

THE FALLACIES OF

PROTECTION!

From the Standpoint of the

Daily Oregonian

Wool and Lumber Ought to be Free.

A Tax on Sugar is for Revenue and Not Protection.

A Characteristic Ruse. Free Whiskey and Tobacco.

On no other subject (Protection) is there so much effort made to mislead and beguile the people. Perhaps the reason is it pays to do so. It must be owned, too, that the beneficiaries of the system are highly successful in their dupery of the people at large.—Oregonian, February 2, 1882.

INTRODUCTORY.

Extracts contained in this paper are editorial articles taken from the Oregonian, covering the period from 1880 to 1887, inclusive. They comprise only a part of much that that paper has had to say during the time mentioned on the subject of protection and tariff reform, and in exposure of the impolicy and injustice of the present system. They demonstrate the soundness of the views contained in President Cleveland's tariff message, and are in perfect accord with all the essential features of the Democratic position on the tariff. They show conclusively that wool and lumber should be free, and that the tariff on sugar is "a tax for revenue." These articles expose in advance the fallacy of revenue reduction, proposed by the Republican platform, by abolishing the internal revenue tax, thus making whiskey and tobacco free, while the necessities of life are made dear. In short, these articles are unanswerable arguments in support of the policy of the Democratic platform and candidates upon the tariff question.

Aside from their intrinsic value, as a contribution to Democratic campaign literature, these articles have a special value as an expression of the opinions of one of the ablest and best known Republicans on the Pacific Coast upon the vital questions of the canvass, made during a series of years when these questions were not in issue between the parties, and when their consideration was not biased by the prejudice of party politics.

"Long ere now, had not the Democratic party with its characteristic pigheadedness, persisted in its attacks on the settlements of the war, there would have been a reckoning on the subject of tariff plunder, the navigation, laws, dishonest money and the entire scheme of quackeries sustained by greed, ignorance and demagogery in combination—and now! the Democratic party is done with its follies, the reckoning will not be very much longer delayed."

Protection "is a good policy to pile up the profits of the protected monopolist, but a bad one for us out of whom the profits are drawn."

(Daily Oregonian, Dec. 11, 1880.)

An inquiry is addressed to the Oregonian by a person who read its remarks of yesterday on "Loss of the carrying Trade." The inquiry is as follows, viz: "Since we produce all materials that enter into shipbuilding, viz: timber, iron, etc., I am at loss to determine what you refer to by remarking: 'But such are the duties levied on materials that go into shipbuilding,' etc. Will you please explain in what manner said duties are levied on home-produced materials?"

This inquirer is misled by his own confusion of terms. Though duties are not levied on home-produced materials that enter into shipbuilding, yet the cost of such materials are enormously increased by our system of protection. We refuse to let in the foreign article, but invite the producer of the home article to make the price excessive, and "protect" him in doing so. Just as our tariff on steel rails increases the cost of all steel rails in this country, whether imported or produced here, so our tariff on shipbuilding materials increases the cost of all materials of this class. Herein is one of the causes why shipbuilders of the United States cannot compete with those of other countries. That we have in our country all necessary shipbuilding materials is a bootless boast, so long as our tariff policy makes them so costly that we cannot use them.

A duty ought to be laid on these articles which will produce a clear revenue at least for collection. Sugar is one of these. It is a tax for revenue, and is directly opposed in principle and effect to a duty imposed for protection.—Oregonian, Feb. 24, 1881.

The reduction of the revenue on sugar proposed by the bill is \$11,759,799, and excepting the woolen schedule, is nearly twice as much as are all others combined.

But on correct principles of taxation there ought to be a higher duty on sugar than on any other article on the dutiable list.—Roger Q. Mills, July 21, 1881.

Sugar, Revenue and Protection.

[Daily Oregonian February 24, 1881.] Again the principle known as free trade does not contemplate the total removal of duties. Such a result would not be contemplated, even if it were for any reason desirable. Revenue must be had and no method for raising revenue has ever been devised which has, on the whole, been so satisfactory as levying duties on imports. The whole question at issue turns on the principle upon which these duties are to be imposed. A duty ought to be laid upon these articles which will produce a clear revenue at least for collections. Sugar is one of these. Coffee and tea are also admirably adapted to the same end, though our laws blunderingly exempts them from duty. When such articles are taxed the whole of the tax goes into the public treasury. It is a tax for revenue, and is directly opposed in principle and effect to a duty imposed for "protection." The object of these laws is not revenue, but prohibition of importations, in order to give the home market to the protected class at high prices. The members of the Iron and Steel Association profiting immensely under this system, understand its effects well enough, how much soever their organ may attempt to disguise them.

Fortunes for the Few.

[Daily Oregonian February 2, 1882.] A limited class have conceived and put in practice the doctrine that it is a good scheme for them to make the great body of the people pay high prices for commodities which the comparatively small class have to sell, and the government is called into rob the many for the benefit of the few. This is "protection" and all there is of it. On no other subject is there so much effort to mystify and beguile the people. Perhaps the reason is that it pays to do so. It must be owned, too, that the beneficiaries of the system are highly successful in this practice of their dupery on the people at large.

Thus our labor suffers from a system of robbery, disguised under forms of quackery for the pretended protection of American labor. The stupidity that doesn't see it, particularly on this coast, where the producing classes are so plainly the victims of it, is phenomenal and perhaps hopeless.—Daily Oregonian, Oct. 21, 1881.

"Mr. Carlisle is in no sense a free trader. There is no reason to be frightened over Mr. Carlisle's intentions, and the Republicans who are commencing an alarmist's campaign for 1884 are making a mistake."

The proposal to abolish internal taxes, while keeping up the excessive and even prohibitory duties levied under the existing system of "protection," means cheap whiskey and dear clothing; an untaxed beer barrel and an excessive tax on iron in any form; free tobacco and dear salt; cheap cheroots and high-priced printing paper. The purpose of all this is to assure continuance of enormous profits to eastern iron masters, salt boilers, wood pulp proprietors, and the whole train of monopolists who are "protected" at the expense of the consumers of the country.—Daily Oregonian, Oct. 26, 1881.

A Great Discovery.

[Daily Oregonian, November 27, 1881.] All the taxes that spirituous liquors and tobacco can be made to pay should be collected. That is, the taxes on those commodities should be kept at as high a rate as possible without creating in-

centives to frauds and so defeating the object. Another thing, if we strike off the one hundred millions of revenue annually obtained by the national treasury through these taxes, then no modification of the tariff on imports will be possible. There is a tax on the necessities of life amounting to probably \$500,000,000 a year, which is paid by consumers, of which, however, only about one-third goes into the national treasury, while the other two-thirds are divided as special bounties among favored individuals and corporations. Free trade in these necessary commodities is not expected or desired, but a reasonable modification and reduction of the rates of duty ought to be granted. At any rate, whiskey and tobacco ought not to be the only free articles which the American citizen is allowed to buy and consume.

"Great Britain pays higher average wages under free trade than either France or Germany under protection, and the United States pays relatively no higher wages in her crowded mining districts, in proportion to the relative cost of living, than Great Britain."

"The talk of protecting American labor is a juggle and a farce since the system does not protect, but, on the contrary, actually oppresses the larger part of the labor of the country."

"The lumber duty is the most inexcusable folly and iniquity of the whole monstrous bundle of iniquities and absurdities called the tariff law."

The Lumber Tariff.

[Daily Oregonian, February 23, 1883.] The lumberman of this country, so far as their views have found expression, care nothing one way or another about the question of free lumber. The business is here so well adjusted upon the proper basis of supply and demand that they have no fear of competition with British Columbia. In any event, there is no danger of over supply or reduced price. But in the old northwest there is much division of sentiment. Lumbermen are opposed to removal or reduction of the tariff because, they frankly say, it will bring Canada lumber into the country and reduce the price. From the point of view of the consumers of lumber, who outnumber the dealers several hundred to one, these are excellent reasons for reducing or removing the duty. From the point of view of the national good, without reference to the cost of the article, a change in the law which will increase the importation of lumber, and check the rapid consumption of our own pine, is most desirable. The lumber duty is the most inexcusable folly and iniquity of the whole monstrous bundle of iniquities and absurdities called the tariff law. It cuts two ways. It taxes the consumer to encourage the destruction of the forests. Lumber is a peculiar product, in that it is limited in quantity, and, once the supply is exhausted, cannot be replaced for several generations. The law should study the preservation of the forests instead of encouraging their extinction, should stimulate instead of prohibiting the importation of supplies from other countries.

"The unprotected classes not only supply the whole country with their products free of bounty, but exported a surplus exceeding \$800,000,000 last year, turning the balance of trade heavily in our favor, paying off our foreign indebtedness and diffusing prosperity over the land in defiance of the high tariff handicapping of pampered greed, which, like the horse leech's daughter, cries always for more."

Protected and Non-Protected Industry.

[Daily Oregonian, January 28, 1882.] Thus it appears that ninety per cent. of our exported products are of the "non-protected" and only ten per cent. of the "protected" class. Fifty millions of people are taxed constantly to the extent of 40 to 100 per cent. on all the manufactured goods they consume. This tax is collected of the consumers whether they use imported or domestic manufactures, and was imposed for the purpose of giving to the capital and labor of one-tenth of the people a special bounty and subsidy under the fallacious pretense that it would add to the wealth of the whole country. Yet out of the nearly \$800,000,000 surplus products of the country exported to foreign nations this subsidized and protected class contributed less than ten per cent. The unprotected classes not only supply the whole country with their products free of bounty, but exported a surplus exceeding \$800,000,000 last year, turning the balance of trade heavily in our favor, paying off our foreign indebtedness and diffusing prosperity over the land in defiance of the high tariff, handicapping of pampered greed, which, like the horse-leech's daughter, cries always for more.

"Why should our industries here be taxed to create an industry at Pittsburg?"

The Tin-plate Tax.

[Daily Oregonian, January 20, 1883.] There is an industry here that is very much interested in tin-plate. It wants tin-plate to be as cheap as possible, so that something may be made out of the canning business. Therefore the proposition to double the duty on this article is not a pleasing one. Portland's board of trade and Astoria's chamber of commerce have protested. Similar protests have been addressed to Congress from other quarters. Many newspapers have joined in the effort to prevent the increase of the duty. It seems the way

and means committee have been induced to advance the rate by a statement from Pittsburg to the effect that if congress will sufficiently protect the tin-plate industry "it will provide a livelihood for a large number of people." But why should our industry here be taxed to create an industry at Pittsburg? Is it fair? The Chicago Times states the case for us when it says: "If it will not pay to make tin plates without protection, it is because men can do better at something else and for no other reason that it is possible to assign. It is much the better way to let men do things at which they can make a living without taxing their neighbors. To take them from doing those things and set them at things at which they cannot earn a living without the help of taxes paid by their neighbors, is the same thing essentially as taking them from useful employments and setting them at carrying buckets of water from Lake Michigan to Lake Superior." A far greater industry will be taxed by the increase of the duty on tinplate than can possibly be created by it.

"The mass of the people want justice instead of swindling, freedom instead of monopolies."

A Live Question.

(Daily Oregonian, May 14, 1884.)

Less than a hundred capitalists engaged in the Bessemer steel ring make two or three hundred per cent. profit on their money invested, but they pay their workmen only the average wages, which provide a bare subsistence. The same is true in other protected industries. The tariff question can no more be smothered than could the slavery question a quarter of a century ago. The mass of the people want now, as well as then, justice in place of swindling, freedom instead of monopolies. If just and real reforms are denied the refusal will only intensify the irritation which will presently sweep away a system which, whatever may be said in favor of its moderate and temporary application, is seen to have become the means for gross abuses and systematic robbery and oppression.

"What does Senator Edmunds or Mr. Blaine think to-day about their pet theory that a protective tariff makes a 'home market' for the American farmers' wheat, corn and pork by keeping out foreign goods? Does the American farmer seriously believe to-day that he is specially enriched by a protective tariff which promised to make for him a 'home market.' It looks very much as if wheat rose and fell without any reference to our protective tariff, as if wages were high or low without reference to a protective tariff."

Wheat and the Tariff.

(Daily Oregonian, Nov. 4, 1886.)

The Milling World recently said, "The farmers of the United States would today be getting 20 cents a bushel less for their wheat than they now get were it not for the protective tariff of 20 cents a bushel imposed on imported wheat by our government." This is saying that protection raises the price of American wheat to the exact amount of the tariff tax laid on imported wheat, and thus puts \$90,000,000 or so a year into the pockets of our farmers, estimating the wheat crop at 450,000,000 bushels. This is absurd, because the price of our wheat is not affected at all by our tariff on imported wheat; the price of our whole crop depends on the price of our surplus, which is sold in the free market of Liverpool in competition with the surplus wheat of all other grain growing countries. Of course, since our tariff on wheat cannot fix the price of wheat in Liverpool, it does not fix its price in Chicago. What does Senator Edmunds or Mr. Blaine think to-day about their pet theory that a protective tariff makes a "home market" for the American farmer's wheat, corn and pork by keeping out foreign goods? Does the American farmer seriously believe to-day that he is specially enriched by a protective tariff which promised to make for him a "home market"? It looks very much as if wheat rose and fell without any reference to our protective tariff, as if wages were high or low without reference to a protective tariff.

"Our system now tends to foster home monopolies rather than to protect the wages of the workingman."

"You might as well say that if you cut off a dog's tail and ears the same day he has reason to feel highly amused, entertained and grateful, as to say that a tariff on coal, which enables the coal combination to restrict production, which reduces the earnings of the miner and artificially puts up the price of coal, thus swelling the cost of the workingman's fuel, was 'protection' to labor."

"He is for protecting one and all and dauntlessly advocates the great principle that we can all can get rich by taxing each other."

"The time will come when men will find it as difficult to conceive that this obstructive and absurd policy could ever have prevailed as they now find it to account for the perversity which once denied freedom of speech and press, or the infatuation which believed in witchcraft and slavery."

"We tax the raw materials of the woolen manufacturing industry in a way that protects nobody. It keeps out foreign wools that we need to mix with our native fleeces and by restricting the variety of fabrics which can be made here, limits the demand for American wool."

"Manufacturing industry is fastened as a leech upon agricultural industry and is gorging with the profits."

Thus our labor suffers from a system of robbery, disguised under forms of quackery for protection of American labor. The stupidity that doesn't see it, particularly on this coast, where the producing classes are so plainly the victims of it, is phenomenal and perhaps hopeless.—Daily Oregonian, October 21, 1881.

"No imposition is too great to catch stupid people, and herein lies the great strength of our 'glorious protective system.' Protection is a legalized form of robbery, which makes the farmer foot the bills of the manufacturer."

"But these men must be hypocrites, for they leave the American laborer to starve while they run their mills with 'paupers' imported from Europe. This is protection for the master and not the man."

"There is no phase of protection that will bear examination. Every part of the system is as weak as the argument for the protection of wool. The system is through-out a short-sighted game of greed, except for the great monopolist whom it creates and supports."

"The laborers in unprotected industries in this country receive higher wages relatively than the operatives in protected industries."

"But at least we can say let it be known that we are not so gullible as to accept without protest, and as if we were perfectly satisfied therewith, the sophisms and the resulting injustice and loss of the policy of protection."

"By the operations of a protective tariff, the Government undertakes to make employment for a certain few of the people by taxing all the rest."

"Among the false claims of protection it (the census of 1880) explodes is the pretense that our almost prohibitory tariff makes work plenty and keeps wages high."

VETO MESSAGE.

EXECUTIVE DEPARTMENTS, SALEM, OR., Feb. 19, 1889. To the Honorable, the Senate of Oregon:

I herewith return senate bill No. 75 with my dissent. This is a bill for an Act amendatory of the railroad commission law, which was approved February 18, 1887. The amendments proposed in the bill herewith returned, consist simply in the enlargement of the number of commissions, without providing for any enlargement of the powers. It provides, also, that the commission shall be elected by the legislative assembly, instead of being appointed by the Governor, and omits that clause of the law of 1887 which provides that the Governor may remove any commissioner for cause. The board consisting, under the law as it now stands, of two commissioners and one clerk, the compensation of whom amounted to \$7,500 per annum, had not really enough to do, owing to the prescribed limitation of its powers, to keep one man in healthy, steady employment, and there is no reason why the taxpayers of Oregon should be burdened with the expenditure of \$2,500 more for the employment of another commissioner, who will really have nothing to do but to draw his salary quarterly, when but for this unaccountable benefaction of the legislature of Oregon he might be able to earn an honest living on a farm or in a work shop. The omission from the bill under consideration of the granting of the power of removal by the Governor is an unwise omission. Under the existing law the Governor removed the two commissioners for the reason that after their attention had been called to the mandatory provision of the law, which required that in their biennial report to the legislative assembly, they should report "particularly what changes in the classification of freight, or what changes in the rates of freight or fares are advisable or necessary," they had failed to comply with such mandatory provision, and had made their report, in which they entirely disregarded that specific mandate of the law. Senate bill No. 75 strips the Governor of the power of removal, and leaves the commissioners free to follow the footsteps of their predecessors "with the simple power to investigate, make recommendations, and re-

port to the legislature" merely in tables in regard to the railroads as the previous law, approved February 1885, had compelled the various railroads to file in the office of Secretary of State relieving the entire board and clerk of all work except the mere work of drawing their salaries and riding on free passes all over the State. There is another serious objection to the bill. Under our system of government, it is the legislative prerogative to make the laws, and it is the executive function to enforce the laws; however, the legislature can, as proposed in this bill, create a commission of its own appointment, to enforce laws of its own enactment in regard to the railroads of this State, it can create commissions in regard to any and other matters of State concern, thereby entirely robbing, if it so chooses, both the executive and judicial branches of the State government of all their prescribed powers. This usurpation of power by one of the departments of State government would lead to practical subversion of our free institutions. Under the law as it now stands with the powers of the commission defined as it has been by the decision of the supreme court of the State, commissioner without any clerk would be all that could possibly find employment, and this bill which adds the number of the commission with in the least enlarging its powers, is much like offering a stone to the people of this State, who have been justly crying for bread. I veto the bill.

THE STATE'S FINANCES

A Commendable Showing—How State Indebtedness was Paid.

When the present administration entered on active official duty on January 10th, 1887, it found a state indebtedness, amounting in round numbers to \$100,000, the principal part of which was against the Swamp Land Fund, some other funds of a similar character. After carefully examining the books of his department, the treasurer found the sum of \$41,628 68 was due the State from the United States. That \$23,000 00 of this had been due for years, and not having been demanded, had lapsed back into the United States treasury, and a re-appropriation was necessary before it could be used. The remainder had been due near year. This money was at once demanded, and having been collected, applied on the above indebtedness, which the state had been paying per cent. interest. But properly applying on this indebtedness, the result from the sales of Swamp Land, thereby cutting down the interest charge, the entire indebtedness of state was liquidated inside of six years. And more than this, in addition to the above, nearly \$25,000 00 has refunded to purchasers of Swamp Land where the state failed to get title.

WORKINGMEN READ.

Are You Going to Endorse by Your Votes this Insult?

The following letter is taken from Ochoco Review, written by Knox H. Taylor, a responsible and thoroughly reliable citizen of Crook county. Will laboring men of Oregon not resist insults on the first Monday in June? On the 17th of the month I met G. M. Mayes, who is a son of Hon. B. F. Mayes, of Wasco county, and a brother of Hon. F. P. Mayes, U. S. district attorney for Oregon, and while in conversation with him, I gave it as my opinion that if the two labor organizations would support Penoyer for governor, the matter would be elected. To this Mr. M. replied that the said organization could be bought for \$10,000. This conversation occurred in Prineville.

On the 13th I again met him at Creek. We were there when the news arrived bringing the news that B. Thompson was nominated by the republican convention, whereupon Mr. M. said to me: "Penoyer is gone; the son will beat him." I asserted, if doubtful whether he could or not, if labor organizations staid with Penoyer, Mr. Mayes then asserted that the son could and would buy those labor organizations for \$10,000. J. R. Wright, son of Hon. C. M. Carter, said "I guess D. P. has put up \$10,000."

Now it is well known that the M family all favored Thompson instead of Moody. This appears to me to indicate how they expect to defeat Penoyer. Time will prove whether labor organizations are so mercenary to be bought, and if the estimated closeness in which they are estimated by "protection" party is true or not.

SPEAKING APPOINTMENTS.

Hon. Robert A. Miller, Democratic candidate for Congress, and Prof. A. LeRoy, member Superintendent of Public Instruction, will address the voters of Oregon at the following times and places:

GOV. PENOYER'S APPOINTMENTS.

Sylvester Penoyer, Democratic candidate for Governor, and Hon. Geo. W. Webb, Democratic candidate for State Treasurer, will address the citizens of Oregon at the following times and places:

Everybody is requested to attend. Ladies especially invited. B. GOULDING, Ch'n Democratic State Central Committee.