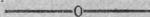


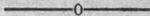
The Necessity of Protecting American Labor.



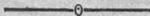
SPEECH

OF

HON. JOHN P. VERREE, OF PENN.



Delivered in the U. S. House of Representatives, April 27, 1860.



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## Speech of Mr. Verree.

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The House being in Committee of the Whole, and having under consideration the bill to provide for the payment of outstanding Treasury notes, to authorize a loan, to regulate and fix the duties on imports, and for other purposes—

Mr. VERREE said:

Mr. CHAIRMAN: It is with no expectation of shedding any fresh light upon a subject which has been so thoroughly discussed as the tariff, that I rise to address you.

But, sir, while I do not hope to add to the array of facts and arguments which have been urged on this side of the House, I cannot permit the question now before the Committee to be finally disposed of, without expressing my earnest, cordial, and sincere desire that the bill, as reported, may prevail by such a majority as will leave no doubt in the mind of the country as to the position which, in this Chamber at least, we occupy in regard to it.

On this subject of a tariff, Mr. Chairman, I feel that I have, if I may so say, a special mission to speak.

The whole of my active life has been passed in pursuits which have brought me in direct contact with its workings. I have been compelled to study its principles, because I have been largely interested in its effects. My own affairs have been so intimately associated with it, that they could not be separated from it; and the consequences that have flowed from changes in the revenue policy of the country have been felt by me in the most sensitive part of every man's external relations—my finances. In what I have to

say, therefore, my utterances, though not designed to be oracular, are the result of an experience which leaves on my own mind, at least, not the slightest doubt of their truth.

Mr. Chairman, in an extended Confederacy like ours, increasing every additional session by the admission of new States, it is natural there should be a diversity of opinion in regard to the policy of legislation affecting the interests of the citizens of such States. Statesmen of eminence, representing the local interest of their particular section, have widely differed in regard to the policy of the revenue laws. At one time, whilst the master spirit of South Carolina was advocating and defending the protective policy, with his accustomed zeal, he was opposed by the intellectual giant of New England, with all his ability and experience. After the lapse of a few years, these two distinguished statesmen were found transposed from the positions they then occupied; and Mr. Calhoun, whose candor and honesty no man can impugn, was threatening to nullify and dissolve the Union in 1833, because Congress had determined to pursue the very policy he had, sixteen years before, so forcibly and eloquently sustained.

The Jacksonian Democracy told us they were in favor of a "wise and judicious tariff for protection;" whilst the Buchanan Democracy of the present day assert they are in favor of a tariff for revenue, giving incidental protection; and the Cobb Democracy elaborately attempt to show the fallacy and unconstitutionality of the President's views, and advocate,

with much zeal, an exclusive revenue tariff. The terms used to describe the degree of protection are relative ones—"wise and judicious and incidental"—meaning all that any reasonable man can expect or desire, or nothing at all, depending upon the construction and locality of the man who utters them. A distinguished statesman has said that language was designed to conceal our thoughts and opinions; but we must not deceive ourselves in the belief that by the use of such language we are misleading intelligent, educated men, or practical mechanics. The subject is too well understood, and the tricks of political demagogues in the Presidential election of 1844 are too well remembered.

The principles and effects of a revenue and protective tariff are so different and antagonistic in their character, that the policy which best promotes the one almost entirely destroys the other; and no so-called revenue tariff bill ever passed by Congress but excepts the most important articles of revenue. If the Administration desire to pass a revenue tariff, which they so ardently profess, why do they not propose a tax on tea and coffee? for, as neither of these articles has been successfully cultivated in this country, whatever revenue could be collected upon them which did not prevent their use would be exclusively for revenue. The consumption of these articles has become so common and universal with all classes, rich and poor, that such a tariff would be unpopular; and therefore, political demagogues, who control the Democratic party, abandon the revenue policy, by admitting tea and coffee free of duty, and thus afford incidental—as it is called, but more properly speaking, political—protection to manufactured articles.

The able Secretary of the Treasury, Mr. Cobb, in his report of 1857-'58, argues with much earnestness and apparent sincerity to prove the fallacy and unconstitutionality of specific duties, which the President had recommended in his message of the same year; accusing him by implication, if not in direct terms, of recommending a violation of the Constitution. The Secretary contends that the revenue is the only principle upon which a tariff can be justified, or is constitutional; yet, as I have previously stated, he does not recom-

mend any duty upon tea and coffee, the two articles from which the greatest amount of revenue could be collected. This inconsistency and conflict between his arguments and recommendations should not occasion any surprise, because the principles of the great national Democratic party, as it is called, but, more properly speaking, the sectional slave oligarchy, is controlled by the same logic. What is their interest is always constitutional, and what opposes them is unconstitutional, and a violation sufficient to justify them in threatening to "tear down the pillars of our temples, and scatter the fragments to the winds." Disregarding all such flimsy and hypercritical objections to the protective policy, as insincere and unsound in essence and in fact, and believing that this country possesses within its own borders all the crude material necessary to make us independent of any nation in the world, I believe it to be the duty of Congress to grant such a system of protection, that all persons possessing the art and experience necessary to pursue any business would be justified in investing their capital and talents in its pursuit.

Political economists tell us that labor is the source of all wealth; and that the man who makes two blades of grass grow where but one grew before, is a public benefactor. Now, I contend that when a man is willing to invest his entire fortune and credit in the manufacture of any necessity of life, where, as in thousands of cases, this country possesses all the natural advantages of the most favored nations of the Old World, it should be the policy, yea, it is the imperative duty of Congress to afford all such persons sufficient legislative protection to enable them to manufacture such goods in competition with the foreign manufacturer. This cannot be done by a "wise and judicious tariff," or a "revenue tariff affording incidental or accidental protection." It can only be secured by a protective tariff *for the sake and for the purpose of protection.*

The history of every protective tariff since the Government was established, without exception, proves the fact that, before five years—yes, before one—the home competition, a natural and healthy rivalry resulting from such protection, will reduce the market value of protected arti-

cles to a low and regular standard; much lower, indeed, than, previous to such a policy, had been the ruling prices of imported articles of the same quality.

It is useless to mention or particularize the numerous articles which sustain this position; but I will simply allude to the articles of glass and cut nails—the latter of which, under the tariff of 1842, were protected by a duty of three cents per pound, and which, according to the theory of distinguished advocates of free trade, would advance the price as much as the duty levied; when, in reality, the natural superiority of American iron to the English, and the security of a home market to the manufacturers, induced such competition that, in a short period, the price was reduced to three and a quarter cents per pound, only one-quarter of a cent more than the duty, showing conclusively the fallacy of their arguments and predictions.

The advocates of Southern policy, although professing a desire to develop the material greatness of our industrial interests, contend that the manufacturers of this country need no protection, and that their supposed necessities are caused by their extravagance and mismanagement. It is a common error with theorists, to satisfy their own minds that they know the cause of the manufacturer's troubles better than he does himself; and they condemn him for doing what, under the same circumstances, they would have done themselves. Sir, among the many causes that produce the greatest amount of distress and permanent embarrassment with manufacturers, is the increased cost of their machinery over their estimates.

This contingency is the natural result of man's fallibility and sanguine character; and when, as in a majority of cases, a manufacturer has exhausted his means before his machinery is half completed, and in that condition of course worthless, he is compelled to go forward or lose all; and is thus drawn into difficulties from which a lifetime only can extricate him. He finds, like all who have preceded him, that the cost of his goods is enhanced by the increased cost of his machinery, and that he cannot afford to sell as cheap as he anticipated when he commenced. He begins now to realize, for the first time, the fact that his fortune is invested in

machinery that earns no interest, and is worthless unemployed. After this difficulty is overcome by investing double the amount of capital, he finds another of far greater embarrassment, for the reason that it cannot be remedied; and that is, the difference in the cost of capital and labor between this country and his European competitor.

The amount of capital necessary to conduct successfully an establishment capable of finishing ten thousand tons of railroad iron per year from the ore would be at least three hundred thousand dollars, costing in Europe three per centum per annum; while in this country the legal rate is six per centum, and ordinary business rates are much greater—in a majority of cases equal to ten or twelve per centum; thus making a difference, under the most favorable circumstances, of three to seven per centum per annum upon the entire amount of capital employed. This difference of fifty per centum in the cost of capital alone, calculating it at the rate of legal interest, is \$9,000 per year; and if the comparison is made upon the rate generally paid by manufacturers in this country, it will make a difference of over twenty thousand dollars per year in favor of the English or foreign manufacturers.

The next important item of cost in manufacturing is the price of labor; which, according to the best American and European authorities, is at least eighty per cent. of the value of the finished iron.

One of the largest iron manufacturers in this country says that English iron can be made cheaper than American, not because less labor is required, but because that labor "costs less than one-third as much." Other manufacturers of equal experience estimate the cost of English labor "at less than one-half;" but supposing it is one-third less than the cost of the same labor in this country, and calculating it at eighty per cent., the proportion of labor to the value of a ton of iron, the difference in favor of the English maker would be more than thirteen dollars per ton; which amount, added to the extra cost of capital, would far exceed the amount reported by the Committee of Ways and Means in the bill now under consideration.

Mr. Chairman, having shown that the cost of capital and labor in this country is

more than fifty per cent. greater than the foreign or cheap labor of Europe, how can the advocates of free trade expect that the manufacturers of this country can compete successfully with the foreign, unless the cost of labor and capital is reduced accordingly? In the language of the ministerial representative of the French Emperor:

"To preach free trade to a country which does not enjoy all these advantages, is nearly as equitable as to propose to a child to contend with a grown man."

Sir, if the manufacturers of this country are compelled, under the influence of the Southern free-trade policy of the present Democracy, to compete with English labor and capital, it is very clear that the laborer must take less wages. He must, like the English operative, eat less meat, and use inferior food, and deprive his family of those comforts which make home contented and happy. His wife must share his daily labor, and his children must be imprisoned in a cotton factory, instead of going to school, and he and his must finally become as insensible to the refinements of life as the machinery he guides. Sir, the system of free trade ignores the dignity of labor. It proposes to reduce the wages of labor down to the low rates of old manufacturing cities. It assumes that the working man must be poorly paid, and of course poorly fed and clothed; that they must, in fact, as was said by a distinguished Senator of South Carolina, be "the mud-sills of society." Sir, against such a degradation of labor I earnestly protest, in the name of political economy, of common humanity, and that Divine precept of doing unto others as we would be done unto.

Mr. Chairman, there is no gentleman on this floor whose constituency is more immediately and thoroughly interested in the measure now before this House, than that I have the honor to represent. The people of my district are almost exclusively dependent upon their own industry for their support. Nowhere in my own State, nor, so far as I am informed, out of my own State, within the same geographical limits, can there be found so vast a variety of pursuits as within that portion of the city of Philadelphia in whose behalf I am addressing you today. Bounded on one side by the Dela-

ware river, it offers especial facilities for ship-building; and in those periods when the policy of the General Government has permitted a free development of the resources of the country, there might daily be seen emerging from the ship-yards of Kensington, hundreds of stalwart workmen, light of step, and presenting all the tokens of honest, manly independence. And, sir, although in the general blight which has fallen upon our industry, these hardy shipwrights have been compelled to share, there are still enough of them left, should happier times ever arrive, to make the air once more resonant with the mingled music of their adzes and the cheering chorus with which they are accustomed to lighten their hours of labor.

Scattered along the shore, and also at frequent intervals in the more closely-settled portions of the district, are numerous establishments for the manufacture of iron in all its manifold forms, from the engines and boilers which furnish the motive power to the stately ship of the sea and the loftiest factories of the land, to the smallest implement which is used in the diversified employment of man. Sir, the rails manufactured in this district are to be found on the great iron highways of the most remote States of the Union. The machinery which is constructed within it is distributed in the tropical islands of the western ocean and the frigid regions of the eastern continent. Nor, sir, is there any description of textile fabric which is not here produced. Cotton and woollen and silk, the hair of the goat and the horse, are wrought into infinite varieties of tissue by the rapid flight of the spindle or the cunning dexterity of the hand.

The cassimeres that all of us wear, the shawls that wrap the graceful forms of our women, the sheetings that cover the mattresses that compose our beds, the carpets that embellish our floors, the fringes that adorn our curtains, and the curtains themselves, all these, are the productions of our looms. And, sir, thousands of these looms are distributed by ones and twos and threes among individual owners, who, co-operating with the larger establishments, in prosperous periods, secure to themselves satisfactory remuneration for their toil. Sir, in my district, also, are the great manufactories of the finest sort of leather—the calf-skins, the kid, and

the morocco—which supply the wants of the leading shoe marts of the country, and which, at the same time, yield to the scrivener the parchments on which he inscribes records intended to be eternal.

There, too, are to be found establishments everywhere famous for the superior glass they produce, which, in solidity, smoothness, and elegance of shape, surpasses the imported article. But, sir, I will not go on with this specific enumeration. Suffice it to say, in brief, that in the third Congressional district of Pennsylvania, labor, in multiplied forms, is the normal condition of the people; and even when they are not engaged in actual personal handicraft, their pursuits, for the most part, have direct relation to its necessities. The supply of the many thousands who earn their bread in the mills and the factories and the shipyards and the workshops of the “old Northern Liberties and Kensington,” with houses to dwell in, with food and with clothing, with the means of education and the opportunities of public worship, requires an amount of mechanical appliances, of commercial enterprise, of professional skill, which can hardly be estimated.

Mr. Chairman, from what I have said, you will readily infer that my district is a perfect hive of industry—a hive in which all have their assigned parts, and one in which, when the sun of prosperity shines, there is ceaseless activity.

But, sir, it is also true, that when from any cause the economy of this same hive is seriously disturbed, when its industrial occupations are interrupted, when the order and regularity of its motions are interfered with, there must necessarily follow confusion, disaster, and suffering. And, sir, that is precisely the condition of things there now.

So long as the tariff of 1842 was in operation, and its influence was continued to be felt, the people I represent were prosperous and happy; labor in all its departments found ample employment and remunerative wages; all branches of traffic shared in the advantage which labor thus enjoyed; and the happy consequences were ramified in all directions. Go where you might, sir, you encountered only the manifestations of thrift and contentment. In all the older and more

thickly settled portions, every foot of available space was occupied for some useful purpose; and wherever there was room, new buildings, in various stages of erection, stretched themselves on all sides. The carpenter and the bricklayer and the mason were in constant requisition for the increased growth of the population, and the increased wealth of its individual members. Sir, I grieve to say all this has changed.

The repeal of the tariff of 1842—though, as has been already sufficiently explained in this debate, its mischievous results were, for a time, accidentally averted—fell like a blight on my district. The fair face of things was obscured and overshadowed. To a state of steady success for all legitimate enterprise succeeded a state of varying troubles. That which had been stable, at once became unfixd. Money, which had flowed abundantly through all its proper channels, grew scarce and dear. Soon, men who had felt themselves secure in their returns of healthful business, found their profits had ceased, and that day by day their affairs became more and more uncertain, until at last all reliance upon them was gone.

Upon the working man, this change operated with crushing severity. Accustomed for years to the comforts and many of the luxuries of life, they found themselves constrained to forego not only these, but even some of the absolute necessities. Their employment, which had previously been constant, at first became irregular, and, in many cases, finally ceased; and their wages fluctuated in a corresponding degree. In the revulsion of 1857, as all remember, the country was involved in one of those terrible crises which the vacillating character of our revenue laws has so often produced.

This was the inevitable sequence of what had gone before. The drain of the precious metals sent abroad to pay for articles which ought to have been manufactured at home, had so disordered the finances of the country, that monetary convulsions could not be avoided. These convulsions revealed the frightful hollowness of the system we had been pursuing. Crash succeeded crash, until general ruin was threatened. Merchants and manufacturers laid down one after another in the storm that was then raging, and the

whole fabric of our commerce and industry shook and shivered.

Mr. Chairman, in the material world, violent hurricanes are frequently required to purge the atmosphere; and though their career is marked by havoc and desolation, they are followed by purer air and serener skies. So, too, in the political world; and if the panic of 1857, in its senseless fury, struck down many an honest and worthy man, its ultimate results are destined to be beneficial. Among its salutary consequences, not the least has been the unanimity it has produced in my own State in regard to the question of protection.

Prior to that visitation, the Democratic party, even with us, had affected an indifference, and sometimes went so far as even to avow hostility to this great principle. But, sir, they venture to do so no longer. The workingmen, the laborers, the operatives, of the good old Keystone State, stimulated by the sufferings which they endured, have investigated this subject, and they have determined on reform. It was upon this that the election of 1858 mainly turned; and, as a consequence, the Representatives of the People's party comprise a large majority of the Pennsylvania delegation. Sir, the People's party, which had its origin in Philadelphia in the spring of 1858, was based upon the principle of protection to American labor against the cheap labor of Europe. It was in that interest it invited the working classes to rally under its banner, and it was through their aid it triumphed. It

was upon that principle that myself and my colleagues were elected in the ensuing fall; and it is upon that principle we expect to carry the Presidential candidate who may be nominated in Chicago.

Mr. Chairman, it will be a monstrous wrong to that great body of citizens whom I represent, if this session is permitted to pass without some efficient attempt for their relief. They are eminently deserving of that relief; no classes contribute more to the solid advancement of the country than they do. They produce far more than they consume, and thus accumulate a surplus for public good.

They are reasonable in their demands, asking only that you will so modify your tariff that the money which is now squandered abroad may, in part at least, be applied to their maintenance at home. They ask you, not for the opportunity of living in idleness, but for the means of obtaining work. They ask you to frame your laws for the benefit of your own countrymen, instead of arranging them to promote the interest of people living on a foreign soil.

They ask you to remember that they *have rights* which ought to be regarded, feelings which ought to be respected, claims which ought to be considered. And, sir, while they mean no menace, they tell you that, if their just demands are not complied with, if they are rejected with scorn when they apply only for what they know is their due, they will visit upon the men and the party which thus trifles with and provokes them the vengeance of the ballot-box.