numbers of men. Even our own wool growers, who produce wool in the west, especially where they can graze their sheep upon government land, will find the price of their wool increased, because this new law has extricated us from the restrictive system which before hampered the development of our manufacturing establishments. The price of wool is now going up in consequence of the passage of this law. Owing to increased business in the woolen industry I suppose it will be reasonable to say that the price of wool to the American wool growers has gone up from 20 to 30 per cent. Those of you who have paid attention to statistics know, perhaps, better than I how that fact may be. It is better for the wool men of our own country that this new law has been passed making wool free, so that their wool can be mixed with foreign wool in the manufacture of various grades of goods.

So it is with the makers of iron. For many years Eastern iron men have required foreign ores to mix with their native ores in order to carry on their business. Just so it will be with the wool growers of the west and wherever wool can be produced in this country. The great difficulty met with in growing wool in this country, as I pointed out on a former occasion, is indicated by a single word, and that word is "winter." A farmer amongst us has to feed his flock five, six or seven months in the year, simply to continue its existence over the winter. To do this he has to grow up on his farm large amounts of food which is consumed in the winter. He cannot, therefore, count upon being able to produce wool in competition with such countries as South America, Cape of Good Hope, Australia and so on. I will finally say with regard to this matter of wool, of which we have heard a great deal, that if no other results come to us except the freeing of wool for the manufacturing industries, and lowering of the tax of woolen and worsted goods, the one thing going with the other, we have received a rich reward for all the trouble, all the expense and annoyance of tariff agitation for last ten or twelve years, or since Mr. Cleveland's celebrated message in his first administration, in which he raised this issue for the decision of the American people.

I pass on to speak of another prominent feature of the new law, namely, the income tax upon wealthy persons and wealthy estates. Why should not incomes be taxed reasonably? I mean incomes which amount to over four thousand dollars a year. The new law taxes the excess 2 per cent. If a man has an income of five thousand a year above the limit fixed by the law his tax is one hundred dollars, and if an income of ten thousand a year above the limit it is only two hundred, and so on. Upon what ground is this tax imposed? Why, because the great properties require extraordinary protection from the government, much more than the smaller estates or properties held by the mass of people. The government needs the thirty millions that will come from the income tax. It needs it in order that it may lighten the burdens of the laboring man of the United States in his food and clothing, as I have been describing it. It needs that money in order that the treasury, depleted by the unwise legislation of the 51st Congress, shall

be restored and the government's credit maintained. There is nothing unjust or unreasonable in its imposition.

I come next to sugar. When the heavy hand of the McKinley bill was laid upon numerous new articles of taxation, and the old taxes in many cases increased, it was seen that great complaint would be made throughout the country against that law and it was to be sweetened to the public taste by what? By abolishing all taxes upon raw sugar under sixteen Dutch standard, which by the way the people do not buy at all except in small quantities, but the great mass of which is bought by the sugar refiners. There lay the juggle. Of course it would enable the sugar refiners in a small degree to cheapen the price of refined sugar, that reduction, however, being traceable to several other causes which I have not time now to discuss. Among other causes for the enormous cheapening in the price of sugar was improved machinery in its manufacture; improved modes of cultivation of the sugar cane, sorghum and the beet. Labor was better organized in the South after a lapse of time than it was at the close of the war. Under our trade relations with the Hawaiian Islands we got our sugar from those islands without tax. Large tracts of land in our country that had not been devoted to the raising of sugar were brought under cultivation for that purpose. In other countries the amount of sugar raised was enormously increased and all these causes contributed to the cheapening of sugar. It was not the McKinley act that drove down the price of granulated sugar from 9 or 10 to 5 or 6 cents.

I repeat that the raw sugars which the McKinley bill made free were all under 16 Dutch standard, and the great bulk of it goes to the sugar refiners for the purpose of being refined. It made their material free to them although other raw materials used by our manufacturing industries were heavily taxed by the same law. What else did that McKinley bill do? It gave sugar refiners a duty of half a cent a pound upon imported refined sugar. Then it gave a differential duty of one-tenth of a cent upon refined sugars imported from countries where refined sugars were taxed higher from raw sugar. In order to execute this purpose of favoring the sugar trust, which was the undoubted object of these provisions I have described, without utterly destroying the planters of Louisiana by the sudden and violent change, and the sorghum and the beet growers in the other States I have referred to, they concluded to make a gift to them of from twelve to twenty million of dollars a year in the three or four years from the passage of the law.

Now let us see what the new law does. It imposes a tax of 40 per cent. upon raw sugar below 16 Dutch standard. Most of that is bought by the sugar refiners and not by the people. It reduced the tax on refined sugars which the people buy to one-fourth of what it was before, that is, instead of a duty of half a cent a pound it reduced it to one-eighth of a cent. The sugar bounties are entirely swept away. No more gifts from the treasury of the United States to citizens in a particular pursuit.

I have however to express an opinion, which is that within a few years, when it is found that the new law will procure abundant revenue for the government—and I do not doubt it will—that certain duties can be taken off and the duty upon sugar reduced from 40 per cent. to 20 or 25, about one-half of what it now is. I would then, as has been proposed by the House of Representatives, take off the tax upon iron ore, upon soft coal and upon the farmers barbed wire. He must have barbed wire for fencing, as the wooden fences of former times are not available for him. He has a hard enough time to carry on his farm under the depreciation of farm products and the decreased price of farm land.

Now, without wearying you any further I will sum up by saying that I have gone over every prominent feature of the new law with the single exception of the administrative provisions; those provisions which relate to the manner in which duties shall be collected, paid into the treasury and so on, which do not relate to the principles of the measure. As compared with the former law is it not a most wise, most beneficent, most just and righteous enactment? It was passed, as I have already said much earlier than the Republicans were enabled to pass their law, and after it was passed it is a much better measure than the one they enacted. That seems to be the difference between the two.

I believe the hard times and the changes in our revenue system are the two topics about which the people are at present principally concerned. I have spoken upon both of them, giving expression to such ideas as occurred to me, but most sincerely, I believe in everything which I have said, not in order to make votes, but because it is my sincere opinion and you are entitled to know what those opinions are. If you concur with me in the main in this view on these two great subjects, hard times and our amended revenue system, support the candidates of our party at this time, including among the others the Democratic candidate for Congress in your own congressional district. (Applause.)