

Speech of Charles S. Hamlin
at Nantasket Beach,
Sat. Aug. 10. (1907)

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The political situation in Mass. has become intensely interesting. ~~The~~ ^{The} people generally, wearied with the continuous advance in the cost of living, recognizing that, to share mildly, a material part of that advance is caused by unjust Tariff taxation, demand ^{immediate} relief in the shape of lower taxes. The Republican machine leaders are madly striving for some avenue of escape in order to keep the support of the protected interests. They realize that the present surplus in the National Treasury makes the need of tariff reform more acute,

and they are much perplexed by the recent article of Mr. Roberts the U.S. Treasurer, setting forth the evils of a high surplus ~~brought about~~ by unnecessary taxation, and recommending a 13% reduction in tariffs and other taxes.

§ At the Republican meeting at Nantasket yesterday Thursday Senator Lodge mildly deprecated the surplus, altho stating that after all it was better than a deficit. The Republican administrations have had experience with both surpluses and deficits in modern times and undoubtedly their opinion is sound on this point.

The Senator, however, felt obliged not to content himself with the above generality

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and devoted himself to the task
of opposing a 13% tariff reduction,
which Mr Roberts thought
would reduce the surplus,
and at the same time
find some other way to
accomplish the same result.
~~reduce the surplus~~ He
opposed, as I think we
all do, reduction of the
internal revenue duties on
tobacco and whiskey. To the
unthinking mind, it would be
a somewhat difficult task
to reduce a surplus when
without lowering the taxes,
which create it, except, ^{indeed,} by
increasing Govt expenditures,
which naturally the Senator
did not favor.

But the Senator was equal to

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Emergency
the ~~task~~, and suggested as
a ^{method} ~~means~~ of surplus reduction
the payment of the Public
debt. It can not be denied
that this is a possible
means of surplus reduction.
It was resorted to by the
Harrison Administration
between 1884 and 1893 and
large sums were paid as
premiums for this purpose.
As a result, in part, of
this debt reduction, the
Treasury was stripped of
much of its reserve fund
and was much ^{less prepared} ~~weaker~~
than otherwise it would
have been to meet the
^{financial} Crisis of 1890 to 1893, intensified
in large part by the Sherman
Silver Purchase Law passed
by the Republican administration.

wholly apart from the enormous
premiums which would have
to be paid,

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9 But there is another consequence
of payment of the public
debt, and that is that
thereby the basis of the
National Bank currency
would be destroyed. To
meet this objection Senator
Lodge suggests that it would
be better to have the National
Bank currency based on
the gold reserve. But to
accomplish this the gold
reserve would have to be
increased, and presumably
the full value of the bonds,
^{pledged} ~~paid~~ ^{now} would have to be
put into the gold reserve.
There are now ^{outstanding} ~~issued~~ ^{now} over
six hundred millions of
dollars in National Bank

Notes, and to give to these ⁶
notes the same security, ^{value} as to
that they have in the shape
of bonds, ^{after the transition had been made,} over six hundred
millions of gold would
have ^{been} ~~to be~~ taken out of
the circulation and imbonded
in the Treasury. Such a
scheme of contraction ^{of the currency} is
almost astounding!

§ To avoid tariff reduction and
save existing taxes on whiskey
and tobacco, a contraction
in the currency of 600 millions
of dollars is welcomed as
a principle of government
action. To such a pass has
protection brought our legislators!

§ When our Republican friends
object to a general reduction
of 13% in existing tariff taxes,

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I am tempted to ask them
to point out a single industry
whose products are protected
which would be injured by
a reduction of 13% in its
protection and that of its
constituent parts.

would such a reduction injure the
steel industry, ^{the} coal industry,
the woolen industry, the
standard oil industry, the
Burb industry, the lumber industry?

§ We ought to be thankful, ~~to~~
to our Republican friends for
occasional admissions as to
the soundness of the Democratic
position on the question of
lower taxes. In his speech
Thursday Senator Lodge
laid down this eminently
sound proposition. He said:
"It ^[the surplus] means great imports and

that means that the country
is prosperous."

Formerly our Republican friends
have rinded the air with
lamentations on the evils
of imports. They have depicted
the country with large
imports as doomed to
certain ruin, and yet Senator
Lodge actually cites the
huge surplus in the Treasury
brought about, in a material
part, by taxes on imports,
as a sure indication that
our country is prosperous!

~~The people of Mass. want
tariffs reborn and they
want it now. I believe the
democrats of the old Bay
state will nominate by~~

§ The Administration at Washington, in order to avoid retaliatory duties which Germany has threatened to impose upon our exports, has just inaugurated a novel method of tariff reform. Not daring to bring up the question of tariff reductions in Congress, — for that would split asunder the Republican Party — it has given the country an example of tariff reduction by executive decree. It has made a treaty with Germany, to take effect without ratification by the Senate, providing that the export price ~~abroad of German~~

~~factories~~

laws of the United States, ~~providing~~ that customs duties shall be levied on the market value abroad of imported articles, shall be construed so as to take the export price instead of the market value, under certain conditions.

The construction which all customs officers are thus ordered to put upon this law is absolutely contrary to the plain, expressed, command of Congress laid down in the Statutes, and furnishes a case of pure Executive usurpation.

The above and other clauses of this Treaty in effect permit German exporters

to fix their own values on 11
the goods sent to the U.S.
and, to prevent any possible
annoyance it is further
provided that the special
agents sent by the Treasury
abroad to look up cases
of undervaluation must be
duly accredited to the foreign
governments and subject to
their approval. Furthermore
the U.S. Consuls in Germany
are no longer to put German
exporters to the annoyance
and trouble of swearing
to their invoices.

Without discussing the legal
phases of this Treaty, it is
sufficient to say that the
Germans must believe that
under it they can send goods

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to the U.S. at a lower rate of duty and if the language of the Treaty means anything it must mean this.

5 ^{Substitute A} During the last Democratic administration, the subject of imports from Germany received much attention and the Democratic administration prepared for Mr. Dingley, the Chairman of the Ways & Means Com^{tee} of the House, a draft of law authorizing the Secretary of the Treasury to detain at the customs houses goods from all countries which refused to pass laws making false oaths before U.S. Consular officers punishable as perjury. This law passed the House, and it recorded the the invoices to which were not sworn to above some officers authorized to administer oaths, and.

from belief of the Democratic
 administration, ~~the~~ which, it
 is needless to say, was concurred
 in by the Republicans in the
 House, that all ^{ad valorem} duties should
 be impartially and faithfully
 collected and every effort
 should be made to ascertain
 just what ^{foreign market} the values in
 which the duty was based
 were. The obligation of the
 oath to invoices which
 both political parties tried
 to strengthen in 1896, has now
 been abolished, as to German
 imports, by the above
 Treaty.]

And now I want to ask
 the Republican leaders to

declare themselves on this
 Treaty with Germany. Do they
 favor it or do they oppose
 it. As for myself I believe
 in a reduction of tariff
 taxation, but in a reduction
 brought about by Congress,
 or if you will, by a Treaty
 ratified by the Senate, and
 not in a reduction brought
 about by executive decree,
 ordering Customs officers
 to construe the laws of the
 United States in a manner
 plainly contrary to ^{their} letter and
 spirit, which very construction
~~has been~~ Congress has expressly
 declined to grant.

The Secretary of State, for whom it
 is needless to state, I have the

greatest respect, announces that the mutual reductions of duties which the above Treaty brings about, gives a benefit ~~to our exports~~ of about ~~228~~ ⁷ millions of dollars ~~worth~~ ^{to} our exports to Germany, ^{as compared with less than 1} ~~only 4~~ million ^{dollars to} ~~worth~~ of Germany's exports to us, ~~are benefited~~.

The fair deduction to be made, I presume, is that we have ~~lost~~ scored ^{7 million} over Germany by ~~228~~ to 2. ^{to 1 million.}

(This argument fails however to take into account the advantages to Germany from that part of the Treaty relating to lowering the export price as the market value of imports under the

Conditions named. Assuming the Treaty to be permanent, I believe that ~~two~~^{one} hundred million dollars would be no more than a fair consideration for what the German manufacturers think they are to receive under the new Treaty.

It may, of course, turn out that the Treaty does not give them all that they hope, but if it was intended to give and if it does give what they think it gives the above figures would not be excessive as the measure of their gain.

The people of Mass. want Tariffs Reborn and they want it now. I believe our Party will nominate by

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acclamation as their candidate
for Governor, the man who
today stands forth conspicuous
for his advocacy of tariff
reform, & one who perhaps
^{better} ~~more~~, than any other man
in the State represents the
almost universal demand
for reduction of taxation, one
whose election as Governor will
insure not only faithful
public service but ~~will stamp~~
~~terror to the hearts of all~~
~~stand patting, Henry A.~~
~~Whitney~~ will, as well, announce
in no doubtful terms to the
Country that Mass. on the
issue of tariff reform, has
left its old allegiance and
has ~~joined~~ joined the Democratic
Party.