

FREE COINAGE OF SILVER.

SPEECH

OF

HON. H. M. YOUMANS,

OF MICHIGAN,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, March 31, 1892.

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Mr. YOUMANS said:

Mr. CHAIRMAN: I do not intend in my brief remarks to assail in any manner any of the political parties, but to endeavor to show what effect the bounty and high protective tariff laws have on agricultural and labor interests of this country. Is it not a fact that the governmental legislative policy more or less controls the success and prosperity of all classes of business.

BOUNTIES.

In 29 Wallace, the United States Supreme Court, by Justice Miller, says: To lay with one hand the power of the Government on the property of the citizen, and with the other to bestow it upon favored individuals to aid private enterprise and build up private fortunes, is none the less robbery because it is done under forms of law, and is called taxation.

Let anyone examine the McKinley tax law in the light of that language of the Supreme Court. Turn to the clause giving a bounty to the producers of sugar. Is not the giving of a bounty to the producers of sugar a tax imposed on the property of the citizen, and given to a few to aid private enterprise and build private fortune.

Mr. O'DONNELL. Do you pronounce the sugar bounty to be a wrong?

Mr. YOUMANS. I do.

Mr. O'DONNELL. Do you know that in 1837 the Legislature of Michigan provided for such a bounty?

Mr. YOUMANS. That did not make it right.

Mr. O'DONNELL. That was a solidly Democratic Legislature.

Mr. YOUMANS. That did not make it right.

Mr. WEADOCK. There has been an improvement in the last Legislature.

Mr. O'DONNELL. Oh, no.

Mr. YOUMANS. Two cents per pound bonus given to the manufacturers of sugar is not much; the right to impose a tax of 2 cents per pound recognizes the right to impose a tax of 10 cents per pound. It is not the amount of tax that is wrong; it is the laying and collecting of any tax. Our forefathers rebelled against Great Britain because of this. Parliament, while repealing the the obnoxious tax law, still claimed the right to impose taxes, and it was against this claim of right that the Colonists rebelled. The tax imposed was small, but that was not the gist of the matter; it was the claim of right to impose any tax.

The Government of the of the United States has no right or constitutional power to impose a tax on the citizens of this country to aid in building up private enterprise or private fortune, and that is exactly what the sugar bounty does. It takes 2 cents per pound on all sugar manufactured from the pockets of all the citizens and puts it into the pockets of the very few manufacturers of sugar. If the people of the United States submit to this tax, then the time is not far distant when other favored men will be given the people's money, not, as now, indirectly by means of a tariff, but directly by bounty, by gift, and that gift claimed as a right.

The theory of the sugar bounty is the theory of all protection, the encouragement of domestic industry. Protection is a system of bounties, and bounties are a system of protection. The difference is that under tariff protection the consumer pays the bounty directly to the consumer, and under the bounty system the bonus is paid by all the people. It would take a professional casuist to determine between the two systems in the matter of their injustice. The bounty system taxes all for what a few consume; the tariff system empowers one man to impose a fine on another man for trading with him.

THE GERMAN TARIFF AND ITS VICTIMS.

Can the apologists of a high tariff give some homily on the riots in Berlin and Leipzig, where the most the mobs have done is to approach the authorities with the cry "We want work." For that they have been bayoneted. And yet, in going to the authorities, with a strange precocity, the German workman have gone to exactly the proper court; for German laws have brought about the existing German situation. In 1878 Bismarck suddenly became a protectionist. He made an arrangement with both the industrials and the agrarians, in which the former agreed to duties on foreign breadstuffs and the latter to duties on manufactured goods.

Foreign corn was raised successively from 1 to 5 marks; a like duty was levied on meat, etc., and a proportionate tax was levied on foreign irons, etc. The consequence was inevitable. The German laborer has had to pay more for his bread, meat, and clothes than his Belgian or English neighbor, which has more than equalled the rise in his wages; while the manufacturer, with higher wages to pay and the increased cost of raw materials, has been shut out from foreign markets. Meanwhile the inevitable glut has resulted, and there is a comparative paralysis through the empire.

The exports have fallen off, and to retrieve themselves the manufacturers have organized trusts, combines, and rings to restrict their output and so keep up the price of their wares, which, be it observed, the laborer must buy or the wares find no market. But the restriction of output reduces the demand for labor, and consequently the mobs of Berlin and Leipzig are crying, "We want work!" The situation is the inevitable one of tariff-cursed nations. Higher prices for the necessities of life and thousands of men who need these necessities out of work and with no money to buy them because the arbitrary prices attached to these necessities have cut them out of foreign markets and so limited the home production. And so, as usual, the wolf at both doors gnaws at the hearth of the workingman.

The audacity of the men who want the toiling millions to give them a part of their earnings as a present has grown until now this insolent power demands that the people give them directly money. Where will this thing stop? Already this tribute is demanded as a right. When will it stop?

The Democratic party has pledged itself to stop it, and it will. The Democratic party presents a solid front to the organized forces of robbery, all along the line.

And this fact suggests another view of the relation of protection to our wool industry. It is an axiom of the protective doctrine that home competition, under adequate protection, will insure lower prices; and it is believed that not a single case can be adduced of an article the production of which has been developed by protection that has not declined in price below the foreign price with the duty added.

No Republican farmer has ever favored a duty on foreign wool except to enable a manufacturer to rob the consumer and with a hope of sharing the plunder.

The Republican farmer has not been a thief himself, because he could not. He had no trust. But he has voted in favor of protecting the manufacturer in robbing the people, because the manufacturer promised him a share of the stolen money. That he is more fool than knave is shown by the fact that he has kept right on voting for this theft and protecting the manufacturer in it, although he has never touched a penny of it. His faith has been as boundless in the protection bunco as it has been in the green-goods game.

The Democratic party appeal to the Republican farmers to abandon their present aiding and abetting of theft solely on the ground that the protection thieves do not share the swag with the farmers. Upon what other plea can we appeal to them? If they did share in the theft, is there one who would not laugh at us for our "innocence" in thinking he would give it up?

Mr. O'DONNELL. You say the tariff is a robbery. Now, if you will permit me to say so, you represent the great salt-producing section of the United States. The salt industry was built up by the tariff. Salt is now selling for less than the amount of the tariff on it, I believe. That is to say, you can purchase a barrel of salt weighing 280 pounds for 50 cents, and the barrel costs 20 cents. Now, where is the robbery in the duty on salt, the great product of the district that you represent?

Mr. YOUNG. I think the gentleman has answered his own question. The

price of salt has gone down under the high tariff.

Mr. O'DONNELL. Then, if we should make the tariff twice as much as it is on salt the price of salt would be twice as low as it now is?

Mr. YOUMANS. That would be according to the Republican idea, as advanced on the floor of this House.

But to resume my argument. What American citizen ever had one cent or one cent's worth that he did not earn, or that some one else did not earn and give it to him, unless he stole it? How can protection put one cent unearned by labor in a man's pocket without stealing the one cent from another man?

Do you or anyone know how you can get \$10, unless some one earns it and gives it to you, unless you earn it yourself, or unless you steal it?

Mr. SIMPSON. Does not the gentleman know that by lowering the tariff and letting goods in from foreign countries we will get them for nothing, that we will get all we want without working?

Mr. SHIVELY. On the protectionist theory.

Mr. YOUMANS. Protection is simply theft authorized by law.

But the normal condition of each really protected industry, the condition which every one will attain in time, is that in which the full amount authorized by Congress is stolen and divided by a perfect trust that has killed all competition. No other condition can be accepted as normal and it is unfair to quote the troubles of the woolen men while building their protection fence.

Every cent that protection puts in any man's pocket is stolen. As a rule it is stolen from the farmer, and the farmer is loudest in his laudation of the honesty of the man who is picking his pocket.

The only way in which the farmer can be protected is to pay him from the Treasury 11 cents bounty for every pound of grease wool he raises, exactly as we pay him 2 cents bounty for every pound of sugar, syrup, and then tax the woolen manufacturers 44 cents on every yard of cloth made in an American woolen mill. Leave the manufacturer's protection exactly what it is now and let him do then what he does now—collect from the people the tax of 44 cents per yard that they pay into the Treasury for the Government to repay the farmers.

This would accomplish honestly the exact result the tariff law now pretends to accomplish. It authorizes the woolen manufacturers to charge the people 64 cents extra per yard on the cheapest cloth, fixing that amount anyone who buys from any but the trusts. Of this 64 cents it says that 44 cents are for the farmer and 20 cents for the manufacturer, but it makes no provision that the farmer should receive one cent. It leaves the collection and division to the manufacturer. It need not collect it unless it wishes. After it collects it the manufacturer may keep the whole amount if he desires.

Why should not the manufacturer be compelled to pay the 44 cents into the Treasury and let the Treasury pay the 44 cents over to the farmer? Would it not be simpler? Could there be any doubt of the farmer's wool being protected under such an arrangement? Why is it not done?

Because it is not intended that the farmer shall get one cent of the protection on wool. Because the object of the law is to give every cent to the manufacturer who collects it; and it is so framed that he may keep every cent. Because the farmer must be beguiled into believing that he gets the 44 cents as the payment for his vote, while the manufacturer must really get it that he may contribute free to campaign funds. The farmer is to be buncoed, and the only way he can be buncoed on the wool question is by pretending to give him the protection of the 44 cents which the manufacturer collects as "compensary" in addition to his own private protection.

According to this apostle of protection, any man who says that the duty on wool is levied to enable the farmer to get a higher price for it is "a free-trade tariff falsifier." Every Republican editor in the country must be "a free-trade tariff falsifier," for there is not one who has offered any other reason. Has anyone said to a wool-grower that his protection was levied to force him to improve the breeding a heavier clip, so that he could sell cheaper per pound at a higher total profit?

Mr. O'DONNELL. The gentleman is rather severe on Republican editors. Now, when I am at home in Michigan I am engaged in that vocation. The gentleman must have forgotten that, or he would not have made so rash an assertion, [Laughter.]

Mr. YOUNMAN. If any Republican editor had told the farmer what the wool-buyers told the mechanics and laboring men there would have been trouble.

By dint of constant repetition the absurd idea that protection enhances wages, that the higher wages in this country over the "pauper" wages of Europe is due to it, has become a matter of faith with many who do not stop to consider that the very "paupers" of Europe who receive the lowest of wages are protected more than the workmen in the United States, and that the highest wages paid in any European country is paid in free-trade England.

Mr. O'DONNELL. Do you say wages are higher there than here?

Mr. YOUNMAN. Listen to what I am saying and then you will understand what I have to say.

The idea that protection raises wages is absurd for two reasons. The first is that every workman in a protected industry in the United States is working in open competition with the European paupers. He is producing the same goods they are producing. His products must be sold in the same market and in competition with their products. His employer is competing with their employer to supply the same people with the same goods at a less cost, and to do this he must drive their wages, which are the only thing entering into the cost over which he has control, down to the very lowest notch possible.

The second reason is that there is no provision in the protection granted by Congress to the employer by requiring him to pay even 1 cent extra to his workmen. They are left absolutely at his mercy, to pay more wages if it pleases him to pay them, but with the necessity imposed upon him by domestic competition of cutting their wages below even foreign level. There is no reason in logic or common sense why protection should raise wages in this country and reduce them in other countries.

There is one explanation which will account for the differences that though the wages paid to skilled labor regulated solely by natural laws of skill, and demand without having any effect produced by protection is fully demonstrated by the manufacturer of American cutlery by American skilled labor and placed in competition with English cutlery manufactured by cheap labor and sold in Sheffield, England, with transportation added at the same price, demonstrates the fact that skilled and well-paid labor by the aid of improved machinery can produce manufactured articles cheaper than cheap and unskilled labor. If this be the fact, then why the great cry of protection to benefit the American laboring man.

Mr. SIMPSON. Would not the gentleman be in favor of putting a tariff on pauper labor, and letting the goods in free.

Mr. YOUNMAN. You might put a tariff on immigrants.

The CHAIRMAN (Mr. HOOKER of Mississippi in the chair). Gentlemen desiring to interrupt will address the chair.

Mr. YOUNMAN. In 1840 England had been for eight centuries the strongest of protection countries and Parliament had passed over three hundred McKinley bills. According to the legacy and succession returns of that year the wealth of the United Kingdom was distributed as follows:

Class.	Families	Per family.
Rich	86,833	£28,820
Middle	782,100	1,130
Working	4,311,067	44

And here is the most incredible diffusion of wealth that followed England's final adoption, in 1860, of free trade, after only seventeen years of it, as shown by the same return for 1877:

[From Mulhall's Dictionary of Statistics, page 473.]

Class.	Families	Per family.
Rich	22,500	£25,803
Middle	1,824,400	1,005
Working	4,629,100	86

Over one million families of the working class had joined the middle class and the average wealth of every working family had doubled. The wealth of the rich families had declined. The rich were getting poorer and the poor were getting richer.

Mr. SIMPSON. Just the opposite of the existing condition of things.

Mr. YOUNG. How is it under the existing protective tariff laws of this country? The rich are getting richer and the poor are getting poorer to an alarming extent. A distinguished patriot and statesman of the earlier days of this Government said:

It was wiser to enact such laws as will permit the wealth which the people create to remain among those who create it, than to make such laws as will concentrate the wealth into the hands of a wealthy aristocracy grander than any of the old world.

There can be no question that while the past decade has been a period of prosperity with most of the industries in this country the farming industry has been depressed. The farmers have labored diligently, the seasons have been propitious, and in the main fairly abundant crops have been gathered, and yet the farmers have no money for their manly efforts; have lost much of their prestige and energy, and their farms have decreased in value.

Can it be a matter for wonder that with this enormous disadvantage and burden the value of farm products in America has been reduced in many localities below the cost of production, or that the sons and daughters of farmers when they attain the age of discretion abandon the farm as if it was a place of degradation, rather than the home of thrift and honor and of virtue, and rush to the cities and seek employment in the commercial houses and in the employ of the Government.

This condition is probably not wholly attributable to any one cause. Some part of it might be charged to the act of 1873, when silver was demonetized; at that time the depression now resting upon farms and farming products began. But when we consider that the manufacturers are becoming richer each year, while the farmer is getting poorer, we can safely say that a greater portion of the depression now resting on this great industry can be attributed to the high protective tariff laws.

While the farmer contends with flood and drought, and strains every nerve and muscle to produce his crop, and by reason of its small value when produced is compelled to deny himself and his family everything save the necessaries of life in order to meet the demands of this unjust tax, is it not rather a matter of amazement that the American farmer exists at all? In the arrangement of the tariff Congress has from the beginning imposed on many articles impost duties so great as to practically prevent their importation, and this not so much from the necessity of deriving a revenue from these articles as from a necessity, real or supposed, of encouraging and fostering the manufacturing industries of our own land.

And the strongest argument in support of this policy has always been that while it advances to some extent the cost of these articles to the consumer, yet the disadvantages which this entails to the individual are more than compensated by the country at large through the increased wealth and higher wages for labor which are claimed to result from the policy of protection. While political parties differ as to the wisdom of a protective tariff, they can, I think, hardly fail to agree that if the revenue must be raised the method of raising it which is least burdensome is by taxing that kind of occupation or business which has the tendency to injure or destroy any of the leading industrial interests of the country. [Applause.]