

**QUESTIONS OF THE  
DAY, NO. LII;  
TARIFF CHATS**

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Questions of the day, No. LII; Tariff Chats by Henry J. Philpott

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**HENRY J. PHILPOTT**

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DAY, NO. LII;  
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BY

HENRY J. PHILPOTT

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"When, therefore, thou doest thine alms sound not a trumpet before thee."—MATT. vi., 2

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Leaving \$6 tariff bonus in \$100 of the proceeds of sales, over and above the entire wages paid, as shown by the census; to which must be added the natural protection of 3,000 miles of ocean transportation; with a request to know how long the tariff must needs be kept above the entire cost of labor and interest on capital, in order to "offset the difference between American and foreign wages."

BY THE AUTHOR.

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HENRY J. PHILPOTT  
Feb., 1888

## TARIFF CHATS.

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### THE MYSTERY.

How strange it is that any American citizen should say, when asked his views on the tariff question, "I don't understand it." The tariff is a part of his taxes. It is the largest part of the tax he pays to the general government. If he is an average citizen, with an average family, this tax alone cost him \$18 last year, and costs him a little more or less than that every year, in support of the government alone, aside from any revenue to any private interest. Yet he confesses that he knows nothing about this \$18, of his own money, which he pays over to Uncle Sam. He does n't know whether it is more or less than he ought to pay. He never asks whether the tax is so levied that he is paying more than \$18—may be \$50 or \$100—while some other and richer tax-payer gets off at \$5 or \$10. Would he spend money so blindly in any other way? When you ask him about the money he pays to Uncle Sam, he says he "does n't understand it." If you asked him about the money he bestows on his wife and children, would he look blank at you and confess, "I don't understand it"? What would you think of him if he did? How long would you expect to see him out of the sheriff's hands?

Now, all his taxes are a part of his expenses. Why

should he not understand all about them? Is it worth \$18 a year to let his mind rest from so easy a task as finding out where the money goes and how it goes, and whether the manner of its going is not such as to take several times \$18 along with it? If he were spending \$18 in any other way, he would at least look far enough into the matter to see whether some shrewd swindler had not a scheme in it. That something of this kind is true of the tariff, I shall prove to you in a minute. But first, I want you to stroll with me down into the Valley of Humiliation, and blush awhile for having ever been compelled to confess, as I know you have, for so have we all, that we did n't understand the tariff question; that we have been paying out an utterly unknown sum of money every year, without knowing, or even inquiring (for if we had diligently inquired we should have known), how we paid it, or when we paid it, or whether any reform was needed, or whether we might not have got off by paying less, and had just as good a government or better.

Can any tax system which is an absolute mystery to the intelligent tax-payer be right? Is the man fit to be free who does not, or will not, or cannot, at the very first opportunity, investigate until he thoroughly understands how his government exercises its taxing power over him—the most important and dangerous of all its powers? But if you say: "Don't reproach me so; I have studied it, long and earnestly, and although I can understand any thing else that concerns me, I can't understand my taxes," my reply is: "Then your taxes are levied in a wrong way. You have already condemned them, so far as lies in your power. You have said of them about the worst thing you could say. Get you at once a tax system that you can understand. Do not rest until all your neighbors have joined you in the effort. Beware of mysteries, but above all of mysterious taxes. You may rest assured that those who impose mysteries on you do not, as a rule, do it for your good. If you were making change of money with a man, and he should throw a cloak



over you so you could n't see, you would suspect his motives in a moment, would n't you?"

*A PARTIAL EXPLANATION.*

But besides being mysterious, this tax, which costs you, an average man, \$18 a year, has another suspicious feature. I am sure you have observed it a number of times. It is that whenever you ask to have the \$18 cut down to \$17, some man a thousand miles away, or across the street, or somewhere, excitedly rises up, gets very red in the face, and cries at the top of his voice: "Don't! For God's sake, don't! It will bankrupt me, and starve my workingmen!" Now, don't you think that man betrays undue interest in your taxes being high? "Why," you say to him, "the government is getting too much money. I was willing to pay the \$18 when the government needed money, but really I don't like to go on paying the whole of it when only a part is needed. I don't want my money, which does n't come too easily, ricked up in the treasury, or sown by the way-side." "Well," says he, "but you must go on paying it anyhow. It will never do to stop."

Now, is there not something suspicious in the fact that some people get so excited when other people's taxes are going to be reduced? Is it not proof positive that there is a scheme behind your tax system, as I promised a minute ago to prove to you? Suppose the treasuries of your State, county, and township were overflowing with money. You have a receipt for the taxes you paid this year. It foots up \$18. Next year, you say to yourself, it will be less. The taxing powers will reduce the levy. Next year the tax receipt will foot up \$16. Suppose it does. How many of your neighbors will be rushing to the county court-house and demanding that the reduction be not made? What would you think of any one who should do so? How long would it take you to make up your mind that that man had

on foot a job of some kind, and expected to get hold of part of the money you paid in taxes?

Yet you have come to look upon it as perfectly natural that a lobby of rich men should swarm at Washington to resist every proposed reduction of taxes. You were not in the least surprised that when President Arthur or President Cleveland proposed that your \$18 tariff tax should be cut down to \$12, there should at once be held several meetings of rich men (\$140,000,000 was represented at one meeting) to protest against the reduction, and to put forth a piteous plea that if it was made they would have to go out of business.

Now, the present tariff is already twice condemned as a tax system. You have condemned it by confessing that with hard study you cannot understand it. These meetings of rich men have condemned it by saying that it is a kind of tax which cannot be reduced without ruining their business. Is it not about time such a system was reformed? Can you honestly, my protectionist friend, admire a tax which you cannot understand, and which cannot be reduced without the bitter opposition of special classes of the people, and an outcry that the whole country is going to be ruined?

Do you begin to guess what it is that the cloak of mystery covers?

#### FOLLY AT LEAST.

But let us put the best possible construction on the matter. Suppose there is no scheme of personal gain in this mysterious tax; suppose it be true that its reduction would hurt the whole country and derange all its industries; suppose that these men who resist every reduction of your taxes are animated by the most patriotic and unselfish motives; suppose there is no actual fraud in the transaction; is it not at least folly to tax the people in such manner that any reduction of their taxes will ruin them? If this high tax accomplishes any good, would it not be better to accomplish

that good in some other way? These men say it helps them in their business. Before we stop to inquire how it helps them, let us ask ourselves whether it would not be better to help them directly. Then we could reduce our taxes when we found them excessive. We would not be obliged to keep on gorging the treasury with money for corrupt politicians to spend.

I think we shall find on examination that it would be far cheaper, as well as safer and more honest, to pension these people who can't stand tax reduction. They must in some way be pensioners, or tax reduction would not hurt them. If it is necessary to the welfare of the country that they be pensioned, would you not prefer to have it done by an honest, open, direct method, rather than by means of a mysterious tax system which you cannot understand, and dare not reduce, no matter how much public corruption is wrought by the surplus it yields? When you are taxed to help build a railroad, you know how much you are paying. In the State where I live you get, besides a receipt showing how much, a certificate of stock in the enterprise to exactly that amount. Have you, anywhere about your clothes, any stock in any of these mines or factories whose owners say they would never have been at work if your taxes had not been as high as they are, and would be at once deserted if your taxes should be reduced?

Anyhow, whatever your own personal interest in the matter may be, does it look like wise statesmanship to found the business of a country on its taxes? Does it not remind you of the man in the parable who built his house on the sand? Would it not be better, rather than have the foundation so shaky, not to have the business quite so large? And yet, before we get through, I think we shall agree that it would be larger and more profitable to all concerned if it rested on the solid foundation which I propose.

It seems to me that we have already got this mysterious tax system condemned as either a folly or a fraud, without